

# Unlocking...

**A better bank**

A better world

A better future

**2022**  
**Annual Reports**  
**and Accounts**

GENERAL MEETING DRAFT

Empowering  
Communities to Progress.





This document, PDF format, does not fulfill the obligations deriving from Directive 2004/109/EC (the "Transparency Directive") and Delegated Regulation (EU) 2019/815 (the "ESEF Regulation" - European Single Electronic Format) for which a dedicated XHTML format has been prepared.

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### Notes

The following conventional symbols have been used in the tables:

- a dash (-) indicates that the item/figure is non-existent;
- two stops (..) or “n.m.” when the figures do not reach the minimum considered significant or are not meaningful;
- “n.a.” indicates that the figure is not available.

Any discrepancy among data is solely due to the effect of rounding.

**UniCredit S.p.A.**

A joint stock company

**Registered Office and Head Office:** Piazza Gae Aulenti, 3 - Tower A - 20154 Milano, Italy

Share capital €21,277,874,388.48 fully paid in

Registered in the Register of Banking Groups and Parent Company of the UniCredit Banking Group, with cod. 02008.1

Cod. ABI 02008.1

Fiscal Code, VAT number and Registration number with the Company Register of Milan-Monza-Brianza-Lodi: 00348170101

Member of the National Interbank Deposit Guarantee Fund and of the National Compensation Fund

Stamp duty paid virtually, if due - Auth. Agenzia delle Entrate, Ufficio di Roma 1, No.143106/07 of 12.21.2007

# Board of Directors, Board of Statutory Auditors and External Auditors as at 31 December 2022

## Board of Directors

Pietro Carlo Padoan

Chairman

Lamberto Andreotti

Deputy Vice Chairman

Andrea Orcel

CEO

Vincenzo Cariello

Directors

Elena Carletti

Jayne-Anne Gadhia<sup>(\*)</sup>

Jeffrey Alan Hedberg

Beatriz Lara Bartolomé

Luca Molinari

Maria Pierdicchi

Francesca Tondi

Renate Wagner

Alexander Wolfgring

Gianpaolo Alessandro

Secretary of the Board of Directors

## Board of Statutory Auditors

Marco Rigotti

Chairman

Antonella Bientinesi

Standing Auditors

Claudio Cacciamani

Benedetta Navarra

Guido Paolucci

Stefano Porro

Manager in charge of preparing  
the financial reports

KPMG S.p.A.

External Auditors

**Note:**

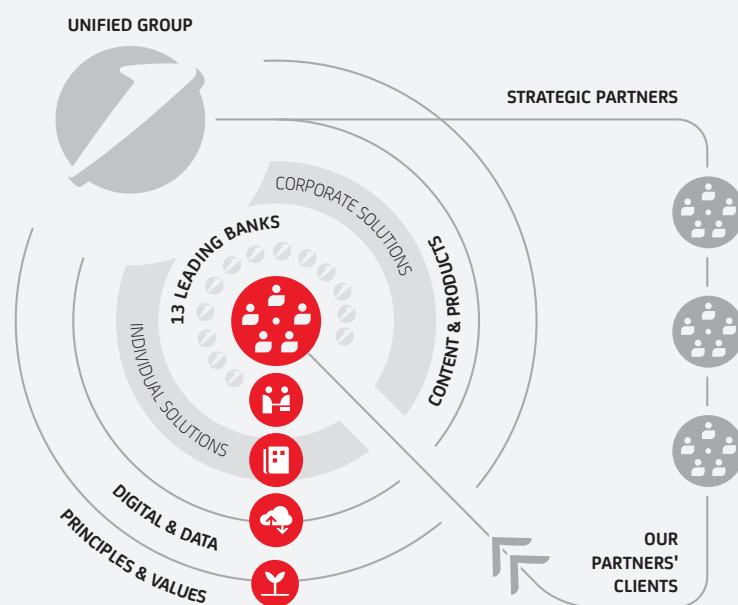
(\*) Mrs. Jayne-Anne Gadhia resigned from her office with effect from 7 February 2023.

# At a glance

## UniCredit: who we are

UniCredit is a pan-European Commercial Bank with a unique offering serving 15 million clients across Italy, Germany, and Central and Eastern Europe.

Our Purpose is to **empower communities to progress**. We believe that by delivering the very best for all our stakeholders, we can unlock the potential that exists across Europe – both for our clients and our people, and for their wider communities.



4°

—  
COVERAGE REGIONS

15M  
—  
MILLION

—  
CUSTOMERS WORLDWIDE

## What we do

**UniCredit's ambition is to be the bank for Europe's future.** This year, we continued to transform in order to deliver that ambition, **building a better bank** that can act as a benchmark for our industry.

Our strategic plan, **UniCredit Unlocked**, is designed to ensure that we deliver for all our stakeholders: our clients; our people; and our shareholders. The plan is well underway and the foundations for sustainable, long-term success have been laid.

**We are operating as one bank, leveraging our presence across Europe and the strength of our collective to offer the very best to all our stakeholders.** Everything we do is underpinned by a commitment to ESG principles. We are determined to play a part in creating a sustainable future for our planet, and this ambition drives all our actions and decision making.

**This year, we have seen the impact of our transformation, evidenced in our strong financial performance, delivering above all the goals we set out in UniCredit Unlocked.** It is also evidenced in how we have delivered for our stakeholders and, ultimately, on our Purpose of empowering communities to progress.





Photo Andrea Cherchi

# Chairman's Message





The world may be uncertain, but our vision for UniCredit has never been clearer. Against the backdrop of huge external transformation, our organisation has been transforming internally.

## Dear Stakeholders,

It is a pleasure to write to you as the Chairman of the UniCredit Board. It is a privilege to be part of this bank, particularly at this significant moment in our journey.

Over the past 12 months, we've been forced to confront the interlocking challenges facing our world. The ongoing war in Ukraine, geopolitical tensions that have divided our continent and a global slowdown of growth.

It has been a year of economic uncertainty, with the banking sector facing arguably the biggest macroeconomic challenges of the modern era. However, in light of these external obstacles, the progress we've made at UniCredit, as detailed in this report, is all the more impressive.

The world may be uncertain, but our vision for UniCredit has never been clearer. Against the backdrop of huge external transformation, our organisation has been transforming internally. Our strategic plan, UniCredit Unlocked, will ensure that we are not standing still, waiting to be swept up in change. Instead, we are driving it.

This strategy, focused on leveraging the value and resources that already exist within the bank, amounted to a complete and comprehensive organisational transformation through 2022.

We have reduced the complexity of our organisational structure and strengthened our model for governance to drive the business effectively. We have also successfully supported our teams in the gradual return to work. This has enabled us to respond to global headwinds and deliver sustainable profit in a challenging year for banks worldwide. Our results speak for themselves.



Photo Andrea Cherchi

In times of economic turbulence, the support of financial institutions is even more essential for people, who deserve not only to survive in difficult times, but to thrive wherever possible. At UniCredit, we have been committed to helping communities recover from the pandemic and financing companies looking to seize the opportunities arising from the National Recovery and Resilience Plan. We remain deeply committed to our home market, Italy, and will continue to invest in the success of its businesses and communities.

These are just a few steps we have taken in our ambitious programme to unlock the full potential of this truly pan-European organisation. Our presence across the continent continues to be a great source of strength for us, enhancing our ability to serve each of our individual markets. We know that when Europe thrives, we thrive as a bank.

Europe itself is at a critical point in its history: there are many more benefits to come from greater integration and schemes such as NextGenerationEU should not be a one-off. For our part, we will continue to find new ways to collaborate with governments, stimulate the economy, and support struggling businesses.

Alongside our work to finance the Europe of tomorrow, we have also renewed the mission of our Foundation to focus on the younger generation, who will be the continent's future leaders.

2022 was a strong year for UniCredit and the Board wishes to congratulate the UniCredit leadership on its successes. As a result of this dedication and an unwavering commitment to our strategy, we can look to 2023 with confidence and push even further. When we do this, we succeed and importantly, our stakeholders succeed.

Thank you for trusting us as we continue on this journey, and thank you for your contribution to the success we are already seeing.

As a result, we are a better bank. A bank that delivers for our clients, communities and for Europe.

Yours sincerely,



**Pietro Carlo Padoan**  
Chairman UniCredit S.p.A.

# Letter from the Chief Executive Officer





I am determined that UniCredit is an institution which lives by the principles we have set for ourselves, as we have done throughout 2022. We have confronted challenges head-on and because of the proactive steps we have taken, we are primed to seize all opportunities as they arise.

## Dear Stakeholders,

When we look back on UniCredit's journey, 2022 will be seen as a pivotal year. It was the year that we executed on the fundamental aspects of UniCredit Unlocked that have strengthened our bank further. It was the year we laid the foundations for future successes. And it was the year we transformed our bank.

The UniCredit of today is a different organisation from a year ago. This is not because of a change in any of our bank's fundamentals; it is because of the growth and value we have driven and created from within. The assets that gave us our innate strength and potential a year ago remain today: UniCredit continues to have an extensive talent pool, fantastic clients and a pan-European reach. But we are a different bank.

We are different because of what we have done with those ingredients. UniCredit Unlocked has changed the way we are utilising our bank's fundamental assets. Through 2022, we transformed our operating model, to one which empowers our people and gives our clients what they are asking for. One which unleashes the very best of what our bank has to offer, and one which focuses on growth rather than retrenchment.

Critically, in 2022 UniCredit Unlocked changed our organisation's culture and our mindset. We are now a forward-looking bank, one that is ambitious about the future and achieving sustainable growth. We are winning.

This mindset change is what is driving our ability to serve clients, deliver success for all our stakeholders, and become the bank for Europe's future. We have much more to do before we achieve that ultimate ambition, but we are now a bank that is operationally capable of delivering on such a bold ambition.

As the last year has shown more than ever, the world in which we live is a complicated and rapidly evolving one. The only thing that can be certain is uncertainty itself. As always, but especially in such an environment, we must return, unfailingly, to our principles and values.

I am determined that UniCredit is an institution which lives by the principles we have set for ourselves, as we have done throughout 2022. We have confronted challenges head-on and because of the proactive steps we have taken, we are primed to seize all opportunities as they arise.

This has led to some difficult decisions, but they are decisions guided by integrity and which we would return to again and again.

We are setting a new benchmark for the banking industry, with a focus on long-term value creation, sustainability, resilience and inclusion.

## Strong foundations

At the start of the year, our ambition was deemed too steep by many. Our plan was too difficult. Yet despite all the challenges 2022 provided, it will be remembered as a year we beat all our targets - with a generous margin.

We have moved quickly, outperforming our plan and executing on our industrial transformation in record time, with a team that are motivated by a shared ambition and passion.

We have strengthened our two best-in-class product factories, which can be leveraged by each of our 13 banks. This is a proven model that is difficult for our competitors to replicate.

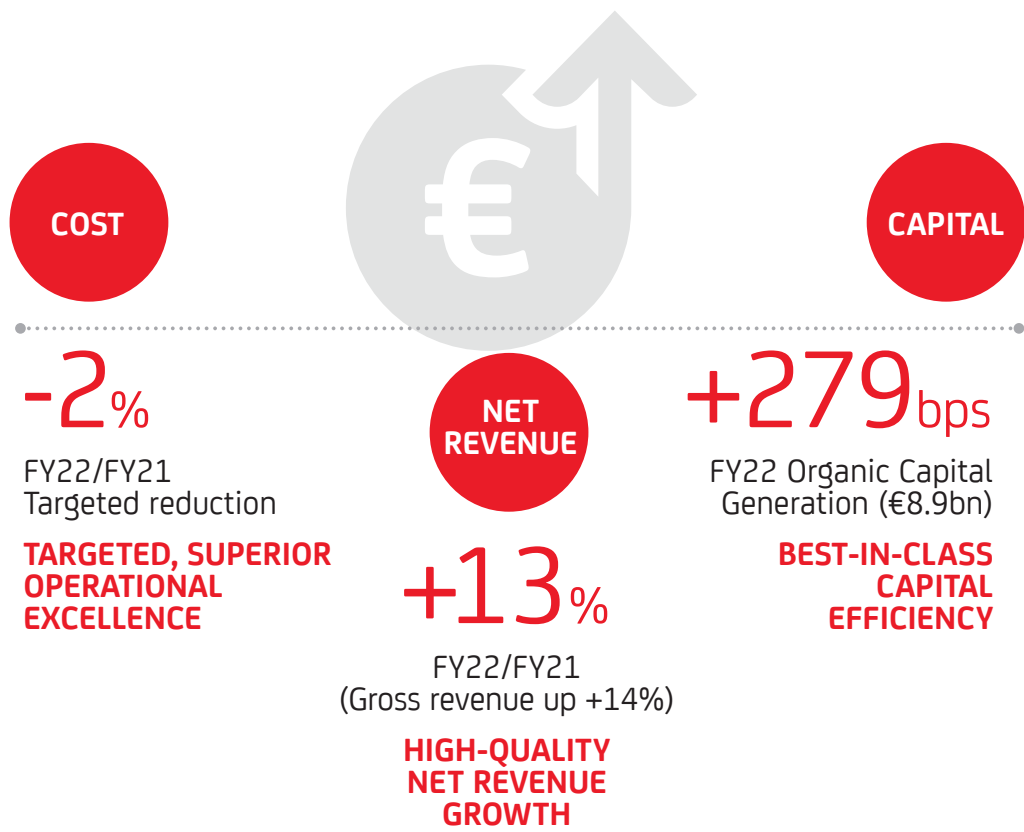
We have begun to optimise and update our legacy infrastructure, so that we can build a fully digital and data driven organisation which is fit for the future.

We have delivered on our ESG objectives, and remain steadfast in our commitment to reach 150bn new ESG volumes by 2024, 10bn of which will be social finance, and our plan to reach net zero on financed emissions by 2050 and on our own emissions by 2030. Our ESG commitments are a critical aspect of our ability to set a new benchmark for banking and become a bank for the future, and we are determined to do even more and go further in coming years.

All our actions on industrial transformation are directly connected to our financial performance and financial KPIs through which we manage the three levers of cost, net revenue and capital. Today we are a bank that grows profitably and sustainably, is efficient, generates outsized capital organically, and has a robust balance sheet and capital. We are achieving the best results in UniCredit's history. In Q4, we announced FY22 net profit<sup>1</sup> of 5.2bn and we are now in our eighth quarter of year-over-year growth.

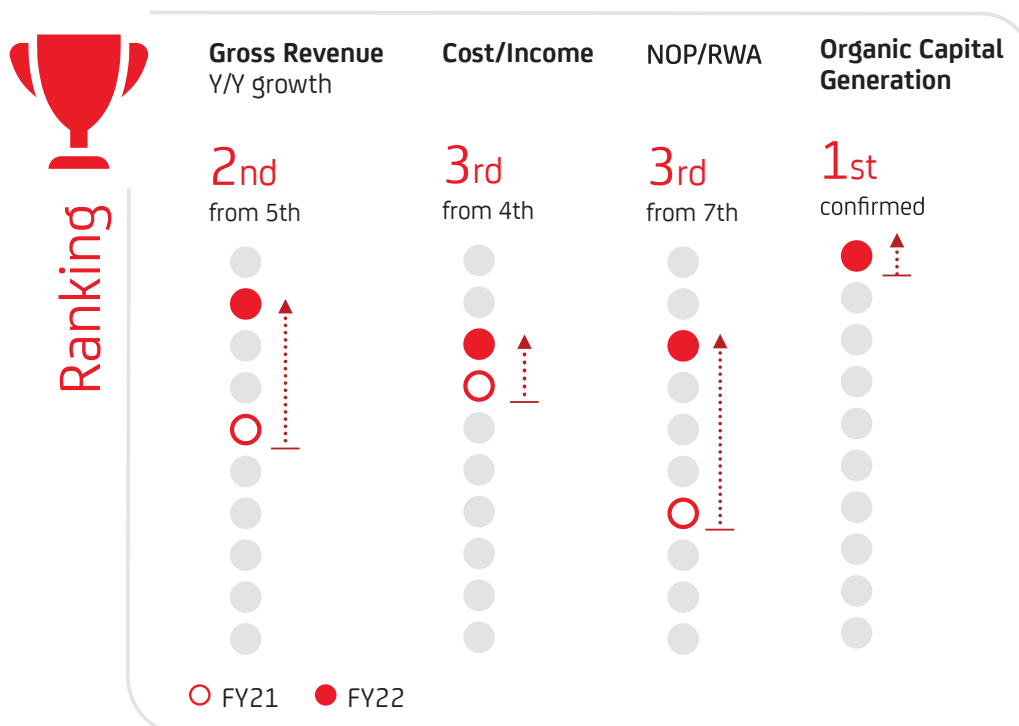
1. Net Profit with UniCredit Unlocked methodology (means the stated net profit adjusted for AT1 and CASHES coupons and impacts from DTAs tax loss carry forward contribution)





In comparison to our peers, we have top tier top-line growth, operating efficiency, and unrivalled organic capital generation. We have one of the highest CET1 ratios, one of the highest quality credit portfolio and coverage, and the highest forward-looking precautionary overlays.

**MOVING AT AN ACCELERATED PACE VS. PEERS ACROSS ALL LEVERS<sup>2</sup>**

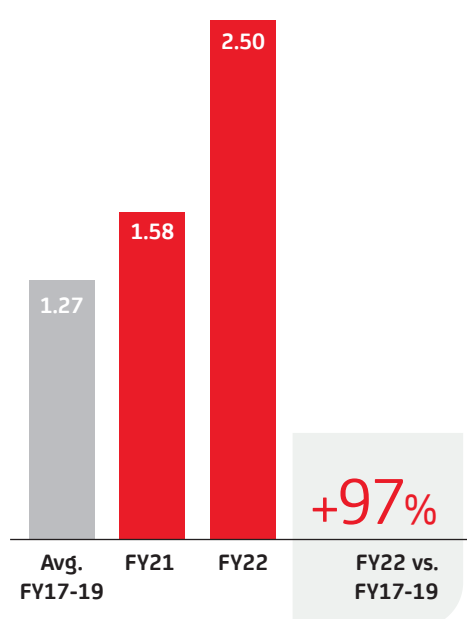


<sup>2</sup> Peers and UniCredit stated figures based on publicly available data  
 Selected peers: BBVA, BNP Paribas, Commerzbank, Credit Agricole S.A., Deutsche Bank, ING, Intesa Sanpaolo, Santander, Société Générale

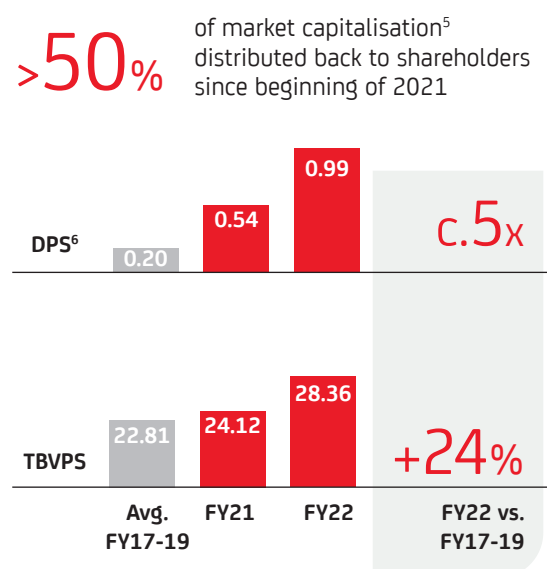
Our results throughout the year are evidence of industrial transformation and execution of strategy across all levers which gives us the ability to withstand shocks and to deliver sustainable and attractive shareholder distributions. Our results, and their quality, allow us to propose a total 2022 shareholder distribution of 5.25 billion euros, up 40% year on year, pending shareholder and supervisory approvals.

At the same time, we are delivering exceptional per-share value creation. Our net profit growth has been enhanced by share buy-backs, nearly doubling EPS versus our historical run-rate, with DPS five times higher, and tangible book value per share up nearly a quarter.

## BOOSTING EPS<sup>3,4</sup>



## EXCEPTIONAL SHAREHOLDER VALUE CREATION



Group figures including Russia

3. Net Profit with UniCredit Unlocked methodology (for 2022 means the stated net profit adjusted for AT1 and CASHES coupons and impacts from DTAs tax loss carry forward contribution; for 2021 also adjusted for non-operating items; FY17-2019 Group excluding Turkey and Fineco Bank for comparison purposes).

4. EPS is calculated using Net Profit as per the definition above, divided by the average diluted shares in the period.

5. FY22 distribution subject to supervisory and shareholder approvals.

6. FY22 DPS best estimate, please refer to the FY22 results press release for additional details.

## Face the future

It is difficult to predict what is to come in 2023, but the progress we have made this year gives me confidence in our ability not just to face the future, but to capture the opportunities that this environment will present. We have achieved a great deal, but there is so much more value still within our bank that needs to be released. In 2022 we transformed our bank, but I am confident that was just the beginning, and we will go on to achieve much more.

There is no doubt that great challenges lie ahead, for organisations individually, but also for Europe as a whole. If we are to unleash the full potential of Europe as an economic bloc, we must come together more fully than we have done to date. The benefits of greater integration will be exponential and enable us to compete on the world stage – in a way that we are not at the moment.

For us at UniCredit, when we face the challenges ahead, we will return to two things.

The first is our strong foundations, now liberated to thrive and release their potential, as well as the innate strength that comes with being a pan-European bank. Our presence and reach across the continent enables us to leverage the benefits that come with scale. We have seen throughout 2022 how our offering to clients is maximised exponentially when shared across our 13 banks.

The second is our desire to set a new blueprint for banking, one which is guided by principles and values, and determined to create success for all stakeholders for the long-term. This is what we will return to, time and again, when we are carving our path through a challenging time. I firmly believe that if we adhere to these, we will succeed. And more than that, we will win: for our clients, our communities, and our investors.

This is the bank that UniCredit is becoming: a better bank. In 2022, we took incredible steps towards that goal, and I know that much more is to come in 2023.

I extend my sincere thanks to you all for your support on this journey. I am grateful to the Board, our investors, the UniCredit team, as well as our clients and those communities that we serve for staying with us and supporting us as we move into the next phase of our growth, building on what we achieved in 2022.

It is the team's commitment that has enabled us to deliver what is not only an incredible organisational transformation, but a better way of operating as an industry for the whole of Europe.

2022 was the year we laid the foundations for this success, and I have no doubt 2023 will be the year we capitalise on them.

Thank you,



**Andrea Orcel**

Chief Executive Officer UniCredit S.p.A.

# Our key 2022 milestones - while delivering record results



**UniCredit & Allianz  
– a new collaboration  
is born**  
Allianz Partnership

**United behind  
a single ambition.  
Support for Ukraine**  
UniCredit supports  
Ukraine and its people  
across all geographies



**JANUARY**

**FEBRUARY**

**MARCH**



**A Top Place  
to Work in Europe**  
UniCredit certified as  
a 2022 Top Employer  
in Europe

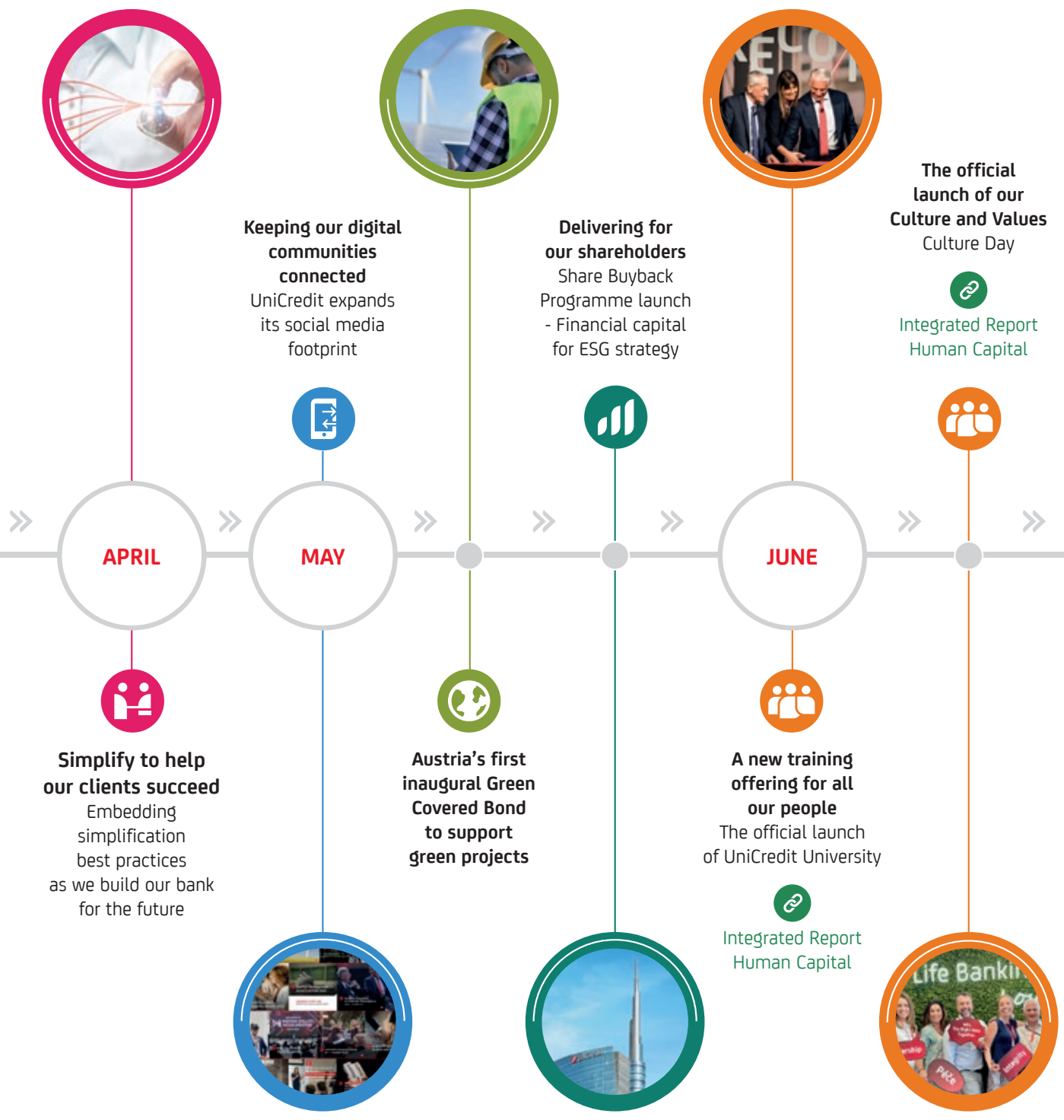
**Optimising  
our digital portfolio  
through leading data  
analysis technology**  
Germany launches the  
OneWealth platform

**Putting our clients  
at the centre**  
CIB becomes  
Client Solutions



**1Q**

**Proud of our  
Progress**





**JUNE**

**JULY**

**AUGUST**



**3 Financial levers:  
Net Revenues,  
Cost and Capital**



**A new offering  
for Digital-first  
corporate services**  
Investing in new  
online solutions



**Introducing  
our new Code  
of Conduct**  
2022 Code of Conduct

**2Q**

**Excellent  
performance and  
strong positioning**



**Our Sustainability  
commitment**  
First Sustainability  
Bond Allocation report



Integrated Report  
Financial Capital



**Leading solar energy  
financing in Hungary**  
Sustainable  
solar energy  
developments





SEPTEMBER



**Investing in our future generations**  
Announcing a Partnership with Teach For All



Integrated Report  
Social and Relationship Capital

**Empowering our employees with collaboration tools**  
A Group-wide Digital transformation through cloud technology



**Reducing our carbon footprint: one ESG commitment at a time**  
UniCredit signs up to Sustainable STEEL Principles to promote greener steelmaking



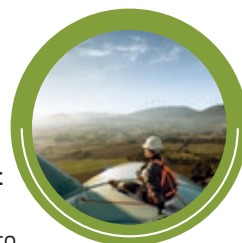
Integrated Report  
ESG Strategy



**Our commitment to individuals and SMEs**  
UniCredit per l'Italia



Integrated Report  
Social and Relationship Capital



**A market leader in financing for renewables**  
UniCredit Serbia leads renewable project financing



3Q

Proof of a transformed UniCredit



**Another step in our journey to Net Zero**  
UniCredit is the first bank in Europe to obtain the ESG GRESB scoring on its corporate real estate portfolio



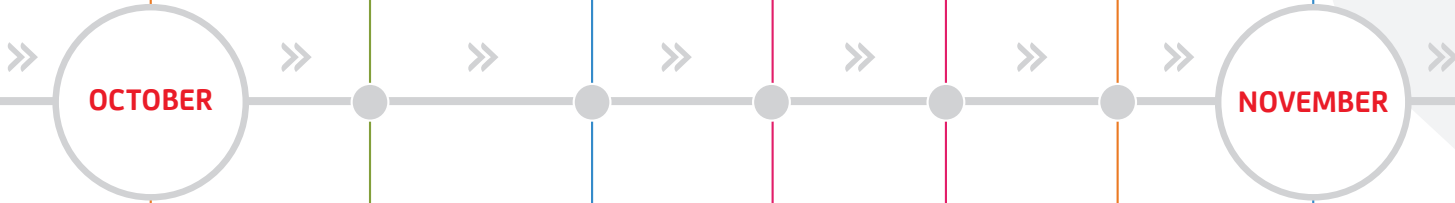
Integrated Report  
Natural Capital



**The beginning of a new era for UniCredit**  
Launching the onemarkets Fund



**Culture Roadshow**  
Our Culture Manifesto in action



**OCTOBER**

**NOVEMBER**



**Prioritising gender equity across our bank**  
UniCredit obtains EDGE Certification



Integrated Report  
Human Capital



**Building an integrated, fast and Digital bank**  
Living Digital Days



Integrated Report  
Intellectual Capital

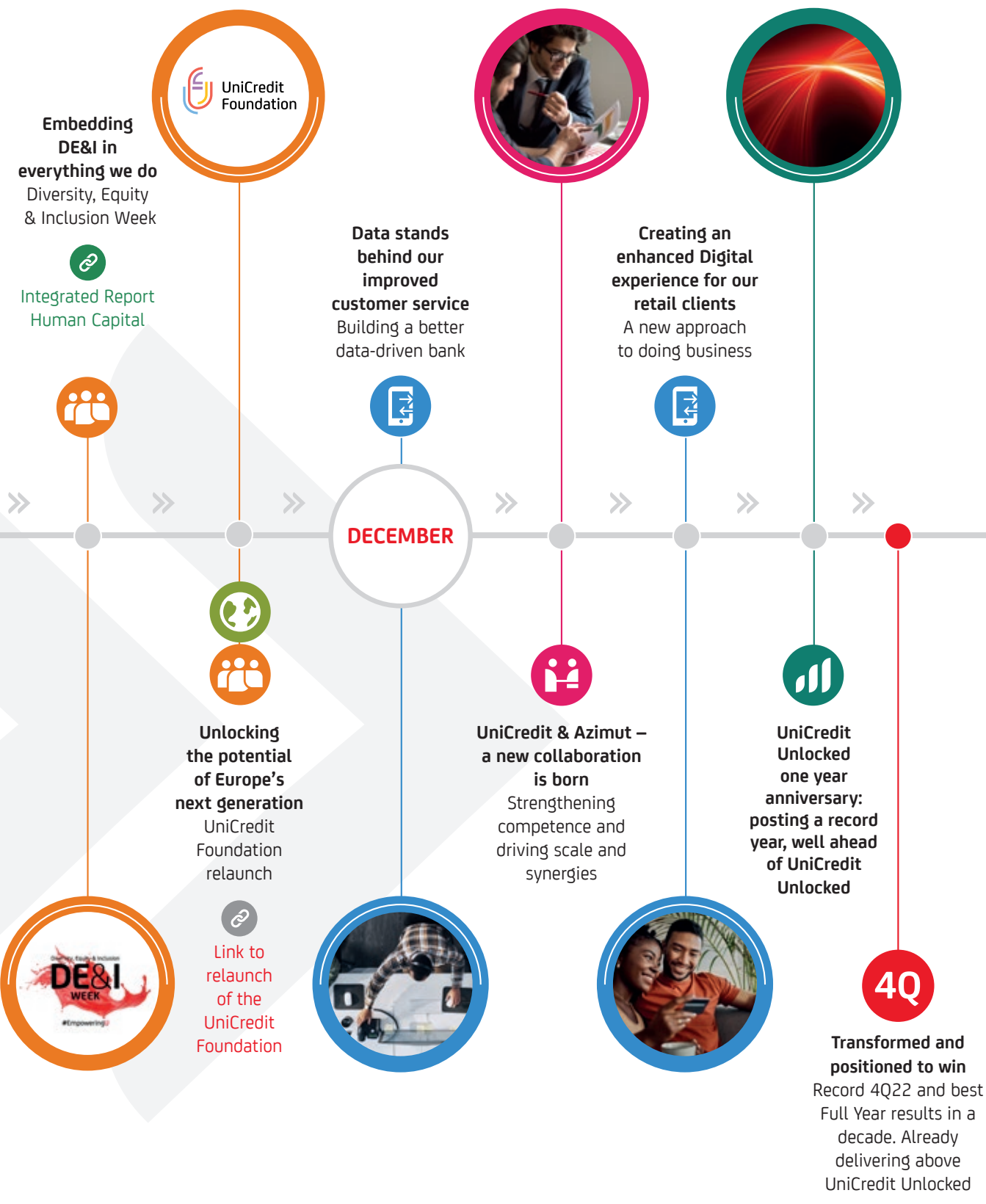


**Empowering Bulgarian corporates and SMEs**  
First securitisation deal in Bulgaria



**Next-generation Wi-Fi for all**  
Network efficiency across all our premises





# Financial Highlights & Milestones

FY22 confirmed UniCredit is already a transformed bank. UniCredit Unlocked the right strategy.



## PEOPLE & ORGANISATION - THE RIGHT WAY TO WIN TOGETHER

- Building an ecosystem to deliver grow by removing silos and having 2 product factories
- Streamlining processes and empowering people within a clear framework
- Delaying the organisational structure to move closer to the client



## PRINCIPLES & VALUES

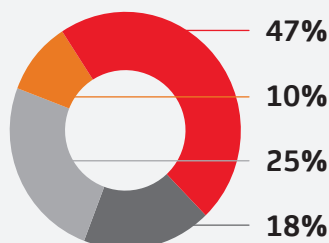
- Acting with clear Values and embedding our principles, Values and ESG in everything we do
- Support communities and clients in a just and fair transition
- Establish clear KPI's, i.e. NET ZERO set targets on first three priority sectors and accompanying our clients on their transition journey



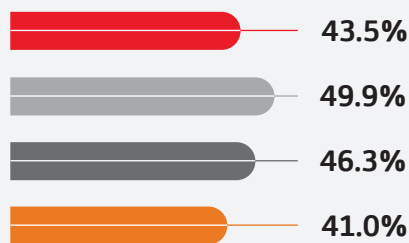
## INVESTORS - ATTRACTIVE BANK DELIVERING 2022 BEST-IN-CLASS SUSTAINABLE RETURNS AND CAPITAL GENERATION

- +279 bps Organic capital generation
- RoTE above 10.7%
- Risk management - CoR at 41bps
- CET1r (stated) 16.0%

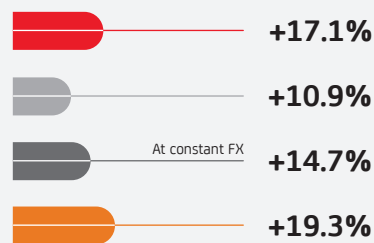
### Net revenues per region



### Cost - CIR (cost income ratio) per region



### RoAC per region



● Italy ● Germany ● Central Europe ● Eastern Europe

**Delivering for our shareholders**  
Share Buyback Programme launch - Financial capital for ESG strategy

**UniCredit Unlocked one year anniversary: posting a record year, well ahead of UniCredit Unlocked**



## Our financial results. Transformed and positioned to win.



**GROW**

18.4bn net revenues.  
13% Y/Y



**STRENGTHEN**

FY22 CET1r stated capital up to 16.0%



**DISTRIBUTE**

Proposed distribution for 2022 at 5.25bn<sup>1</sup>, up 40%



**OPTIMISE**

Strong cost management with CIR at 47.0%

1. Pending Shareholder and supervisory approval



## Delivering for our shareholders - Sustainable Distribution and Capital strength



During the year, we delivered on our commitment of a 2021 shareholder distribution of 3.75 bn.

Thanks to our strong financial performance in 2022 and the best year in over a decade, we have proposed a total capital distribution of 5.25bn<sup>1</sup>, with a 1.91bn cash dividend and 3.34bn share buyback – a 40% growth in

distribution. Together with 2021 this already translates to almost 60% of our at least total 16bn capital distribution ambition for 2021-2024.

The distribution is more than comfortably funded by our superior organic capital generation of 279 basis points, well ahead of the plan. Even pro forma for the distribution, our CET1 ratio will be 14.9%, 78 basis points higher versus prior year.

Throughout the year, UniCredit produced strong financial results while taking proactive actions during a macroeconomically challenging year to protect our ability to deliver sustainable and attractive distribution to our shareholders while maintaining best-in-class capital strength.

For 2023 we are assuming a mild recession as our base case with UniCredit being well-positioned and ready to navigate and continue delivering excellence and growth under any scenario.

1. Pending Shareholder and supervisory approval

## 3 Financial levers - Net Revenues, Cost and Capital



UniCredit Unlocked is a plan rooted in our solid foundation and is built upon capital efficiency.

Our financial ambitions are steered through 3 interconnecting levers – costs, net revenues and capital – being largely under our management control.

The optimisation of our 3 key financial levers will continue to result in profitable growth and organic capital generation.

**COSTS** – our cost base at year-end was 9.6 bn, translating to a 47.0% cost/income ratio. This was the result of our relentless focus on managing expenses, despite the unexpectedly high inflation we faced across our geographic footprint. This is partly thanks to early proactive measures taken. With our cost efficiency, we delivered positive operating leverage while funding investments supporting our digital transformation, hiring over 1,400 FTEs for strategic areas and while also supporting our people through inflation relief.

**NET REVENUES** – our net revenues stood at 18.4bn – increase of 13% Y/Y. This KPI ensures that our growth does not come at the expense of sound risk management and that we increase our focus on capital-light business/fee business, also by leveraging our simplified partnership model (insurance fee business).

**CAPITAL** – Our organic capital generation of 279 basis points is well above our guidance of an annual average of around 150 basis points, and delivered via a net profit of 5.2 bn and through proactive RWA management without impacting revenue growth. Over the course of FY22 we achieved a total of 19bn of RWA reduction via active portfolio management. Efficient capital allocation remains a priority focus to manage RWAs, enhancing return on capital and supporting organic capital generation.

## UniCredit Unlocked - RoTE



UniCredit Unlocked outlined our vision to be the bank for Europe's future. It set a new benchmark for the banking sector and we are confident that this is the right strategy for all our stakeholders. We continue to focus on our transformation to unlock further value from an improved baseline.

Since we launched this plan in December 2021, the bank has already visibly transformed and is a structurally improved bank – we have the right strategy for sustainable growth, a clear path to a stronger RoTE and the ability to meet capital distribution ambitions.

Our best results in over a decade and the eight consecutive quarters of quality growth were achieved despite the challenging macro environment of 2022 and without compromising on our risk management. We have maintained our proactive approach in identifying and addressing emerging risks, e.g. our prudent and decisive response to de-risk our Russia exposure at minimum cost as well as our proactive overlays on sectors impacted by supply chain constraints and high energy prices.

We have a financial ambition of a RoTE of around 10% by FY2024. For FY22 we delivered a RoTE of 10.7% (12.3% RoTE at a 13% CET1 ratio), already above our UniCredit Unlocked target.

Throughout the year we managed to increase the profitability in all our regions to above 10% RoAC - each of them already operating above their cost of equity.



[Watch the video](#)

# Our Strategy:

one year into UniCredit Unlocked



“

UniCredit is a transformed bank, with a clear vision and winning strategy: moving at an unprecedented pace, ready to face and take advantage of the future.

**Andrea Orcel**

Chief Executive Officer UniCredit S.p.A.

## 13 leading Banks with unrivalled distribution power and truly diverse talent

13 Banks<sup>A</sup> Embedded in the fabric of Europe, positioning:



**#2**  
Italy

**#3**  
Germany

**#2**  
Central Europe<sup>B</sup>

**#1**  
Eastern Europe<sup>C</sup>

**4**

COVERAGE REGIONS

**15** **MILLION**

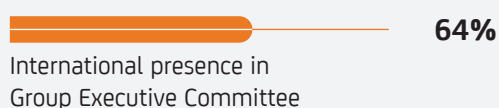
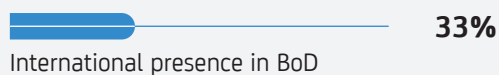
CUSTOMERS WORLDWIDE



## Unlocking the full potential of the franchise

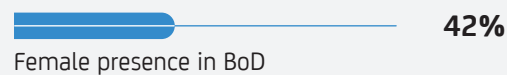
### UNIQUE AND DIVERSE TALENT BASE<sup>D</sup>

#### International mindset



Employee Networks on **5 diversity strands** and broader DE&I across Group countries

#### Gender balance



A. Refer to the Business Model chapter in the Integrated Report for further information.

B. Central Europe includes Austria, Czech Republic, Hungary, Slovakia and Slovenia.

C. Eastern Europe includes Bosnia and Herzegovina, Bulgaria, Croatia, Romania, Russia and Serbia.

D. Figures related to Board refer to Board members in office as at February 7, 2023.

A year ago we set our Purpose of empowering communities to progress and set out our **UniCredit Unlocked strategic plan**. The goal of our strategy is to unlock the value inherent

in UniCredit via an industrial transformation combined with three financial levers of net revenue growth, operational efficiency and capital efficiency.



## Defining a clear vision and winning strategy

**DELIVERING FOR ALL OUR STAKEHOLDERS IS AT THE BASIS OF OUR VISION: TO BE THE BANK FOR EUROPE'S FUTURE**



**VISION**

The Bank for Europe's Future

**COMMUNITIES**  
Empowering Communities to Progress.



**PEOPLE**

Win.  
The Right Way.  
Together.

**INVESTORS**

Quality Growth.  
Operational and Capital Excellence.  
Best-in-class Sustainable Returns and Capital Generation.

We are deeply embedded in our **Communities**, helping them to deliver their full potential by acting as an engine of individual and collective growth. Our **Clients**, spread across the communities of Europe, are at the heart of our strategy - we exist to serve them.

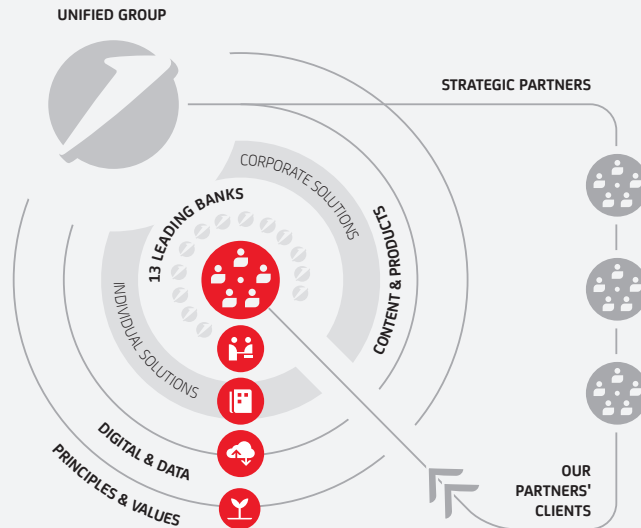
A reliable partner in life is what our **People** are asking of us. They want an institution they can trust, an environment in which they can flourish

as individuals and professionals and a business they feel proud to work for, providing them with the tools to deliver an exceptional service to clients.

We are delivering growing and sustainable returns for our **Investors** and achieving consistently excellent results against clear financial KPIs across our three levers - cost, net revenue and capital.



**UNWAVERING COMMITMENT TO UNICREDIT UNLOCKED, THE RIGHT STRATEGY FOR US AND OUR ANSWER TO THE FUTURE OF BANKING**



Our **strategy is based on our vision** and tailored to our strengths and **complemented** by an **ecosystem** built around five industrial levers.

**CLIENTS**

Our clients are our most important asset - 15 million of them, with 14 million retail and a distinctive strength in the value accretive affluent sector. Both for our clients and our best-in-class partners, we represent a gateway to Europe.

**Our ambition:** to increase the number of clients, and serve them cohesively, answering to their needs through best-in-class products and service.

**PEOPLE AND ORGANISATION**

Our Bank is built on the strong foundations of 13 local banks. The banks enjoy an unmatched heritage and untapped potential with a solid connection to clients and communities. We respect local banks and their unique identities while we unify them to release the power of this collective, turning UniCredit into something greater than the sum of its parts.

**Our ambition:** to have PROUD, MOTIVATED and EMPOWERED people that act as OWNERS, enabled to best serve our clients by the tools we provide.

1. Our ESG Strategy is fully described in a dedicated paragraph of the Integrated Report.

**CONTENT AND PRODUCTS**

Our Banks can leverage two best-in-class product factories: Corporate and Individual Solutions. Our winning and distinguishing factors are pan-European coverage, a unique cross-border positioning allowing us to attract the best talent and partners and achieve scale.

**Our ambition:** We are reconfiguring the critical, high-value elements of the value chain in each of our core product areas, adding more external partners to our ecosystem to deliver solutions tailored around client needs.

**DIGITAL AND DATA**

We are optimising our digital and data infrastructure which has the strong potential of allowing for economies of scale. We are progressively internalising our technology and skillset and continuously strengthening our cyber security and defences.

**Our ambition:** to build a fully digital and data-driven organisation, with digital transformation as a key enabler of clients and people.

**PRINCIPLES AND VALUES**

We are striving to change our Culture by shifting the mentality of the organisation based on three core Values of Integrity, Ownership and Caring. Within a clear risk and control framework, we are empowering our people to unite behind a unique, common Purpose and vision.

**Our ambition:** Purpose, Culture and ESG commitments to unite and guide our people towards shared objectives and empowering communities to progress<sup>1</sup>.






# Executing an ambitious industrial plan

## Optimise today

Ahead of plan and outperforming peers, taking actions against opportunities and challenges.

### LEVERAGING OUR SOLID FOUNDATIONS AND IMPLEMENTING AN INDUSTRIAL TRANSFORMATION: SELECTED HIGHLIGHTS

|   |  |   |   |   |
|---|--|---|---|---|
| <br><b>PEOPLE &amp; ORGANISATION</b><br><br>Lean flexible disciplined group acting as one with clients at the centre | <b>Simplifying the organisation</b><br>From 5 siloed business divisions to 4 coverage regions  | <b>Delayering the organisation</b><br><b>-28%</b><br>structures, moving closer to clients             | <b>Empowering people</b><br><b>-60%</b><br>number of managerial committees  | <b>Streamlining processes</b><br><b>65%</b><br>delegations with increased thresholds, empowering local decision-making within clear framework |
| <br><b>CONTENT &amp; PRODUCTS</b><br><br>Strategy with solutions tailored around client needs                      | <b>Refocusing CIB</b><br>From siloed CIB to two factories focused on product development providing quality and range unmatched by local players to clients unreachable by global players | <b>Reinforcing factories</b><br>Hiring of key Managing Directors and Graduates in Corporate Solutions | <b>Creating an ecosystem</b><br>Key milestones in creating an ecosystem of best-in-class partners and internalising high margin products value chain<br><b>Azimut + Allianz + onemarkets Fund + CNP + ZB Invest</b> |   |
| <br><b>DIGITAL &amp; DATA</b><br><br>Internalised technology and skillset, gradually optimising                    | <b>Resilient cyber-security</b><br><b>-35%</b><br>major security incidents, from an already low level (Y/Y)  | <b>Take back control</b><br><b>545</b><br>FY22 digital hires: mainly tech specialists                 | <b>New way of working</b><br><b>18</b><br>initiatives running in Agile  | <b>Data-driven organisation</b><br><b>+20 p.p.</b><br>Group banking processes under unified data governance, improving data quality           |



**PRINCIPLES & VALUES**

United behind a single ambition and Purpose

**Clear Values embedded in everything we do**

Group Culture Day, Culture Roadshow, Culture Network & Learning, DE&I focus, People listening as concrete steps to make our new Culture a reality.

**Lead by example**

New lending towards high impact / disadvantaged areas

**11.4bn**  
Green<sup>2</sup>

**4.8bn**  
Social<sup>2</sup>

**Establish clear KPIs**

Net Zero: set targets on first three priority sectors and accompanying our clients on their transition journey

<sup>2</sup> Including ESG-linked lending.

**FINANCIAL PERFORMANCE**

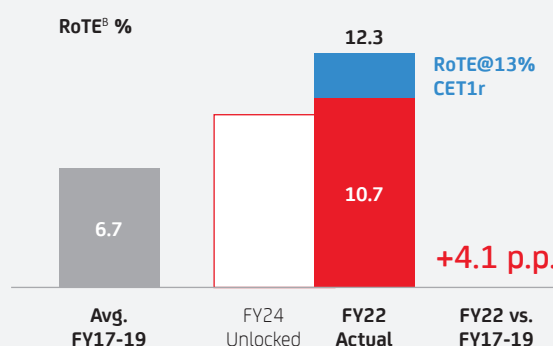
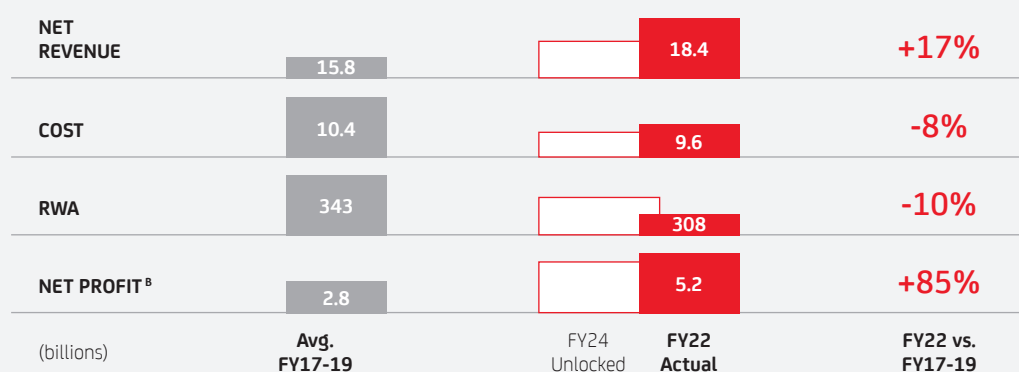
Our actions are directly connected to our financial KPIs through which we manage the three levers of cost, net revenue and capital.

Together, these levers drive RoTE and organic capital generation, giving us the ability to withstand shocks and to deliver sustainable and attractive shareholder distributions.

The laser-focused balance of quality top line growth and capital efficiency combined with operational efficiency drive the foundations of our planned distribution

It is a virtuous circle and a fundamentally different way of assessing financial performance - different from our peers and very different from the UniCredit of the past.

**Consistent performance surpassing targets across all levers<sup>A</sup>**



A. Figures Group including Russia; Avg. FY17-19 based on simple average of recasted figures of Group excluding Turkey and Fineco for comparison purposes; 2024 UniCredit Unlocked figures as presented in December 2021.

B. Net Profit and RoTE with UniCredit Unlocked methodology (stated net profit adjusted for AT1 and CASHES coupons and impacts from DTAs tax loss carry forward contribution.).

## EACH REGION IS DELIVERING AHEAD OF THE PLAN AT ACCELERATED PACE

- **Italy:** strong performance despite continued investments and balance sheet strengthening
- **Germany:** continued momentum of a fully transformed, efficient and capital generating bank
- **CE:** profitable franchise with Austria industrially transforming
- **EE:** maintaining highest profitability and top notch cost efficiency, proving resiliency of the franchise

FY2022 vs  
FY2021<sup>C</sup>

|                                     | GROUP                     | ITALY                  | GERMANY                 | CENTRAL EUROPE         | EASTERN EUROPE         | RUSSIA                  |
|-------------------------------------|---------------------------|------------------------|-------------------------|------------------------|------------------------|-------------------------|
| <b>NET REVENUE</b>                  | <b>18.4bn +13%</b>        | <b>8.7bn +18%</b>      | <b>4.7bn +7%</b>        | <b>3.3bn +22%</b>      | <b>1.8bn +16%</b>      | <b>0.4bn -66%</b>       |
| o/w Gross revenue                   | 20.3bn +14%               | 9.0bn +7%              | 5.0bn +13%              | 3.5bn +16%             | 2.0bn +11%             | 1.3bn +86%              |
| <b>C/I RATIO</b>                    | <b>47.0% -7.5 p.p.</b>    | <b>43.5% -3.8 p.p.</b> | <b>49.9% -10.0 p.p.</b> | <b>46.3% -8.7 p.p.</b> | <b>41.0% -1.6 p.p.</b> | <b>22.5% -18.3 p.p.</b> |
| Cost Y/Y growth                     | -2.0 %                    | -1.3 %                 | -5.7 %                  | -2.9 %                 | +6.7 %                 | +2.7 %                  |
| <b>ORGANIC CAPITAL GENERATION</b>   | <b>+279bps<br/>€8.9bn</b> | <b>+151bps</b>         | <b>+52bps</b>           | <b>+43bps</b>          | <b>+23bps</b>          | <b>+8bps</b>            |
| <b>RoAC/RoTE @13% CET1r (Group)</b> |                           |                        |                         |                        |                        |                         |
| FY2022                              | <b>12.3%</b>              | <b>17.1%</b>           | <b>10.9%</b>            | <b>14.7%</b>           | <b>19.3%</b>           |                         |
| FY2021                              | 8.6%                      | 11.1%                  | 7.7%                    | 12.0%                  | 16.5%                  |                         |

C. For Central Europe, Eastern Europe and Russia, year on year comparison at constant fx.



## Laying the foundations to win in an uncertain future

### Build for tomorrow

#### Ready to accelerate into the future.

**While delivering consistent results quarter after quarter**, we have prudently built robust lines of defence in order to prepare for future and potential macroeconomic impacts:

- portfolio is well-provisioned
- forward looking overlays, increased in 4Q, now at €1.8bn. Equals more than 1 year of cost risk (assumed at 30-35bps in UniCredit Unlocked)
- step change in pre-provision profitability reflecting quality and capital efficiency and operational efficiency
- unmatched capital position.

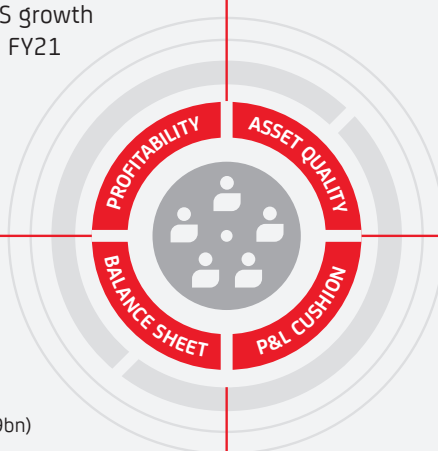
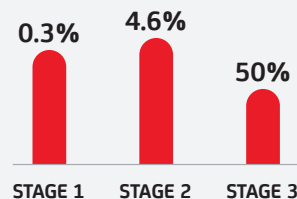
**+32.3%**

pre-provision profit FY22 vs. FY21

**+58%**

EPS growth vs. FY21

Coverage ratio FY22



**+279bps**

organical capital generation (€8.9bn)

**FY22 CET1 post distribution and pro-forma regulatory buffer**



**1.8bn**

overlays in FY22 equivalent to over one year of cost of risk<sup>D</sup>

D. Assuming 30-35bps of annual cost of risk guidance under UniCredit Unlocked.

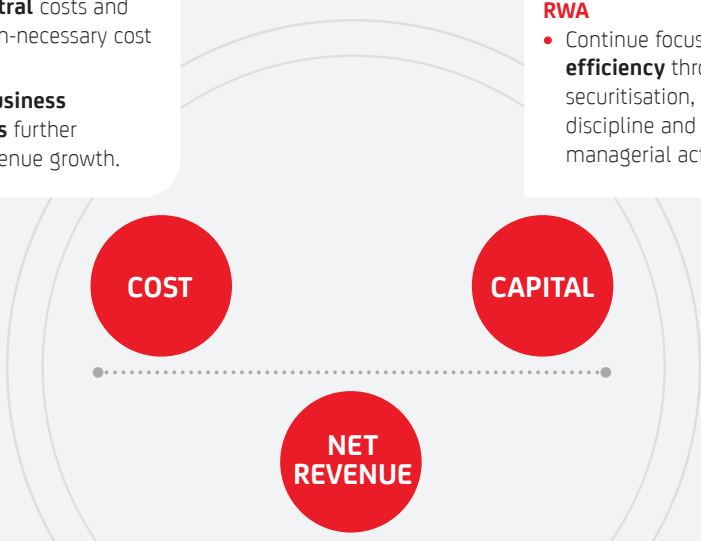
We continue preparing for an uncertain future with pre-emptive actions across all levers.

**COST**

- **Reduce central costs** and frontload non-necessary cost reduction
- **Maintain business investments** further boosting revenue growth.

**RWA**

- Continue focus on **capital efficiency** through securitisation, origination discipline and other managerial actions.



**Net Interest Income**

- Continue focusing on **high quality business** with vigilant approach on new business
- Benefit from a **robust portfolio** geared to **rising rates**.

**Fees**

- Continue focus on **transactional fees**
- **Boost payment and individual solution fees** via ad-hoc initiatives
- **Boost advisory fees** increasing penetration in the SMEs space.

**Loan Loss Provisions**

- Prudent **overlays** to be **deployed** or **released** in the coming two years
- **Reduce exposure to Russia**; focus on orderly de-risk shall continue.

# Unlocking...

## A better bank

A better world. A better future

In 2021, we began **UniCredit's transformation**, unlocking the potential of the bank and of all its stakeholders. In 2022, the transformation accelerated as we harnessed that potential to continue building **a better bank**. A bank where every action and every ambition has been **your story and our story**. Today UniCredit is **a better bank** thanks to our clients, our people and our communities as together and united we strive **for a better world and for a better future**.







—  
Last year, we introduced UniCredit's new strategy, comprised of several key initiatives set in place to drive our transformation through one common theme – People.

We started off the 2022 year as a certified Top Place to Work in Europe by the Top Employers Institute.

This certification demonstrates that our plan is working and in 2023 and beyond, we will continue to shape our bank for the future and ensure that UniCredit is the top workplace for our people.

We have reinforced the importance of professional and personal development with the launch of UniCredit University - a project aimed at further enhancing our global training offering.

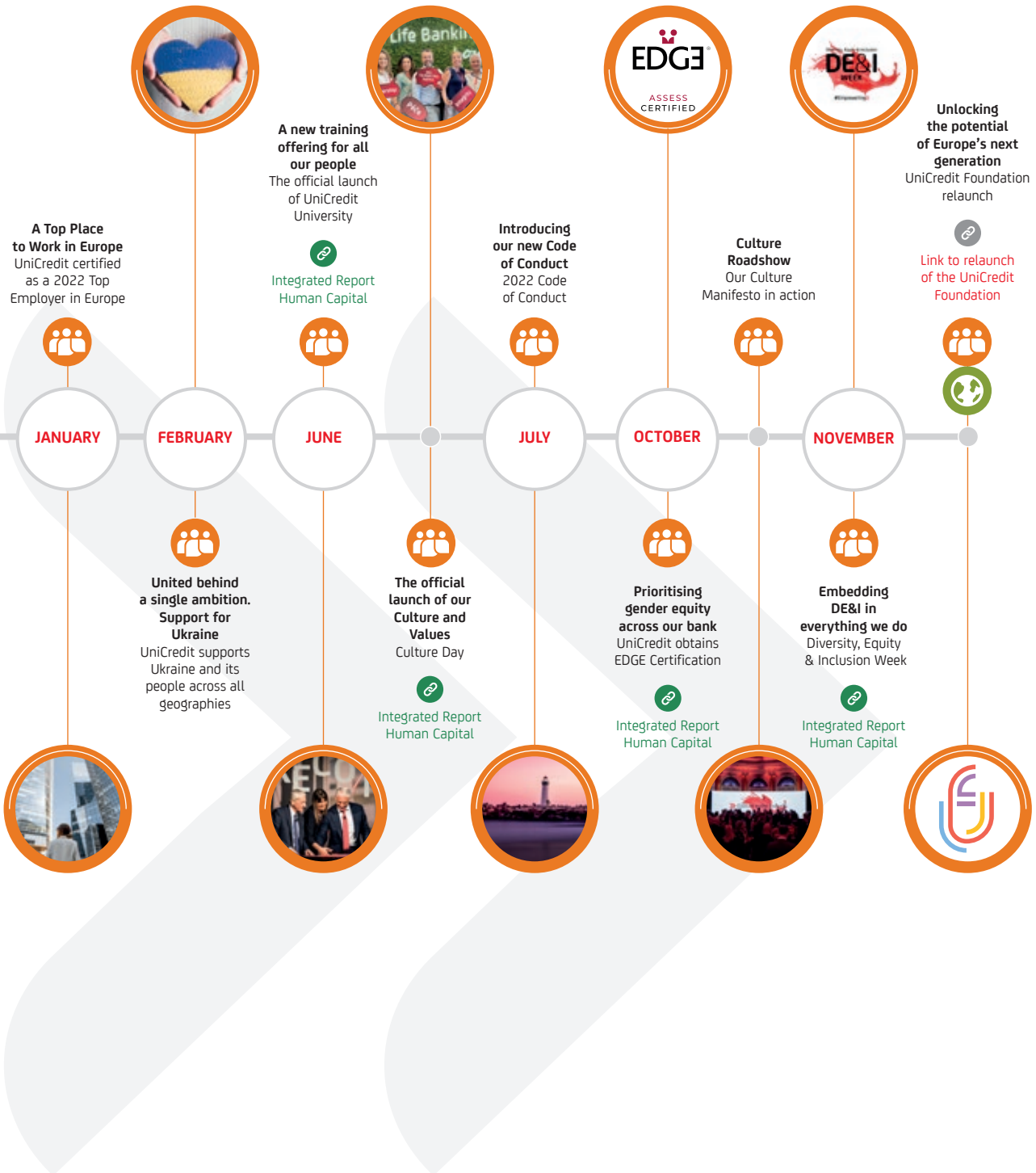
Building a better bank starts from within and it has been our mission to keep people at the heart of

UniCredit's decision-making now and going forward.

With this goal in mind, we also hosted our first-ever Culture Day event back in June where we set out to relaunch our Culture, Purpose and Values. We embedded our new Values and behaviours in every action we took, from implementing our new DE&I inclusive guidelines and policies, to shedding light on invisible disabilities, and supporting our youth through education.

To follow UniCredit's People journey in 2022, click on the timeline below and find out more about our transformation throughout 2022 in order to fulfil our Purpose: to empower communities to progress.

# Our People milestones



# A top place to work in Europe

UniCredit certified as a 2022 Top Employer in Europe



**Values:** Integrity, Ownership

Our bank recognises that our people are our greatest asset. For the sixth year in a row, UniCredit was officially certified by the **Top Employer** Institute for its extraordinary commitment to the well-being of its employees and for providing an innovative, rewarding, and inclusive workplace.

Our people are the most important element of our business. They are the reason we are able to be successful, serve our clients and impact our communities. Creating an environment that supports and challenges them, ensures they unite behind a common ambition and thrive in all they do, is a critical priority for us.

**Andrea Orcel**

Group Chief Executive Officer and Head of Italy

The Top Employer Certification was awarded across several UniCredit countries, including **Austria, Bulgaria, Germany, Hungary, Italy** and **Russia**. The Top Employers Institute programme recognises organisations based on the results of their HR Best Practices survey, which covers six domains consisting of twenty topics, including People Strategy, Work Environment, Talent Acquisition, Learning, Well-being, and Diversity & Inclusion.

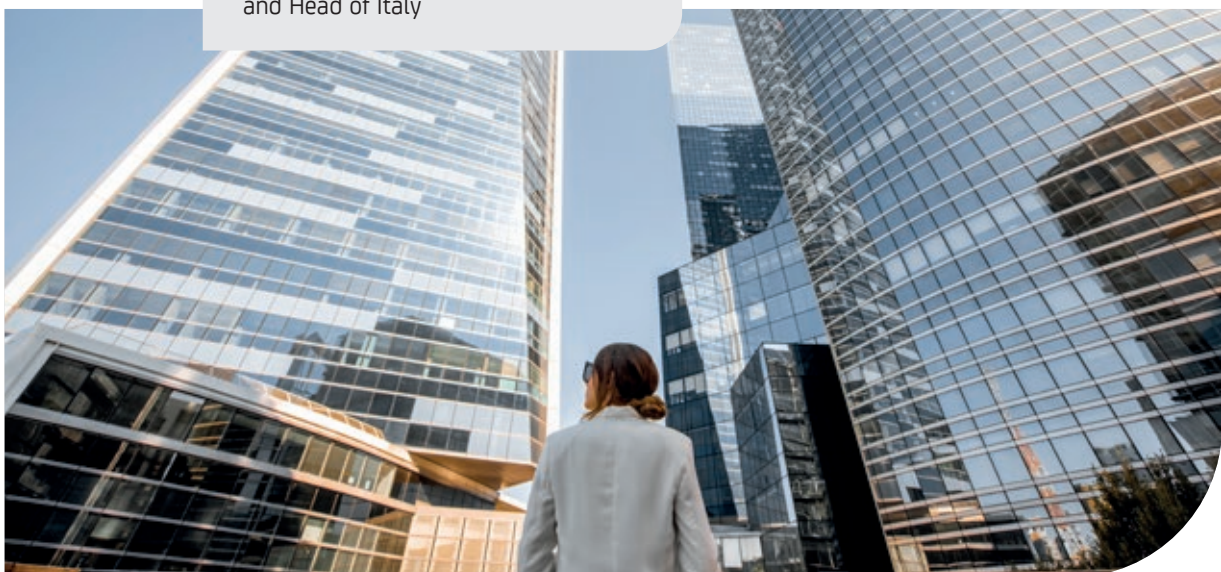
This recognition was both a reflection of UniCredit and of how our people perceive our bank as a place to work. **Our people are the sole drivers of our business.** They are the reason we are able to be successful, serve our clients and impact our communities. As a bank, we know it is both our duty and our privilege to provide our employees with a best-in-class experience – one that builds a bank we can all be proud to work for.

In line with the new business strategy, the bank has invested heavily in the digital evolution of the organisation now and over the next three years – focusing on upskilling digital competencies, continuing to retain best-in-class digital talent and experts as well attracting new ones.

By creating an environment that supports and challenges its people while providing them with the tools and resources they need to be successful, we can ensure they are building fruitful and meaningful careers in our bank and beyond. We can and should always do more, but this award demonstrates that we are working from a strong foundation.



[Watch the video](#)



# United behind a single ambition. Support for Ukraine

UniCredit supports Ukraine and its people across all geographies



Values: Integrity, Caring

Empowering our communities to progress goes far beyond the work we do inside our bank. In times of crisis, we understand that showing solidarity with those who need it most is the only way for us to truly fulfil our Purpose.

In early 2022, our people came together to support **Ukraine**: from funds raised, to opening homes to refugees and dedicating personal time to join the cause, we truly saw what it meant to be united by a single ambition.

During this time, **4,170 employees** from across our countries came together to donate their personal funds through an employee giving initiative. All donations were matched (doubled) by the UniCredit Foundation for a final total contribution of approximately

**€846,000** benefitting the **Red Cross, Save the Children** and the **UN Refugee Agency (UNHCR)**.

At the same time, colleagues were able to send money transfers to Ukraine with UniCredit's support without paying any transaction fees. Even more, we introduced a streamlined bank account opening process for refugees with a special current account offer of "Gold status", with all fees waived for one full year. Separately, our **Group Security** team organised on-the-ground transfers from the borders of Poland, Romania and Slovakia to help Ukrainians find safety away from the major areas of conflict.

In different countries, we gave NGOs the opportunity to use empty spaces in our branches to collect and store goods which were sent to regions impacted by the conflict.

In **Italy**, we sponsored the opening of the **#HelpUkraine Hub** in partnership with non-profit organisation **AVSI**, which served as a central location for incoming refugees, providing resources and support services, as well as connecting the many Italians who wish to help with those in need.

Finally, in **UniCredit HypoVereinsbank**, several children's sports and cultural activities were prepared and we offered virtual exchanges and readings for children in Ukrainian and Russian languages. At the same time, the bank introduced a list of trusted charities and organisations on the UniCredit HypoVereinsbank website with a call to action for clients to provide quick and easy financial donations.

Here at UniCredit, when we unite our people behind one common goal, **we see the tangible impact of what it means to empower communities to progress**. The action we took to support these communities in crisis was demonstrative of this Purpose.



Discover more

# 846,000<sup>EURO</sup>

FINAL TOTAL CONTRIBUTION BENEFITTING **RED CROSS, SAVE THE CHILDREN AND UNHCR**



# A new training offering for all our people

## The official launch of UniCredit University



Values: Ownership

The growth and progression of our colleagues is a fundamental driver of our bank's success – and it is essential that we continue to do our part in reconnecting our people's skills with the strategic objectives of the business.

**The first step in empowering our communities begins with our people.** Empowering our people by providing them with the tools they need to succeed is how we can ultimately deliver on our Purpose. And this begins with their professional development. With this goal in mind, our Group was proud to introduce **UniCredit University**, a project aimed at further enhancing our global training offering. By applying the industry's best methods and techniques, we have harnessed our collective knowledge and know-how to maintain our competitive advantage.

The kick-off of the initiative was officially launched in **Turin, Italy** served as the pilot for the programme and the first step in achieving our ambition to extend UniCredit



University to all employees across the Group. The programme provided **first-hand access to specialised training** across all business functions. The new training delivery model included the return of face-to-face training and hybrid paths, accompanied by virtual classrooms

UniCredit University has allowed for a tailor-made approach to learning and professional development, delivering a fully-immersive employee experience focused on the upskilling and reskilling of role-based competencies – ultimately allowing our colleagues to unlock and embrace their fullest potential. Since the launch, several areas of our business have adopted the platform and tailored its offering to their people and their needs so that they can continue to enhance their business acumen and become subject matter experts in their field of work.

**To build the bank for tomorrow, we must invest in our people today.** This was an incredible milestone in our Group transformation journey. The introduction of UniCredit University has allowed us to deliver value for our clients, for one another, and execute on our goals.



[Watch the video](#)



[Discover more about the Human Capital chapter in our Integrated Report](#)

Through UniCredit University, we are continuing to invest in our people by further enhancing our educational offerings through a personalised approach to learning and professional development, applying the best methodologies and leveraging our collective know-how so we can continue to empower both our people, and our communities, to progress.

### **Andrea Orcel**

Group Chief Executive Officer and Head of Italy



## The official launch of our Culture and Values

### Culture Day



**Values:** Integrity, Ownership, Caring

UniCredit's success, and the success of us all, must be founded on a strong and highly engaged **Culture** – and this starts with our People. June 15 marked another milestone in our bank's Culture transformation journey, as we celebrated the first-ever Culture Day.

Colleagues across our bank took the next big step on our transformation journey and all our countries came together on this day to create an unforgettable moment for over 17,000 colleagues who participated in the event.

Each of us has the privilege of being the **agents of positive cultural change**, driving our mindset to **Win. The Right Way. Together.** The **Culture Day** virtual event gathered our inspiring leaders from across the business to deep dive into our **Values of Integrity, Ownership and Caring** – engaging in live discussions with colleagues from several UniCredit countries, including Austria, Bosnia & Herzegovina, Bulgaria, Croatia, Germany and Italy.

**Andrea Orcel**, Group Chief Executive Officer and Head of Italy, was joined by **Siobhan McDonagh**, Head of Group People & Culture, **Gianfranco Bisagni**, Head of Central Europe and **Joanna Carss**, Head of Group Stakeholder Engagement, in the dedicated event hosted by our Head of Group Culture, **Nikolina Zečić.**

From start to finish, the event provided our colleagues with a full understanding of UniCredit's **Purpose**: empowering communities to progress. Our Purpose is what we should always keep in mind when making decisions, taking actions, and communicating with colleagues, clients and people around us. The session was closed with an exciting announcement of our new Culture Manifesto and open Q&A for all participants.

While our bank unites its people behind one single Purpose, ambition and unique set of Values, we understand that each of our countries brings its own uniqueness and local culture that contributes to the diverse UniCredit we see today. With this in mind, our countries adopted the campaign at the Group level and truly made Culture Day their own – inviting all colleagues to be active contributors in this memorable milestone for our bank.



Discover more about the Human Capital chapter in our Integrated Report



Watch the video

# Introducing our new Code of Conduct

## 2022 Code of Conduct



**Values:** Integrity, Ownership

Our bank has an ambition that goes beyond the basic role of providing financial support to our society. As we continued forward on our **Group transformation journey**, we were pleased to announce the official launch of our new **Code of Conduct** which was introduced and adopted across our bank. Our Code is a critical tool that contributes to the collective success of our business. It serves as a clear guide for all our actions and behaviours and each of us has been and will continue to be held accountable based on our adherence to this Code.

To act as the engine of social progress and be **the bank for Europe's future**, we are com-

mitted to building a **Culture** that puts our **Values of Integrity, Ownership and Caring** at the heart of our decision-making and everything we do. They embody what we stand for, determine how we act, and shape the decisions that we make every day.

Our Code of Conduct outlines how we bring our Culture to life in our everyday behaviours and how we treat all our stakeholders. Furthermore, it ensures our people's coherence with our new set of Values – guaranteeing the highest standard of professional conduct from all of our employees and external experts involved in any activity on behalf of our bank. It is what will set us apart from simply being a good company, instead positioning us as a great company.

Since the launch in **July 2022**, we embraced our new Code of Conduct and have actively encouraged all our people to adopt and apply these best practice behaviours – making it our mission to further cement it in the way we do business. By doing so, we have been able to ensure we stay on the path we are forging: a path to achieve our goals and **Win. The Right Way. Together.**



Read the interview with **Serenella De Candia**, Group Compliance Officer



# Prioritising gender equity across our bank

## UniCredit obtains EDGE Certification



**Values:** Integrity, Caring

At UniCredit, we have long recognised that an equitable and diverse workforce is vital to our business and creates a fairer and more inclusive working environment. In 2022, UniCredit obtained the **EDGE certification** for gender equity across three countries: **Austria, Germany, and Italy**, demonstrating **our commitment to fostering gender equity and inclusion in the workplace**.

EDGE is the leading global assessment and business certification for gender and intersectional equity. The certification process involves a rigorous third-party review of representation across the pipeline, pay equity, effectiveness of policies and practices, and inclusiveness of an organisation's culture. As an integral part of the assessment, statistical data is analysed, policies and practices are reviewed, and employees receive a comprehensive survey to assess perceptions of career development opportunities in the workplace.

The UniCredit banks in Austria, Germany and Italy are currently **the only EDGE-certified organisations in Europe in the banking industry**. In each of the five entities, both men and women perceive flexible working as allowing them to balance their professional and personal life. And all five have policies that explicitly mention: non-discriminatory recruitment and promotion practices that include gender; non-discrimination with regards to professional development, which also includes gender; plus, the value of diversity and inclusion. These policies showcase our strong commitment to **Diversity, Equity & Inclusion (DE&I)** as a driver of sustainable business success and a platform for future progress towards inclusion.

As part of its **EDGE action plan**, all UniCredit entities are committed to making progress towards achieving gender balance. Moving forward, all organisations are encouraged to focus on the representation of women at the middle, upper, and top management levels, as well as men's and women's perceptions about **equal opportunities** for promotion and equal pay for equivalent work.

Our bank intends to ensure equal access to career-critical assignments for all employees by setting up a mentoring programme for both males and females and measuring its effectiveness in terms of broad growth opportunities. This



development path will help to strengthen women's presence in the leadership pipeline and build a more inclusive workplace where all talent can flourish and grow. For men, there is the opportunity to encourage more take-up of paternity leave, and all organisations can be more proactive in managing pay equity.

This further highlights our efforts in fostering a more diverse and sustainable professional place to work. UniCredit remains **strongly committed to championing gender diversity, equity, and inclusion** in the workplace, so our people can continue to deliver incredible results and thrive in an equitable and inclusive environment for all.



[Discover more about the Human Capital chapter in our Integrated Report](#)

By obtaining the EDGE Assess and Move certifications UniCredit has made a clear commitment to achieving gender equity. It also reinforces UniCredit's commitment to a broader ESG agenda as a crucial component of their business success.

### Aniela Unguresan

Founder of EDGE Certified Foundation

This further highlights our efforts in fostering a more diverse and sustainable professional place to work. UniCredit remains strongly committed to championing gender diversity, equity, and inclusion in the workplace, so our people can continue to deliver incredible results and thrive in an equitable and inclusive environment.

### Siobhan McDonagh

Head of Group People & Culture



[Read the interview with Siobhan and Aniela](#)



# Culture Roadshow

## Our Culture Manifesto in action



**Values:** Integrity, Ownership, Caring

### Our Culture starts and ends with our people.

It is what differentiates a good company, from a great company – a bank that supports its communities, from a bank that empowers its communities.

When we officially launched our **Values of Integrity, Ownership and Caring in June 2022**, we made the decision to return to our fundamental role within society: to act as the engine of social progress and to help Europe and its people to become stronger than ever.

To achieve this, we understood that it was our responsibility to act as one team working to a shared Culture. With this in mind, we launched a dedicated Culture Roadshow, representing a key moment dedicated to building employee awareness and setting the tone for the new UniCredit Culture across all our countries.

Driven by **Andrea Orcel**, Group Chief Executive Officer and Head of Italy, **Siobhan McDonagh**, Head of Group People and Culture, and **Nikolina Zečić**, Head of Group Culture, the Culture Roadshow gathered more than **2,000 colleagues** across **Croatia, Germany, and Austria**, engaging in different interactive sessions joined by several senior leaders in Germany, Central Europe and Eastern Europe.

The sessions opened with meaningful panel discussions aimed at deepening the understanding of how UniCredit puts our **Values** into action both inside and outside our bank. Most importantly, we discussed how each of our colleagues must embed these behaviours in everything we do. The events sparked fruitful discussions where participants exchanged real-life examples and stories from local testimonials. On some occasions, our corporate clients joined the Roadshow events to share cultural experiences with both UniCredit and within their own companies.

The Culture Roadshow demonstrated the great enthusiasm and passion of our people to pursue the transformation journey our bank has embarked on. While cultural change does not happen overnight, we remain **committed to driving this change together** and continuing the Culture Roadshow across all our markets as we move further into 2023 and beyond.

A strong Culture ensures a competitive advantage and is very difficult to copy. It delivers better financial performance, influences the customer experience, attracts and retains better talent, and increases productivity.

**Nikolina Zečić**

Head of Group Culture



[Listen to the podcast](#)



Diversity, Equity & Inclusion

# DE&I WEEK

#EmpoweringU

## Embedding DE&I in everything we do

### Diversity Equity & Inclusion Week



**Values:** Integrity, Caring

Each year, UniCredit celebrates **Diversity, Equity & Inclusion (DE&I) Week** across the Group. The week offers a time for celebration, connection, and reflection on all we have accomplished – reaffirming our commitment to DE&I progression. DE&I Week served as another **key milestone** in achieving the strong cultural foundation we aspire to build for our bank and its people.

The events took place on **November 7-11**, and saw each country participate in a series of engagement initiatives that were hosted at the Group level and adopted at the local level. Our key messages focused on the **#EmpoweringU** theme – empowering our people to be champions of DE&I and in turn, empowering the communities we operate in. Throughout the week, we engaged our people in conversations on eye-opening topics, raising awareness and encouraging our people to think outside the box. We also took time to recognise the DE&I tangible best practices

across the Group that guide our behaviours and the way we do business.

At UniCredit, we believe that when Diversity, Equity and Inclusion work in harmony, **great things happen**: People feel respected and valued for their contributions, which directly impacts productivity, and people feel a sense of belonging, connection, and shared pride, which increases well-being. DE&I encourages our colleagues to be able to express their views and ideas which, in turn, fuels creativity and innovation. When people feel their potential is acknowledged it enables them to unlock their talent, improve their performance and increase levels of job satisfaction.

Contrary to previous years, in 2022 we diversified the DE&I Week experience by incorporating several new components including a virtual **kick-off event streamed in all Group languages**, local activations in all our countries, a thought-provoking communications campaign and DE&I Accountable Executive interviews focused on **five key topics** for each day (Gender in STEM, Disability, LGBTQIA+, Ethnic and Cultural Diversity, and Generations), internal sharing of DE&I resources and best practices, and much more.

All of this enables us to achieve sustainable business growth and better serve everyone from clients and communities to shareholders.



Discover more about the Human Capital chapter in our Integrated Report



Watch the videos

# Unlocking the potential of Europe's next generation

## UniCredit Foundation Relaunch



**Values:** Ownership, Caring

This year, the UniCredit Foundation relaunched its **Purpose** and commitment to **empowering Europe's youth by unlocking their potential through equal education opportunities**. We believe that only by investing in the next generation's education and progression, can we ensure growth and development across our society.

In line with **UniCredit's ambition – to be the bank for Europe's future** – our Foundation is focused on giving Europe's next generation the key to unlocking their innate potential and empowering them to become the changemakers of our society.



To do this, the UniCredit Foundation is working towards combating school drop-out rates, encouraging university attainment, promoting study and research, and enhancing employability. These all directly feed into the Foundation's new Purpose: to unlock the potential of Europe's next generation. The UniCredit Foundation **empowers our youth** by providing them with the tools and resources they need to become successful in their academic and professional careers.

This is why the Foundation relaunched its **Mission: offering equal educational opportunities to Europe's youth** – our future leaders of tomorrow. To pursue this ambitious new journey, the UniCredit Foundation reshaped its governing bodies, electing a new Board of Directors for the next three years, which will be chaired by **Andrea Orcel**, Group Chief Executive Officer and Head of Italy, and vice-chaired by **Professor Giorgio Barba Navaretti**. **Serenella De Candia** has maintained her role as a member of the Board, while six new members have joined: **Katharina Gehra**, **Szilvia Gyurkó**, **Roberto Kutić**, **Dorith Salvarani-Drill**, **Gerry Salole** and **Klaus Schwertner**.

The nine international members aim at ensuring there is equal representation both internally (UniCredit Group) and externally outside of the bank. Further, the careful selection of representatives maintains a strong presence of members from all four UniCredit regions, who represent diverse backgrounds, gender, expertise, and philanthropic experience.

**At UniCredit, we believe that education is essential.** It is our responsibility as an institution to identify, support and empower our youth – those individuals who will lay the foundation for Europe's progress and success in the years to come. It is our bank's Purpose to empower communities to progress, and it is our commitment to promoting social advancement, in line with our **ESG strategy** and UniCredit Group's strategic plan.



[Discover more](#)



[Listen to the podcast](#)

# Our People stories



Country: Italy



Values: Integrity, Ownership, Caring

## UniCredit University

Providing our people with the tools and resources they need to be successful is essential to building a strong and motivated workforce. With the pilot of the programme launched in May in Turin, **UniCredit University Italy** is a physical and digital ecosystem, with a head office and **20 regional training centres**. The University is focused on developing the skills and talents of every individual. Our people embark on a journey that guides them from the moment they join the company and helps them build strong connections with the business, territory and the closeness to our people.

# 20

REGIONAL TRAINING CENTRES

# 800,000

HOURS OF TRAINING

# 13,000

PARTICIPANTS

Among the guiding principles of UniCredit University Italy, the return to face-to-face training for the **sharing of knowledge and experiences**, a new personalised learning experience and a catalog developed on the evolutionary skills of the roles of the network, is central.

The training offer, tailored and simplified, is characterised by a hybrid training model that sees the alternation of digital training and live-presence and is structured across **4 main paths**: People, Business, Risk and Training by Role. Since its introduction, the learning platform has launched **36 new learning paths**, **13,000 participants**, for more than **800,000 training hours**, achieving an 8/10 average satisfaction index. All training 2022-2023 has been financed by **€6.2 million** of interprofessional funds.

Furthermore, to invest in internal experience and skills, contributing to the sustainability of the University, an internal faculty of business trainers has been launched. Each of them receives a dedicated training course, moreover, a certification will be issued by a prestigious accredited Business School. In 2022, **275 trainers** voluntarily joined the project, and 170 are expected for 2023.



[Watch the video](#)





Country: Italy



Values: Ownership, Caring

## Welfare Reconnect

Taking care of colleagues and their families and improving their overall well-being, is a key objective of “**Welfare Reconnect**” – the Bank’s programme launched to **reconnect with the essential needs of our people**, investing in their health, their future and their quality of life.

The enrichment of the previous Welfare offer includes services aimed at increasing purchasing power. This includes a utility bill reimbursement, fuel vouchers, degree redemption contribution, mortgage portability with subsidised terms for employees, interest-free instalments on purchases with Flexia card and a 50% discount on My Care Family policy. In addition, in December

2022, an **inflation bonus of €800** was credited to the Welfare Account, to guarantee an immediate recovery of purchasing power, through reimbursements of bills, shopping and fuel vouchers.

Moreover, Welfare Reconnect aims to reconcile professional and private spheres, offering flexibility and caring initiatives for individuals, families, and communities, including: **Spazio per Te**, a new counselling and psychological listening service, **Prevenzione per Te**, Uni.C.A., a check-up campaign and webinar on primary prevention, and study/work orientation paths to support employees’ children in choosing their future. Lastly, the offer keeps people top of mind. It enhances new skills and fosters an environment to grow and create value focusing on education, such as the “Let’s Make the Invisible Visible” programme to shed light on **invisible disabilities and Welfare Talks** to delve into issues employees are facing both personally and professionally.



[Discover more](#)





**Country:** Germany



**Values:** Integrity, Caring

## An optimised and digitalised parental leave process

At UniCredit, our bank remains a partner to its people in both their personal and professional life. A well-designed **parental leave process** is indispensable for promoting young talent within the bank. The equal opportunities for parents increase and it contributes to a more balanced gender ratio at all management levels. Our Group knows that our people need to be supported in planning their career breaks, especially in occasions such as maternity leave and parental leave.

This was one of the many outcomes and improvements identified by the **Gender Diversity Programme** of **UniCredit HypoVereinsbank**, which was launched in

2021. As a result, in 2022 the entire parental leave process was further optimised and expanded with a focus on re-entry to the bank and further career development.

One of the key measures was the introduction of the new **Golden Rules** for the process. The Rules focused on part-time leadership, returning to an equivalent position or management positions being kept vacant for six months at the request of the employee, pausing talent programmes, as well as checklists for managers and employees.

Additionally, UniCredit HypoVereinsbank offered the possibility to advance one's career during parental leave, regardless of the current position, with the new "Stay Connected" digital portal. Employees have direct access to the internal job market and can send their applications from the same system accessible to active colleagues. The parenting portal also offers information about day care possibilities and other helpful topics focused on both family and professional life.

A number of colleagues already benefit from the optimisation of the process and were able to return to their management position after their break. This substantial improvement in the parental leave process has been one of the many activities to strengthen DE&I in the German market and **foster our position as one of the Top Employers in Germany.**





**Country:** Germany



**Values:** Ownership, Caring

## Inclusion in action: the UniCredit HypoVereinsbank job portal

Since May 2021, **UniCredit HypoVereinsbank** has been using **Avature**, the new application management system that includes new job portals for the internal and external job market in addition to simplified processing of applications. This allows for improved positioning of the participating banks of the UniCredit Group amongst applicants as well


as strengthening the employer brand.

The system uses the latest technologies and developments in the **employee and candidate journey**. Physical forms, for example, will be processed digitally in future and handled entirely sustainably (e.g., in a “paperless” way). In addition, we’ve been able to reduce media disruptions for all parties involved by simplifying and automating a large number of process steps. In line with the Group’s policy, the career portal as well as the administration of applications by line managers is completely barrier-free according to WCAG2 guidelines.

Together with the cooperation partner **Pfennigparade**, the tool was tested for its user-friendliness for people with physical and mental disabilities. For example, the colour scheme has high-contrast, and all buttons and dropdown menus have clear labels that can also be read by screen readers. This makes it possible to **promote inclusion** during the recruiting process. In 2022, additional modules have been introduced that facilitate, for example, the onboarding of new employees and the finding and promotion of internal talent.



 **Country:** Croatia

 **Values:** Integrity

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## Zaba Kids Week

This year, **Croatia** hosted its first **Zaba Kids Week**. Children of our colleagues from Zagreb and the nearby area attended the **five-day educational and entertainment programme**, which included **75 children** of **63 Zagrebačka banka employees** during the first week of September, right before the official start of the new school year.

The main goal of the initiative was to support parents of children, ages 7 to 11 years old, an age group specifically chosen as this is considered a vulnerable stage of an adolescents' youth. Zaba Kids Week was designed through a combination of different physical activities and learning workshops. This included **workshops** about critical learning, cybersecurity, a "How to use Microsoft office" package for schoolwork, a "How to save money" workshop and finally, a "How to save the planet" workshop about sustainable living.

Further, the week promoted creating an environment where differences are embraced and respected – by mixing groups in various roleplay scenarios, teamwork activities where they learn inclusive listening, and much more.

With this initiative, Zagrebačka banka wanted to create an inclusive workplace where parents can thrive and are not apprehensive about balancing their personal and professional responsibilities. In this way, Zagrebačka banka is empowering parents in their parenting role all while exposing their children to new ideas, cultures, customs, ideas.



 **Country:** Serbia

 **Values:** Caring

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## IVET fertilisation – offering IVF benefits to our employees

Our bank cares about its people. This also means caring for them through all life obstacles and challenges that come their way both at a personal and professional level.

During 2022, for a certain number of our female employees, we offered a **reimbursement** of the costs for **one IVF attempt**.

To ensure as many employees as possible could have the opportunity to exercise the right to this benefit, the bank reimbursed the costs of this programme up to the value of

**€5,000**. Further, the benefit was redeemable both in our home country of Serbia and abroad.

The times in which we live and work may confront us with various challenges, but these challenges are easier to overcome with the support of family. Today, when an increasing number of young people are leaving **Serbia**, every step that empowers our people to build a family in the country is extremely important. We strive to follow and support our colleagues through **every stage of life** – and family and parenting are heavily supported by every member of our bank.





Country: Hungary



Values: Ownership, Caring

## Relaunching the Up Academy for local talent

At **UniCredit Bank Hungary**, it is essential that we support our people along all steps of their career journey. We want to make sure that the people who will build and craft the future of this bank are well-equipped with the skills of the future and are exposed to an environment that will help them improve their professional skills and behaviours. This is why the local talent programme, **UP Academy**, was created.

During the **one-year programme**, our top talent was able to enjoy several development opportunities including trainings held by world-renowned professors, access to online development platforms, shadowing, consultation with psychologists, and a career discussion with the **People & Culture** team. At the end of the programme, our talents had the opportunity to work on projects out of their scope.

Together with their mentors, they worked on topics such as exploring the concept of data science and its use at the bank, preparing a peer analysis based on EBA data or investigating AML-related reports and possible simplifications. To give them visibility and networking opportunities, during the conclusion of the event, participants presented the results of their projects in front of the **Board** team. After the successful closing of the programme, our bank is preparing to launch the **new edition** of UP Academy as we move forward into the new year.





**Country:** Slovenia



**Values:** Caring, Ownership

## Creating a better working environment for our people – Our renovated offices

**Our people are our greatest asset.** After two unprecedented years when conditions forced us to work from home to protect our health,

we used this period for the complete renovation of our premises in our **Slovenian** offices. The **newly renovated offices** are now brighter, and each home base is dedicated to different facets of the organisation, with every single working place equipped ergonomically.


In addition to offering our colleagues a hybrid form of work, which was embraced by **more than 50%**, we strive to encourage our people to work from our new offices at least once a week – something they are now proudly participating in.

Apart from the physical well-being of our people, their mental well-being is equally important to us – this is why we continue to revolutionise the different forms of support for our people. Among those, we dedicate at least **one day per month** to lectures on health, self-care, nurturing relationships, and taking responsibility for those working in person in our offices.





 **Country:** Czech Republic and Slovakia


 **Values:** Caring, Ownership

## A digitalised candidate experience through Chatbot

**Chatbot** represents some of the latest artificial intelligence deployed by UniCredit in recruitment programmes in **Czech Republic and Slovakia**. It's a smart recruitment chatbot that interviews candidates for the first round and provides valuable data both to the company and also to the candidates. Through Chatbot, we are able to ensure that our candidates still have a quality interview experience, while also **optimising the hiring process** when it comes to time to fill a position.

The **UniCredit Bot** can do more than any other chatbot on the Czech and Slovak market. It not only speaks to candidates but also analyses their data, tests them and sorts them according to their suitability for the position. Since the Bot was introduced, we have received fantastic feedback from candidates who have undergone the hiring process from start to finish, providing our potential employees-to-be with an overall **high-quality candidate experience**.

The chatbot brings wide opportunity and high potential for **digitalisation** in our bank and its people. For this reason, in the coming months, we will look to introduce it to other countries of the UniCredit Group as a best practice. Furthermore, we plan to expand the functionality of the chatbot for use beyond recruitment, using it for the growth and development of existing employees.

 **Country:** Bosnia and Herzegovina (Banja Luka)

 **Values:** Caring

## Caring in action: the Secondary School of Economics

Employees across our bank participated as volunteers at the **Secondary School of Economics** in **Doboj** and educated the students about the banking business as a whole. The programme, known as financial incubator "**FinInk**", was organised by the **Innovation Center Banja Luka**, supported by UniCredit Bank a.d. Banja Luka was and always has been a great place for women in start-up businesses.

Recognising this and the importance of accelerating female careers in business, the bank provided volunteers to the support Innovation Centre Banja Luka educational event and its small business entrepreneurs. This is with the aim of supporting local women in small businesses and start-up entrepreneurs.

Strengthening the development of communities can only be achieved by providing support and opportunities to local people/women in businesses, especially small entrepreneurs who rarely have an opportunity to present themselves at events such as the financial incubator FinInk. As a result, we were pleased to be able to offer support to them, both with targeted lectures as well as with the presentation of an award to the winner of FinInk.



ESG

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# Navigating the sustainable transition is a key part of empowering our communities to progress. In 2022, UniCredit continued to support its clients and communities in the transition towards a fairer and more sustainable future.

In line with our Net Zero commitment, we became the first bank in Italy to sign a Corporate Power Purchase Agreement (CPPA) with a specialist green power producer for our core data centres, and the first bank in Europe to obtain the Global Real Estate Sustainability Benchmark scoring on its corporate portfolio.

We were also proudly recognised as the Best ESG Bank Italy 2022 by the World Economic Magazine and the Best Social Impact Bank Europe 2022 by Capital Finance International.

Furthermore, we continued to increase the scope of our social activities with a strong commitment to Youth and Education, launching a foundational partnership with Teach For All to elevate education for children across seven of our countries and strengthening our ESG culture with dedicated training programmes for all staff

under the UniCredit ESG University.

In addition, we were the first company in Italy to sign up to the Finance for Biodiversity Pledge, further supporting our Net Zero journey and commitment, and our Group also became a member of the Ellen MacArthur Foundation's international charity network to support our approach to accelerating the circular economy transition across our countries.

To follow UniCredit's Sustainability journey in 2022, click on the timeline below and find out more about how we transformed through 2022 in order to fulfil our Purpose: to empower communities to progress.

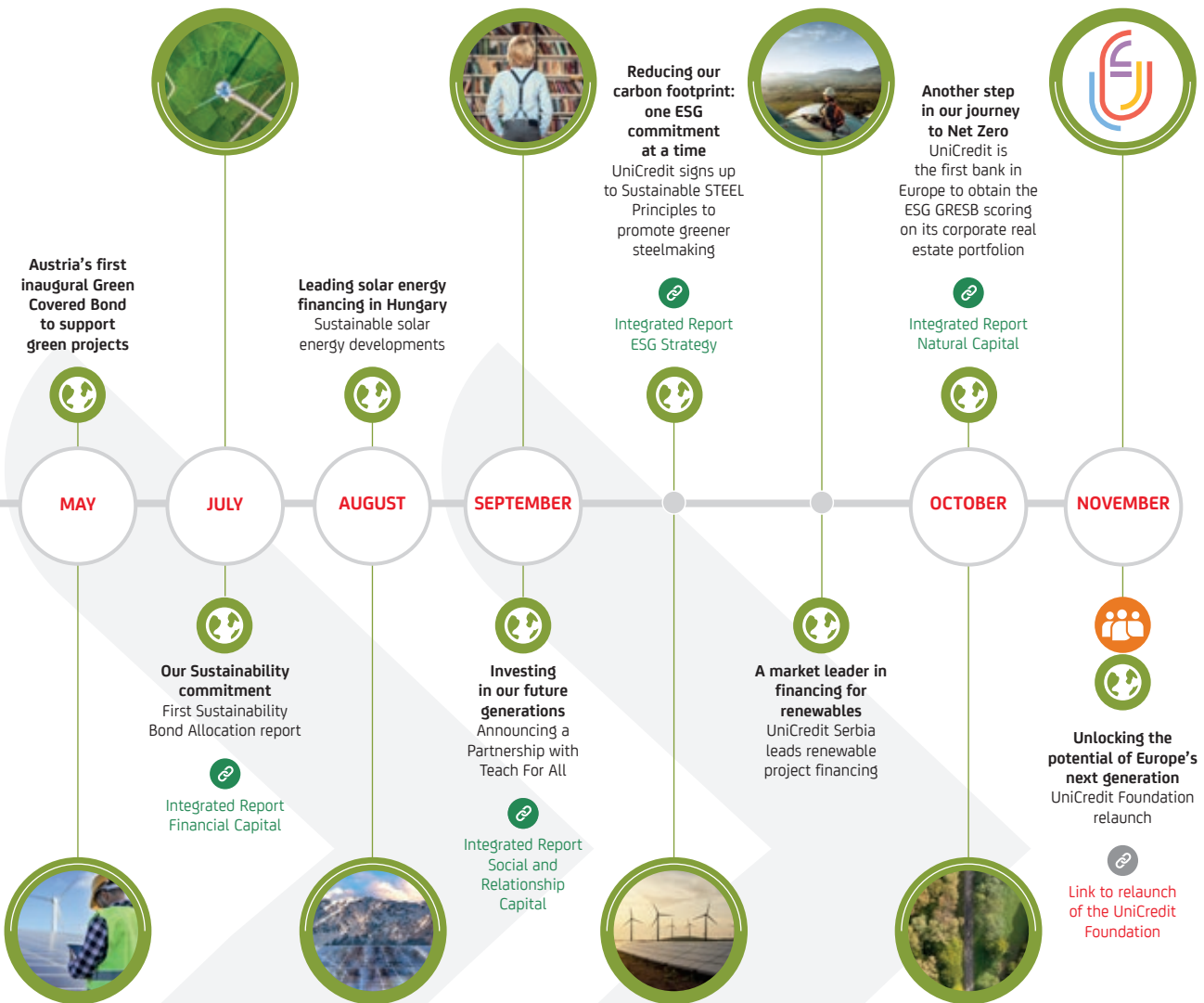


[Discover more about our ESG Strategy](#)



[Listen to the podcast](#)

# Our ESG milestones



# Austria's first inaugural Green Covered Bond to support green projects



Values: Ownership

At **UniCredit Bank Austria**, sustainability is part of our daily commitment, and we continue to further implement **environmental, social and governance (ESG)** aspects across our business in line with the Group ESG Strategy.

In May, UniCredit Bank Austria successfully placed its **first Green Covered Bond** on the capital market, reaching another milestone in its sustainability journey. UniCredit Bank Austria's Green Covered Bond had a total volume of **€500 million** and a maturity of 6 years, issued under UniCredit Group's **Sustainability Bond Framework**. Proceeds from this and future bonds will be used to support local eligible green projects.

The demand for UniCredit Bank Austria's Green Bond was high and the book-building process reached a total amount of **€1.3 billion** with the order book oversubscribed multiple times. The Green Bond has a triple A rating from Moody's and was issued to institutional investors. The investor base was composed of **54 investors**, with **39% in Germany, 20% in Austria, 12% in Benelux** and the remainder well diversified across other countries and regions.

The bond proceeds will be used for the financing or refinancing of green buildings registered in UniCredit Bank Austria's mortgage cover pool and which comply with the eligibility criteria specified in the Group Sustainability Bond Framework. UniCredit Bank Austria was mandated as **Sole Green Structurer** and ING, LBBW, Natixis, Raiffeisen Bank International and UniCredit were Joint Lead Managers.



The commitment to the energy transition and sustainable business practices is bringing about a fundamental change in society and influencing every single area of our lives.

As a bank, we have a central role to play in the transition to a low-carbon economy. Channelling the flow of funds into promising, climate-friendly industries, activities and initiatives is and will be the central joint challenge of the future.

## Robert Zadrazil

CEO of UniCredit Bank Austria

UniCredit Bank Austria's Green Bond was a great success on the international capital market and it has been oversubscribed. We are very pleased about the high demand; this issue shows how much international investors are convinced by the sustainable journey the UniCredit Bank Austria is on and how high the continuing interest in sustainable financial products is.

## Philipp Gamauf

CFO of UniCredit Bank Austria



[Watch the video](#)

# Our Sustainability commitment

## First Sustainability Bond Allocation report



**Values:** Integrity, Ownership

In June 2021, our bank successfully issued its inaugural **Senior Preferred Green Bond** for **€1 billion**. This was followed by the issuance of our first **Retail Social Bond** for **€155 million** in September 2021. Both issuances marked significant milestones in our sustainability journey, allowing the Bank to provide further support to renewable energy and green buildings in Italy while also advancing welfare and social support services in the country.

Both issuances took place under the **Group's Sustainability Bond Framework**, based on the principles and guidelines of the 2021 version of the Green and Social Bond Principles and the Sustainability Bond Guidelines of the **International Capital Market Association (ICMA)**, ensuring the transparent allocation and tracking of proceeds, the details of which were fully disclosed in our inaugural **Sustainability Bond Allocation report** published in July 2022.

Our Group remains committed not only to the green energy transition, but also to ensuring that this is a fair and just transition for all of society. Sustainability is central to how we do business: it underpins our corporate culture and ensures we are always acting in the best interests of all our stakeholders.

As detailed in the Sustainability Bond Allocation report, our full Green Bond proceeds have been dedicated to fund renewable ener-

gy, specifically **photovoltaic (€408 million)**, **wind (€293 million)** and **biomass (44 million)** energy sources, as well as green buildings, including the **Top 15% of Mortgages** (rated for energy performance) across **all regions (€228 million)** and **Real Estate (€27 million)** in Italy.

Meanwhile our **Social Bond** proceeds have been allocated to finance projects with a positive social impact. So far, the focus has been on **welfare and social support services (75.1% of allocations)**. Other projects supported include education and training, health and medical assistance and additional social services. The indirect impacts generated through the bond proceeds include a total of **1.52 million beneficiaries (149% of 2021 target)**; the delivery of **2.62 million training hours, 482 training courses, 193 professional internships, 108 social integration activities**; and **the provision of 1,322 beds in elderly homes, 1.21 million medical services and 555 social houses** (mainly in social tourism).

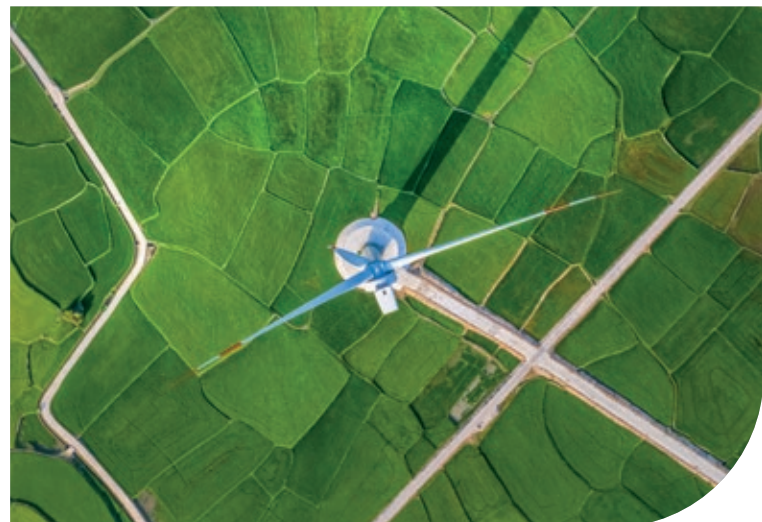
We continue to build on the success of our inaugural Green and Social Bonds, working to create a more sustainable and equitable future for both businesses and individuals. For example, in 2022, we successfully issued Green Covered Bonds also in **Germany (two for €500 million each)**, in **Austria (one with a total volume of €500 million)** and in **Hungary (one for €60 million)**.



[Read the interview with Fiona Melrose, Head of Group Strategy & ESG](#)



[Discover more about the Financial Capital chapter in our Integrated Report](#)







## Leading solar energy financing in Hungary

### Sustainable solar energy developments



**Values:** Ownership

**ESG** plays a fundamental role in every decision we make and every action we take. We've seen a very tangible example of this in **Hungary**, which has **increased the share of solar-derived electricity** in its electricity production fivefold since 2018. Thanks to this substantial improvement in a very short period of time, **10.6%** of the country's annual electricity production comes from solar power, compared to **7.5% in Europe**, making Hungary a prime example for transformation towards sustainable energy production in Europe.

As one of the main financiers of sustainable solar energy developments in the country, UniCredit Bank Hungary has contributed to this impressive increase by financing the construction of many Hungarian solar projects totalling **€250 million** in structured loans.

A major contribution to our excellent lending position in the solar market came from our part in a significant solar park financing deal, which was the largest corporate green loan

agreement of 2022 in Hungary, worth **HUF 28 billion**, to our client **SolServices Kft.** This deal was a milestone not only due to its size but the fact that the **100-megawatt solar plant** being built in **Szolnok** will be one of the largest in the country, making an important contribution to renewable electricity supply. It will be able to generate the equivalent of **40% of the electricity consumption** of the entire population of **Jász-Nagykun-Szolnok County** while saving tens of thousands of tons of CO<sub>2</sub> emissions.

Our key to success in this field was solving the problem of how to participate in the financing of solar panel procurement in a way that creates a closed financing chain from the investment loan to the collateral manager to the solar panel manufacturer. This complex transaction also won UniCredit the **Transaction of the Year award**. In addition, as a pioneer among local banks, UniCredit Bank Hungary has further introduced a specialist retail loan product for purchasing and installing solar panels with a favourable interest rate.

We are fully committed to promoting sustainability, environmental awareness and ESG values.

**Balázs Jávor**

Head of Structured finance



[Discover more](#)

# Investing in our future generations

## Announcing a Partnership with Teach For All



**Values:** Caring

There is no one single factor that will determine the future success of our continent more than the education and development of our young people. To do so, we understood the need to upskill and support teachers, equipping them with all the tools they need to be the best educators possible.

Last September, UniCredit and **Teach For All** were proud to join forces to advance education for children through the announcement of a foundational pan-European partnership reaching across **seven UniCredit core countries: Austria, Bulgaria, Germany, Italy, Romania, Slovakia, and Serbia**. This new alliance leveraged on a common approach, focused on innovation and inclusion to achieve results and to unlock the full potential of European youth.

The collaboration was a significant reinforcement of Teach For All's efforts, providing resources and support in training the teachers involved to further **empower local communities** to reimagine education systems in under-resourced areas, and helping to build more inclusive school environments that offer quality education for all children, year after year.

With the help of these dedicated educators, students gain the knowledge, skills, attitudes and values they need to navigate a changing society and the new world of work. Our Group understands that with the right mindset and skills, our youth will be better positioned to attain financial security and become informed, contributing citizens to our communities. By creating better opportunities for them to realise their full potential, this innovative programme is developing a **new generation of European leaders**.

UniCredit supported the Teach For All network with a donation of nearly **€2 million** to fund activities for the **2022-2023 school year**, as

Education plays a vital role in the economic and social wellbeing of any region. For Europe to meet the challenges of this century, there is an urgent need to work in partnership with schools, governments, and families to ensure that every child has the opportunity to fulfil their potential.

**Wendy Kopp**

CEO and Founder of Teach For All

well as engaged employees as volunteers to drive change by contributing their time, knowledge and skills.

Our bank's commitment to empowering communities to progress goes beyond providing financial support. Our partnership with Teach For All has helped us to deliver on our commitment to **Social improvement**, in line with our **ESG strategy**. We will leverage UniCredit's presence across the continent to ensure we reach those communities where there is greatest need.



[Watch the video](#)



[Discover more about the Social and Relationship Capital chapter in our Integrated Report](#)



# Reducing our carbon footprint: one ESG commitment at a time

UniCredit signs up to Sustainable STEEL Principles to promote greener steelmaking



Values: Ownership

We remain strongly committed to supporting our clients in achieving their **ESG targets** as a core part of our efforts to drive a just and fair transition to a **low carbon and more inclusive world economy**.

Alongside five other top lenders, we announced our signing of the **Sustainable STEEL Principles**, a climate-aligned finance agreement for the steel sector.

Steel is a fundamental material in the manufacturing industry, used in a wide variety of goods. Due to the sector's reliance on coal, it is the largest source of industrial carbon emissions globally (7%). Designed by a working group comprised of UniCredit, Citi, ING, Société Générale and Standard Chartered, the Sustainable STEEL Principles have been drawn up to tackle this problem head on and

**significantly reduce carbon emissions** from steel production.

This agreement amongst lenders, provided a framework for assessing and disclosing the degree to which the emissions associated with their steel loan portfolios are in line with 1.5°C climate targets – providing the necessary tools for client engagement and advocacy. Signatories represent a combined bank loan portfolio of approximately **\$23 billion** in lending commitments to the steel sector, for a market share of over **11% of total private sector steel lending**, according to RMI research.

Moreover, for banks like ours with **net zero commitments**, the SSP provide ready-made implementation guidance to achieve these targets. With steel production representing the largest source of industrial carbon emissions globally, the Sustainable STEEL Principles are a key step in the journey towards Net Zero. As a founding signatory, we look forward to deepening our dialogue with clients and industry peers to promote a greener future.

ESG remains a key pillar of our Strategic Plan, **UniCredit Unlocked**, with ambitious targets for all areas of the business, including a total of **€150 billion** in new cumulative ESG volumes by 2024. Furthermore, we continue to work on reducing our own environmental footprint with a **commitment to reach net-zero** on the bank's own emissions by **2030** and on our financed emissions by **2050**.



[Discover more](#)



[Discover more about the ESG Strategy chapter in our Integrated Report](#)



# A market leader in financing for renewables

## UniCredit Serbia leads renewable project financing



Values: Ownership

**ESG is everyone's responsibility** – and this responsibility is recognised at the Group level, as well as in our local countries. **UniCredit Bank Serbia** has been active in structuring and arranging financing for renewables' projects since the adoption of the first local legal framework on this topic. In the Serbian market, UniCredit has participated in and arranged five wind farm financings – two of them alongside other financial institutions and the remainder under bilateral agreements. The two highly notable deals we were part of in 2022 further confirm our leadership position in renewables' financing in the country.

In September 2022, UniCredit Bank Serbia and **Elicio Ali VE**, a 100% subsidiary of **Elicio NV**, successfully completed the refinancing of the **42 MW Alibunar Wind Farm**, a facility which supplies electricity to just under

**30,000 households**. The green energy produced by this project is expected to reduce CO<sub>2</sub> emissions in Serbia by almost **95,000 tons** per year.

The transaction underlines the continued strong cooperation between the two companies, as well as UniCredit's market-leading position in the structuring and financing of wind power projects in Serbia.

UniCredit Bank Serbia was the leading structuring bank and sole lender in the **€53 million refinancing**, whilst also acting as account bank and hedging bank for the restructured interest rate swap. Furthermore, our bank in Serbia successfully advised Masdar, Taaleri Energia and DEG on the refinancing of the **Čibuk wind farm** – demonstrating our leadership in Project Finance and Debt Advisory in CE&EE.

UniCredit Bank Serbia acted as Sole Debt Adviser, Sole Bookrunner, Mandated Lead Arranger, Hedging Bank, Account Bank and Security and Facility Agent for the Čibuk wind farm refinancing, successfully completed on 23 September 2022.

**Vetroelektrane Balkana doo (Čibuk 1)** is the largest wind project in Serbia with a production capacity of 158 MW. With 57 GE turbines, Čibuk 1 produces enough electricity to supply around **87,000 households** thus offsetting the equivalent of around **380,000 tons of CO<sub>2</sub> each year**.



[Discover more](#)



# Another step in our journey to Net Zero

UniCredit is the first bank in Europe to obtain the ESG GRESB scoring on its corporate real estate portfolio



**Values:** Integrity, Ownership

UniCredit, in line with the Group's **ESG Strategy** and **Net Zero commitment**, is the first bank in Europe to obtain the **Global Real Estate Sustainability Benchmark (GRESB)** scoring on its corporate real estate portfolio. The total portfolio analysed against GRESB's sustainability criteria included properties owned by the Group across Central and Eastern Europe, with an approximate value of **€5 billion**.

ESG principles are at the core of all our real estate activities, and we continue to strive to evaluate, monitor and consistently improve the ESG performance of our assets and related management processes. In line with the Group's ESG Strategy, which is a key pillar of the **UniCredit Unlocked** business plan, the GRESB project represents a tangible example of our sustainability commitments, further reinforcing our leadership in the implementation of innovative ESG initiatives.

The **GRESB Real Estate Assessment** is a global ESG scoring and benchmarking mechanism for listed real estate companies, privately owned funds, developers, and investors in the real estate sector. In 2021, more than **1,500** property companies, REITs, funds, and developers took part in the Real Estate Assessment, which covers approximately **\$5.7 trillion** in assets under management and **117,000** assets in **66** countries.

The initiative represented an important milestone in the Group's sustainable transition journey and showcases UniCredit as a frontrunner on ESG disclosure related to property management. As a specific objective, the GRESB scores will be consolidated over time through continued monitoring of the ESG performance of the Group's properties and the related management processes, and a constant benchmarking of these against the highest market standards.

Furthermore, the Bank continues to adopt energy and space efficiency measures to reduce its carbon footprint, which is a core priority of its ESG Strategy and Strategic Plan targets.



[Listen to the podcast](#)



[Discover more about the Natural Capital chapter in our Integrated Report](#)


ESG principles are at the core of all our real estate activities, and we continue to strive to evaluate, monitor and consistently improve the ESG performance of our assets and related management processes. The GRESB project represents a tangible example of our sustainability commitments, further reinforcing our leadership in the implementation of innovative ESG initiatives.

**Salvatore Greco**

Head of Group Real Estate

# Our ESG stories

 **Country:** Italy

 **Values:** Ownership

## Banking Academy

In the first half of 2022, the **Banking Academy** reached **95,000 beneficiaries** involved in education courses across **1.6 million hours** of training. This mainly involved young people, women, the elderly, and third sector organisations. One of the first main pathways included the **Road To Social Change (RTSC)**, a training on ESG and sustainability topics for non-profit organisations and SMEs to promote an integrated approach to ESG culture.

Through the RTSC, we also helped train non-profits and SMEs on the new professional role of the social change manager.

In addition, the Banking Academy included the **Start Up Your Life** programme, which offers financial and entrepreneurial education targeting high school students to develop the skills required by the labour market. By 2021, we had trained around **43,000 students** across more than **500 Italian schools**. Furthermore, the programme “**Con ME al Centro**” was intro-

duced to support women who want to start a new business with training, discussions with experts, support in building a business plan and networking with local stakeholders.

We also launched the **OfficinaDigitale**, as a digital education opportunity for seniors to assist them in using digital tools and facilitate social inclusion. The project is run with an innovative format based on classroom lectures as well as tutoring by university students.

Finally, in an effort to teach our youth about the value of personal savings, we offered **Save4you** lectures and videos on savings, investments, and behavioural economics and **Save4young**, the financial education project dedicated to university students, which reached **25,000 beneficiaries** in 1H 2022.

 [Discover more](#)

# 95,000

**BENEFICIARIES**

# 1.6

**MILLION**

**HOURS OF TRAINING**





 **Country:** Italy

 **Values:** Caring

## Combating food poverty: UniCredit Foundation donations

Since the beginning of the pandemic, the **UniCredit Foundation** has taken action to combat food poverty in Italy, by donating **€5.1 million** – or **3.8 million meals** – to NGOs in the two-year period of 2021-2022.

UniCredit's historical and deep-rooted presence in our country means our Bank is at the forefront of supporting the communities in which

we operate, and this is even more true in difficult times. As a Bank, we have a social responsibility, and the UniCredit Foundation is an important vehicle through which we achieve positive social change.

The initiative was also made possible thanks to the contribution of **€500,000** from the **Carta Etica Fund**, financed by UniCredit's ethical credit cards which, at no extra cost to the customer, allow charitable contributions with each use. Thanks to the **€2.3 million donation** in 2022, with a particular focus on southern Italy, **53 national and local non-profit organisations** involved in supporting the recovery and redistribution of food surplus have been able to provide the equivalent of **1.8 million free meals** to those in need.

 [Discover more](#)

**€5.1** MILLION  
DONATION IN 2021-2022



**Country:** Italy



**Values:** Ownership, Caring

## The first bank to collect energy performance data in Italy

UniCredit and **RE Valuta**, a Tinexta Group company specialised in real estate appraisals, announced a cooperation agreement for collecting the energy performance data of the buildings used as collateral for mortgages granted by the bank. UniCredit was the first bank to undertake an operation of this scale in Italy.

Environmental, social and governance (ESG) is embedded in our corporate culture and

decision making, and we continue to collaborate with various industry players to enrich and improve our ESG offering across sectors. The partnership signed with RE Valuta is **part of the** green and sustainable transition that UniCredit has been working towards in recent years, in line with our UniCredit Unlocked strategic plan and ESG strategy.

ESG objectives are changing the dynamics of the real estate industry and in the mortgage sector the focus is now on the energy performance of the buildings used as collateral, as required by the EBA in the LOMs. This is also important for responding to the climate stress test, for Pillar III reporting and for Green Bond issuance. RE Valuta established a partnership with **Immobiliare.it** for the development of advanced real estate analysis services and last year we launched our **ESG Data Remediation service** to retrieve ESG data on all collaterals of new mortgages and on properties already pledged as collateral for loans.




[Discover more](#)





 **Country:** Germany

 **Values:** Ownership

## Supporting wind turbine company Nordex in the largest German Rights Issue of 2022

Our client **Nordex**, a European company headquartered in Germany, that designs, sells and manufactures wind turbines, successfully completed a Rights Issue with gross proceeds of around **€212 million**, making it the largest German Rights Issue of 2022. UniCredit acted as Joint Global Coordinator and Joint Bookrunner on the transaction. With significant support from anchor shareholder **Acciona** and a high take-up ratio of 96.3%, the transaction was a great success. UniCredit and Nordex have been partners for many years, jointly working on the energy transition in Europe.

The Nordex Group is an important driver of the global transition to renewable energy. Their focus is on making renewable energy as **affordable as possible** by continuously reducing the cost of energy (COE) from newly installed wind turbines and developing highly efficient wind turbine generators. Today, wind energy is already the most economical electricity source in many places and the Nordex Group's product portfolio continues to actively promote the expansion of such alternative energies.

With the **Rights Offer**, the company aims to strengthen its capital structure by increasing its equity ratio in the current volatile environment for the wind industry. Nordex believes the increased cash position will safeguard against risks from the short-term headwinds affecting the industry, and further improve its delivery to customers.

 [Discover more](#)

 **Country:** Germany

 **Values:** Caring

## UniCredit HypoVereinsbank grants social loan to GESOBAU for new affordable and intergenerational housing in Berlin Pankow

**UniCredit HypoVereinsbank** has granted a social loan to our client **GESOBAU** for the construction of a new square in **Berlin Pankow**, with the aim to make intergenerational living a tangible experience for the general population. On the Idunastraße/Neukirchstraße site, GESOBAU is building **425 flats** spread across a total of **14 buildings**, 50% of which are for tenants with a housing entitlement certificate. A total of 317 flats are barrier-free, including four wheelchair-accessible units. Furthermore, shared flats for senior citizens and residents in need of care as well as a day-care centre are being built.

Founded in 1900, GESOBAU AG is one of the six major municipal real estate service providers in Berlin. GESOBAU plans to increase its housing stock from the current 46,000 to approximately **52,000 flats** by 2026. In doing so, it is making an active contribution to meeting the growing demand for affordable housing in Berlin in the long term, as well as supporting the different housing needs of the population. Housing offers for special needs groups are fully integrated into the company's development plans. In addition, GESOBAU actively focuses on climate protection, implementing targeted measures on energy-efficient construction and energy modernisation in their projects while always taking social compatibility and economic efficiency into account.

 [Watch the video](#)



**Country:** Romania



**Values:** Caring, Ownership

## GoGreen Leasing solution

Romania plans to significantly reduce its traffic emissions by 2025 with the goal of having **no more than 250,000 vehicles older than 15 years** on its streets. According to the **European Automobile Manufacturers Association**, in 2021, Romania already saw an increase in electric cars of **over 120%** compared to 2020, which is above the European Union average. To further support this ambition, UniCredit launched the **GoGreen initiative** in 2022.

GoGreen is a new financing solution for the purchase of 100% electric or hybrid vehicles through leasing. It offers tailored benefits in

terms of leasing structure and pricing, with an advance payment of only 5% of the purchase value and a variable interest rate composed of Euribor for three months plus a promotional margin starting from 2.99%. In this way, GoGreen helps make the purchase of an emissions-free or low-emissions car more affordable.

Through GoGreen, our Leasing team in Romania contributes to the efforts to renew the national car fleet while encouraging the purchase and use of vehicles with low environmental impact. The GoGreen financing period can vary from one to five years, and the residual value is 1%. In addition, customers can benefit, under the conditions provided by current local legislation, from the advantages available through the **RABLA 2022 Programs**. Furthermore, they are empowered to do their part in helping to protect our environment and decrease their carbon footprint, one car ride at a time.



[Watch the video](#)





Country: Serbia



Values: Caring, Integrity

## 20-year anniversary CSR initiative to support the preservation of biodiversity in Serbia

To mark the **20-year jubilee** of UniCredit Bank in Serbia, we launched the campaign: **“20 years together to start good things”**, which raised **RSD 13 million**.

This was done by allocating RSD 2,000 from

each cash loan and working capital loan greater than RSD 200,000 towards the sustainability efforts the campaign was looking to support. The funds have now been invested in local environmental conservation and protection projects. The importance of this project was also recognised by the local **Ministry of Environmental Protection**, with which our bank signed a Memorandum of Cooperation supporting this initiative.

The project includes support for the improvement of the preservation of flora and fauna, natural habitats of animal species, and the improvement of tourist capacity as well as the further promotion of protected areas. To date, we have supported **11 key locations**, namely national parks: Kopaonik, Đerdap, Fruška Gora and Tara; natural monuments: Sopotnica waterfalls, Lisine, Resavska cave, Zvezdarska forest, Byford forest; and special nature reserves: Carska bara, Karađorđevo.

The campaign not only gathered positive traction in the local media, but also saw strong interest from Serbia’s citizens who quickly started using the various amenities of the picnic areas that were arranged and visiting the many natural monuments we’ve supported.





Country: Austria



Values: Caring, Integrity

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## Climate Week

Only together, we can save the planet. At **Climate Week 2022** in **Austria**, we took another tangible and important step in this direction, together with **Glacier**, raising awareness for climate protection.

In cooperation with Glacier, an international team of climate enthusiasts, product experts, and community builders, UniCredit Bank Austria's employees spent **five days** engaging in deep discussions to raise our awareness on climate protection. Glacier's goal is to inspire companies and their employees to set up climate protection initiatives and implement ESG in their businesses. During the Climate Week, both our employees and representatives from Glacier engaged in fruitful discussions about current climate conditions, what each of us can do to contribute to a more sustainable tomorrow, and much more.

To keep our people engaged throughout the week, in addition to the daily videos shared across UniCredit Bank Austria, targeted quizzes were promoted (with answers shown the next day) and key learning resources and easy to digest content pills were shared, allowing our people to learn more about climate issues and sustainability.

Climate action requires a transformation that can only be achieved together. In line with its commitment to sustainability, UniCredit Bank Austria is a proud founding partner of Glacier, and hosts and supports the Climate Week with more than **500 other participating companies** all over Austria.





Country: Bosnia and Herzegovina



Values: Caring

## Breast Cancer Awareness: Think Pink in partnership with VISA and My Circle of Support

We strive to make a positive impact on our people’s health, especially for those most vulnerable. Through a traditional initiative “Think Pink”, also in 2022, we invited medical specialists and women who have fought with breast cancer to hold talks to raise awareness about the importance of **early breast cancer detection** and regular check-ups among our bank’s employees.

Together with **VISA** and our sister Bank **UniCredit Bank d.d.**, we also collected funds to provide free mammography examinations for women across **Bosnia and Herzegovina**, psycho-social support, dedicated educational sessions and care packages for each woman in Bosnia and Herzegovina who has been through breast cancer surgery.

Furthermore, in **Banja Luka**, we offered more than 1,000 free mammography examinations through the initiative “**My Circle of Support**” in the past two years. Support and care for our communities is our duty, helping to create a more inclusive society and listening to the needs of vulnerable groups. We are proud that this initiative has directly supported 1,000 women through free check-ups, therefore also supporting their entire families, over the last two years.

We believe that we must continuously work to raise awareness of the importance of preventive examinations. That’s why all of us together, today and tomorrow and every day, should educate and empower women on what is most important - caring for our health.



[Watch the video](#)



# Clients



At UniCredit, we continue to evolve our business around our clients. Keeping our clients at the centre is what allows us to deliver competitive and effective value-added services to clients across the Group.

Under our UniCredit Unlocked strategic plan, Client Solutions leveraged two best-in-class product factories – Corporate and Individual Solutions – to deliver these key capabilities and combine that with a best-in-class service offering.

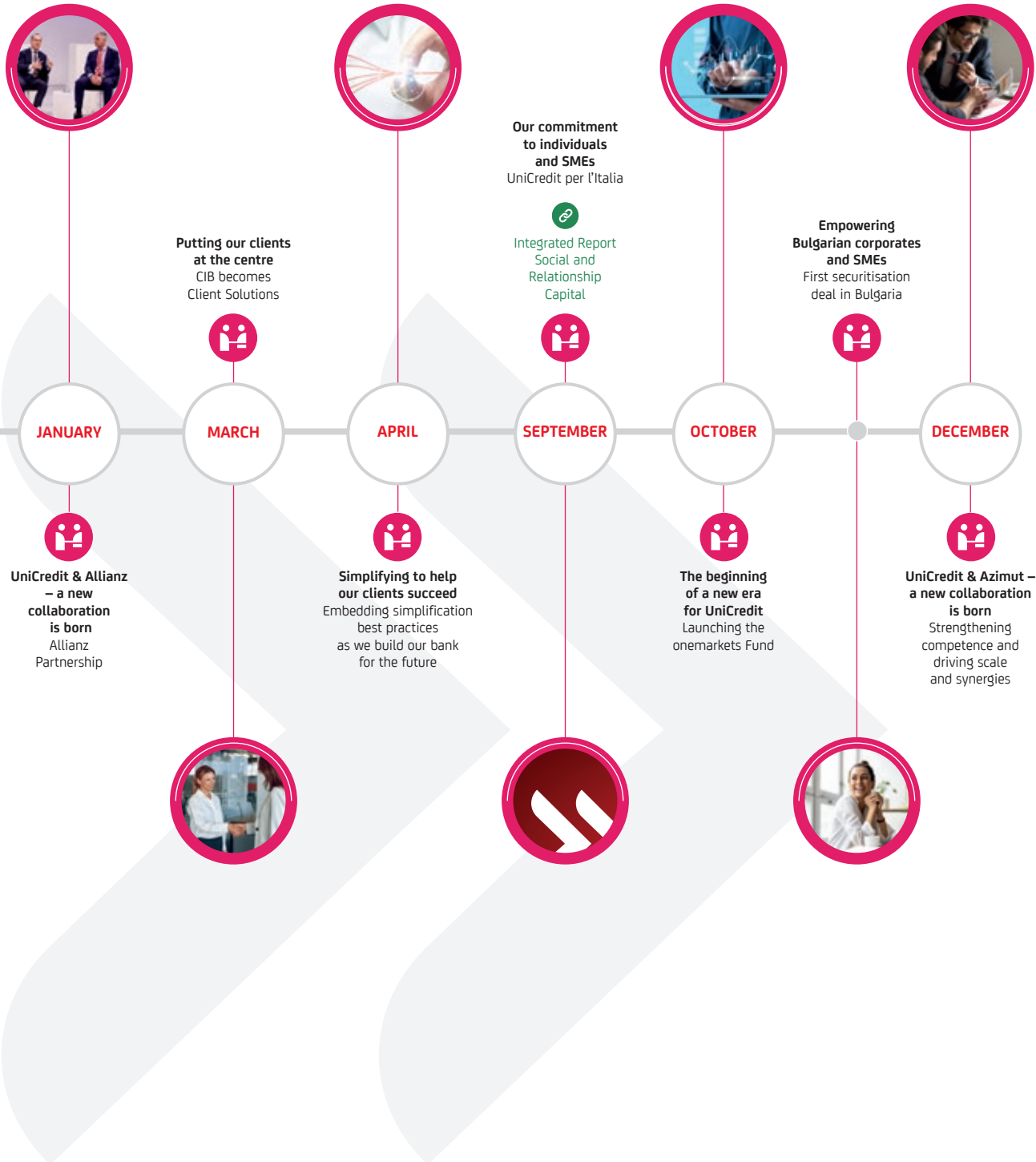
Whether it was steering Porsche to its €9.4 billion initial public offering, bringing fibre-to-the-home connections to over 34 million European households, or advising the Republic of Austria around its inaugural Green Bond Framework – we have played an integral role in some of Europe’s most visible transactions. What’s more, we have also been putting the client at the heart of our digital transformation. Take our Corporate Portal, for instance. A single-entry point for corporate clients, designed to enhance the digital

experience through simplification and harmonisation. Now available across thirteen countries, we have increased client connectivity sixfold in the last five years.

Moreover, in a year characterised by extreme and sudden waves of market volatility, we were able to support our client base to the fullest extent – from large corporates to SMEs – in accessing the hedging solutions that best suit their needs. Without our digital tools and our client-first mindset, this simply would not have been possible.

To follow UniCredit’s Client journey in 2022, click on the timeline below and find out more about how we transformed through 2022 in order to fulfil our Purpose: to empower communities to progress.

# Our Client milestones





# Our Partnerships: UniCredit & Allianz – A new collaboration is born

Best-in-class product offerings,  
innovation and technological  
integration for the mutual benefit of  
our clients



**Values:** Integrity, Ownership

UniCredit and **Allianz** signed a multi-country Framework Agreement, setting the tone for enhanced collaboration which benefits clients of both companies. This agreement builds on the companies' long-standing and highly successful partnership, which first started in 1996. It has also paved the way for deeper cooperation between the two groups in the insure-banking business, namely in **Italy, Germany, Central and Eastern Europe**, where UniCredit proudly serves over **15 million clients** and Allianz Group serves over **30 million clients**.

Protection and Investment are two strongly linked areas that are crucial for our bank's strategy. At UniCredit, we protect our clients during the most important times in their lives. As their partner, we support them with the management of their assets, guiding them and providing tangible answers to their needs. This is the direction we moved in, both for Italy and other countries in our



Group, when we recently **strengthened the partnership agreement** with Allianz. The agreement will help to generate even more value through an integrated approach, by leveraging the excellent service from Allianz and complementing this with UniCredit's offering.

This agreement, which marked a remarkable step forward in the execution of our strategic plan, was a testament to what can be created through a strong and effective partnership. It consolidated best-in-class product offerings, innovation, and technological integration for the mutual benefit of our respective clients, further underscoring our commitment to this sector. It is a blueprint for how we intend to streamline our joint ventures and maximise the benefits of all future partnerships.

We understand our clients and their needs. We are committed to meeting those needs. Now, through this new, strengthened partnership agreement, we can offer not only an integrated approach with Allianz, but **broader and better solutions** than ever before.

This agreement joins together best-in-class product offerings, innovation and technological integration for the mutual benefit of our respective clients, underscoring our commitment to this sector.

It is a blueprint for how we intend to streamline our joint ventures and maximise the benefits of all future partnerships.

### **Andrea Orcel**

Group Chief Executive Officer and Head of Italy of UniCredit

We are delighted to continue and deepen our successful partnership with UniCredit. I look forward to securing the future of our joint customer base with world-class products and services.

### **Oliver Bäte**

Chief Executive Officer of Allianz SE



[Discover more](#)

# Putting our clients at the centre

## CIB becomes Client Solutions



**Values:** Integrity, Caring

At UniCredit, we continue to build our business around clients. **Client Solutions** represents the strategic evolution of our very successful former corporate and investment banking business. As part of the new operating model launched under **UniCredit Unlocked**, we have opened up our product platform to all Group clients – bringing the scale of each of our different banks together in combination with targeted product expertise that we can deliver in the countries. We are no longer a collection of silos, we are interdependent. As a result, we feel much lighter, nimbler and stronger as an organisation.

Client Solutions is also the area in which we house all of the specialist products that the Group offers to its clients. It is an **evolution** of the way we worked before and one that is helping us to fully **unlock our potential**. We want to empower our bankers with both the right tools and best-in-class products to focus their attention, effort, and energy on delivering for clients. Our clients have unique needs and understanding them increases the quality of our strategic dialogue. Now more than ever, they need our guidance: we are ready and eager to support them.

Proximity to our clients and a profound knowledge of the markets in which we operate, are the pillars of our sustainable growth. We have harnessed the power of being both international and local at once; whilst we are more international than the local banks, our granularity within the countries we operate means that we continue to be more local than our international peers.

UniCredit Unlocked leverages two centralised product factories – **Corporate and Individual Solutions** – to deliver our best-in-class capabilities to all the Group's clients. **Corporate Solutions** comprises Client Risk Management, Advisory and Capital Markets, Specialised Lending, and Transactions and Payments, whilst **Individual Solutions** covers Funds, Portfolio Management, Brokerage and Assets under Custody, and Insurance.

Our bankers cannot deliver without having the right products, and our products cannot be delivered without our bankers. This is perfectly aligned matrix of Client Solutions puts the **client at the centre** of all that we do.

Our clients understand that if they come to UniCredit, we know what they need and what they want. It is because of this that they are willing to come and share this information and their problems and this allows us to overcome the challenges they have. The clue's in the name, 'Solutions'.

**Richard Burton**

Head of Client Solutions



[Listen to the podcast](#)



# Simplifying to help our clients succeed

Embedding simplification best practices as we build our bank for the future



Values: Ownership

Simplifying our bank is one of our top priorities – not only to provide our people with an efficient way of working, but to ensure clients receive a seamless service and achieve their desired objectives.

In 2022, we redirected our focus to **simplification** and how it can be embraced at all levels of our Group. We reduced, for instance, our organisational layers by **28%** – with decision making levels decreased by a further **43%**. This at once streamlined the structure of our organisation and freed up our colleagues' time – allowing for more effective, client-centric decision-making.

Our people are fundamental in driving the **transformation process** across all areas of our business. They are our greatest source of inspiration, and we want to ensure both that their voice is listened to, and ideas are put into action.



For example, we managed to reduce the time for new cash loans and refinancing to only ten minutes – an initiative already bearing fruit across Italy, with further progressive releases in **Italy, Germany and Austria**. Moreover, we have increased automatic credit decisions to almost 90% in Italy, which allowed a significant reduction of income documentation required (from 70% to 20%).

In **Croatia**, we launched **Zaba Smart Invest** – an investment advisory tool for individual clients, based on an internally developed algorithm for personalised investment proposals. This shortened the time spent having advisory conversations by more than a half.

Across **Client Solutions**, we have sought to put decisions closer to the client, enhancing our connectivity with front end tools whilst minimising manual work its associated risks. Take our **Corporate Portal**, for example. A single-entry point for our corporate clients, designed to enhance the digital experience by leveraging on simplification and harmonisation. Now available across **thirteen countries**, we have increased client connectivity sixfold in the last five years. Intuitive processes like these have undoubtedly been beneficial for our clients.

Finally, we have drastically lowered the number of internal reports being produced, which has resulted in our colleagues having over **300,000** fewer unnecessary emails to deal with. But it doesn't stop there – we are fostering momentum and ownership to deliver true and lasting transformation across the bank by breaking our habits and streamlining our organisational structure.

Our simplification strategy is multi-dimensional and a business necessity, as well as a key contributor to our clients' successes and the communities that we serve. If we are to succeed as the bank for Europe's future, it is imperative that we all maintain a strong path on the journey of simplification together.



[Discover more](#)

# Our commitment to individuals and SMEs

## UniCredit per l'Italia



**Values:** Ownership, Caring

Our bank takes its commitment to empowering our communities seriously – as we live this commitment through tangible actions impacting the communities which we serve.

UniCredit sought to help Italy tackle the current macroeconomic crisis with **€5 billion of funds** to support companies, the suspension of instalment payments on loans to businesses and households and a postponement of charges for private clients worth a total of around €3 billion. The staggering increase in energy and raw material costs, and in the general level of prices of goods and services, has had negative consequences on the balance sheets of Italian companies and households.

In order to alleviate the impact on local communities and continue supporting the country's growth, our Bank set up the **"UniCredit per l'Italia"** plan, including €5 billion to support the liquidity needs of businesses in the face of rising energy costs, through the dedicated **CreditPiù facility**, with maturities from **3 to 36 months** and a grace period of **up to 6 months**.

It also included an instalment plan that offered the option to postpone payments for individual purchases or the expenditure for an entire month made using **Carta Flexia**. In addition, we launched a dedicated 12-month business mortgage moratorium – upon evaluation of the bank – for companies who have not already benefited from government guarantees.

Lastly, we implemented a flexibility module of mortgages for families and individuals, which our Bank offered more than **400,000 Italian household clients** who hold a mortgage, the opportunity to suspend the principal payment of the mortgage for 12 months, to reduce the monthly instalments by reviewing the repayment plan or to postpone the payment up to 3 instalments.

We estimated that the instalment, moratorium and flexibility measures for clients will have a total value of €3 billion. All Italian colleagues already benefit from the instalment plan for Flexia credit card holders, and now, they enjoy favourable conditions when they ask for a mortgage.

Providing our communities with **increased flexibility**, especially in times of struggle and need, is what our bank does best – and keeping our clients and their needs at the forefront is how we can continue to be their trusted partner.



[Watch the video](#)



[Discover more about the Social and Relationship Capital chapter in our Integrated Report](#)

As a bank, we have never failed to provide support to our Country during the most difficult of times. Given our social Purpose and commitment to our clients, we want to continue to concretely help families, communities and businesses to mitigate the financial impact of the current crisis, while also ensuring the liquidity needed to deal with the complexities of this economic situation.

### **Andrea Orcel**

Group Chief Executive Officer and Head of Italy

UniCredit has always been close to the needs of our local communities, and it is important that we play our part in helping during this difficult time, characterised by a loss of household purchasing power and a risk of shrinking business investment.

### **Remo Taricani**

Deputy Head of Italy

# The beginning of a new era for UniCredit

## Launching the onemarkets Fund



**Values:** Integrity, Ownership

2022 marked a new era for UniCredit with the launch of our **onemarkets Fund**, a newly established funds family which extended our range of investment solutions offered to network clients across the Group.

The platform represented a new approach to asset management business, built with a distributor's attitude that puts the needs of our clients at the very centre. At the same time, it remains fully in line with our financial ambitions to build sustainable revenue growth with recurrent fees, whilst being capital-light.

A virtual event provided the perfect occasion for retail, private banking, wealth management and corporate network colleagues from **Italy, Germany and Austria** to hear directly from the internal and external stakeholders involved in the design and implementation of this new fund platform, with Q&A and local commercial sessions providing a comprehensive overview of the product, its unique selling points and the key benefits for clients.



Through onemarkets Fund, we offer an exclusive selection of bespoke investment opportunities managed by a team of internal and external experts under a framework designed to ensure quality as well as risk-return profile. The selection and design of the funds was based on UniCredit's deep knowledge of its clients – with products developed in-house and via strategic partnerships with leading asset managers.

The first wave of funds was made up of **three multi-asset and four equity** (global and thematic) **bespoke funds**, structured with the involvement of Amundi, Blackrock, Fidelity, J.P. Morgan and PIMCO, with sales taking place across Italy, Germany and Austria.

Across all areas of the business, we put the needs of our **clients firmly at the centre** of everything we do. The launch of our onemarkets Fund represented the latest step in this direction as our bank broadened its range of investment solutions. The product offering will continue to be gradually enlarged, leveraging on UniCredit's **'open architecture'** approach. At the same time, the initiative is a concrete result of the bank's UniCredit Unlocked strategy and stated ambition to drive sustainable, capital-light revenues with a client-centric approach.



[Watch the video](#)

Across all areas of the business, we are putting the needs of our clients firmly at the centre of everything we do. The realisation of this initiative is also a story of cross-business collaboration. When we unlock the potential of the Group, it is clear we have the scale and expertise to deliver industry-leading products and services.

**Richard Burton**

Head of Client Solutions

# Our Partnerships: UniCredit & Azimut – A new collaboration is born

The latest step in strengthening our competence and driving scale and synergies within our asset management business



Values: Ownership

Shortly after the launch of our **onemarkets Fund** products, we announced the signing of a letter of intent with leading Italian asset manager **Azimut Holding**, outlining the main principles for the distribution of asset management products in Italy.

The partnership accelerated our strategy to drive greater value and scale from our existing asset management business for the benefit of clients – broadening our activities

along the value chain as we look to rebuild core competencies.

At the same time, the agreement also enabled us to **expand our own ecosystem**, through the potential distribution of banking products to Azimut. Azimut will incorporate, and autonomously run, a management company in **Ireland** that will develop investment products for distribution in Italy through our powerful network on a non-exclusive basis.

Based on the implementation agreements to be signed by the parties, UniCredit will be entitled to exercise a call option on the newly established Irish management company fully owned by Azimut in five years' time, or earlier subject to specific circumstances, as is customary in this kind of transaction.

In the event of the call option being exercised, UniCredit would control its own high value factory together with onemarkets Fund products and other asset management entities already part of the Group, thereby re-building selective components of the asset management value chain.

As a bank, we are always seeking out ways to **generate added value** for our stakeholders. Whilst this partnership will allow us to offer our seven million Italian clients more solutions, it also underlines our enduring commitment to strengthening the asset management industry in the country.



[Discover more](#)



# Empowering Bulgarian corporates and SMEs

## First securitisation deal in Bulgaria



**Values:** Ownership, Caring

The **European Investment Bank Group (EIB)** and **UniCredit Bulbank Bulgaria** signed a Guarantee on the synthetic securitisation of **SME and Mid-Cap loans** originated by UniCredit Bulbank last year. The notional amount of the Guarantee is **€90 million** on a portfolio of **€1 billion**. The transaction represents a significant milestone as the first ever securitisation of any type carried out by our CE&EE division

The EIB Group's guarantee will allow UniCredit Bulbank to finance new eligible projects undertaken by Bulgarian small and medium size enterprises (SMEs). With further backing from the **Pan-European Guarantee Fund (EGF)**, this is expected to unlock new loans amounting to more than **€630 million** at more favourable

conditions especially for SMEs suffering from the economic consequences of the aftermath of the COVID-19 pandemic and instability due to events in Ukraine.

This was the first EIB Group synthetic securitisation in Bulgaria and is expected to provide a very strong signaling effect for the Bulgarian banking market as a whole. Furthermore, it was the first securitisation with a UniCredit subsidiary in **Central and Eastern Europe**. The transaction shows the continued successful cooperation between UniCredit Bulbank and EIB, following similar agreements with both EIB and EIF in 2021 and before.

The size of the transaction, the economic KPIs met and the resulting benefit at both the Group and Bulbank level have remarked this transaction as an unprecedented success, supporting the Group's corporate and SME lending business in Bulgaria and beyond. The transaction was the outcome of great co-operation across many parts of the UniCredit Group, including Bulbank, ALM CE&EE, CE&EE CIB FIG, Group ALM & Funding, and the Securitisation & Asset-Backed Solutions team in a complex, and innovative project which was over one year in the making and will help to further set the scene for other securitisation efforts by the Group CE&EE team.



[Discover more](#)



# Our Client stories

 **Country:** Italy

 **Values:** Caring, Integrity

## The Social Hub (TSH) social and environmental financing in Rome and Florence

Our bank is committed to empowering our youth – recognising their role as the future leaders and changemakers of our future. This starts with providing them with the resources and tools they need to be successful. In 2022, UniCredit, in collaboration with **SACE**, supported **The Social Hub (formerly The Student Hotel) project** with a **€145 million social and environmental impact financing loan** for the development of two innovation and creativity hubs. These hubs will open in 2024 and aim to connect different communities of people across all walks of life in **Rome** and **Florence**.

The Social Hub (TSH) and UniCredit agreed to include impact financing terms in the form of a discount on the interest rate, which TSH has committed to reinvest by providing students from disadvantaged socio-economic backgrounds with scholarships in the form of rent reductions. The project will support the regeneration of the **San Lorenzo district** in Rome and the **Belfiore district** in Florence, revamping the areas for the local communities and expanding the availability of student housing in both cities.

The Social Hub is known for its commitment to building its premises in a responsible and impactful way to benefit both the local community and the environment. Backed by UniCredit's financial support, together with SACE, the San Lorenzo district in Rome and the Belfiore district in Florence will benefit from more student housing opportunities which will in turn support the wider positive development of these inner-city areas. The project also increases the availability of quality accommodation, supporting a sector that was harshly hit by the pandemic.

We have long recognised the importance of creating meaningful opportunities in the heart of our local communities. Through partnerships like those with The Social Hub, we are empowering these communities to **unlock their fullest potential**.

 [Discover more](#)



Sal Marston Photography





**Country:** Germany



**Values:** Ownership

## Real Estate Germany - Industry coverage with a unique target group approach

Being a bank with an international mindset, our business acumen increases as we build our local industry know-how across the different countries in which we operate. A perfect example of this is **UniCredit HypoVereinsbank in Germany** – one of the country’s leading financing banks in the **Real Estate sector**. For many years, the bank has covered (commercial) real estate companies including national and international investors, project developers, building contractors and housing companies. Profound sector and

industry knowledge, as well as a dense market network are just some of the tangible results we see from the work we do.


Our relationship approach is unique. As a universal (non-specialised) bank we are able to offer a variety of financial services along our entire value chain from mortgage loans and sustainable public funds to capital market products such as green bonds, as well as risk-minimising financial instruments. These tailor-made solutions make UniCredit the “**one-stop-shop**” as we not only have a comprehensive track record in (structured) real estate financing, but also offer significant added value for every mandated transaction across all capital market products on the German real estate market.

Landmark transactions demonstrate that our clients rely on our competencies in this market. For example, we successfully accompanied **Vonovia** in the issuance of a **€1 billion** multiple tranche **Schuldschein** and **Namensschuldverschreibung** as Joint Arranger within a bookrunner group of 3 banks. Vonovia SE is Europe’s leading private residential real estate company (it owns ~550,000 residential units across Germany, Austria and Sweden – Deutsche Wohnen included). This offering marked the biggest **Schuldschein** ever for a real estate corporate.

We will continue to rely on our industry knowledge and years-long relationships within our local markets, driven by our mindset to **Win. The Right Way. Together.**



 **Country:** Germany

 **Values:** Ownership

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## UniCredit supports Porsche in the largest IPO in Europe in more than a decade

With the ringing of the bell at the **Frankfurt Stock Exchange** last year, Porsche entered a new chapter of its storied history with increased autonomy and entrepreneurial flexibility.

The **Porsche IPO** marks the **largest non-government German IPO in history** and the **largest IPO in Europe in more than a decade**.

UniCredit played an important role in the **€9.4 billion** listing, supporting as a Joint Bookrunner and demonstrating the strength of its distribution power alongside **Kepler Cheuvreux** and our vast retail, private banking and wealth management networks in Germany, Austria and Italy.


UniCredit's strategic alliance with Kepler Cheuvreux generated significant additional demand, underlining our

extensive distribution power. Despite challenging markets, the extraordinary outcome of the transaction, which priced at the top of the range, is the perfect example of how we can **unlock value** across our bank's business lines and geographies.

 [Discover more](#)



 **Country:** Bulgaria

 **Values:** Integrity, Ownership

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## Interior design company using the zero-waste method

Our clients remain at the centre of everything we do. With this in mind, we place a key focus on all facets of their business, from the **product offering** to **sustainability**. In 2022, **UniCredit Bulbank** announced a partnership with interior design company **Pachkov Ltd.** in an effort to further promote and embed sustainability in everything we do – starting with zero-waste initiatives. The key focus of the company is interior design, namely the production of furniture. Pachkov has long history in the furniture production and interior design business, being on the market for over 18 successful years.

As a company, Pachkov is a firm believer in sustainability. Given the scope of their work, they understand how essential it is for them to ensure they are embedding waste reduction efforts in the way they conduct business. Their mission is to use the best quality materials and complement that with craftsmanship. An innovative idea of the company is to recycle coffee capsules by placing collection containers capsules in front of some of the biggest retailers in Bulgaria.

In 2020, UniCredit Bulbank signed a 12+12+12-month revolving limit (**BGN 250,000**) in support of this thoughtful and earth-friendly initiative. And there's a science behind all of this. The coffee from recycled capsules will be used for fertilisation and compost soil for growing mushrooms. From there, the plastic is then processed into granules to then be used in production of furniture boards for their business – all while maintaining the quality of work the brand is known for. The capacity of the capsule processing machine is **5 million** annually. By embedding sustainability in their everyday practices, our bank can empower companies like Pachkov to do their work well, all while diminishing their carbon footprint one furniture piece at a time.

 [Discover more](#)



Country: Croatia



Values: Caring

## Zagrebačka banka's cooperation with social enterprises Hedona and Humana Nova

Unlocking our bank's potential is only successful if we can unlock the potential of those in our communities. In addition to meeting the quota for employment obligation, the legislator in Croatia proposed an alternative possibility of meeting the employment quota in 2022. **Zagrebačka banka** contracted an agreement with social enterprises **Hedona and Humana nova**, which employs **over 50%**

of people in their workforce who qualify as **persons with disabilities**, as well as other individuals from various vulnerable groups.

In partnership with the People & Culture and Procurement teams, colleagues from **Zaba Social Impact Banking**, have realised the incredible benefits of working with Hedona and Humana. Zagrebačka banka is directly helping these individuals by procurement of their goods and services, further strengthening Zaba's Social Impact Banking efforts to the fullest extent. For example, the bank uses handmade chocolate and pralines by Hedona for initiative such as gifts for clients, employees, or gifts for special internal events.

Humana Nova also made limited edition cooking aprons made from recycled materials for Zaba's internal initiative "Be good, eat healthy".


Today, the bank has **30 employees**, of which 15 are persons with disabilities who work in different parts of the business. Through this kind of business relationship, the Bank directly encourages and empowers the employment of people with disabilities, and ensures their job security through meaningful experiences.



[Watch the video](#)



 **Country:** Romania

 **Values:** Integrity, Caring

## Supporting Female Entrepreneurship

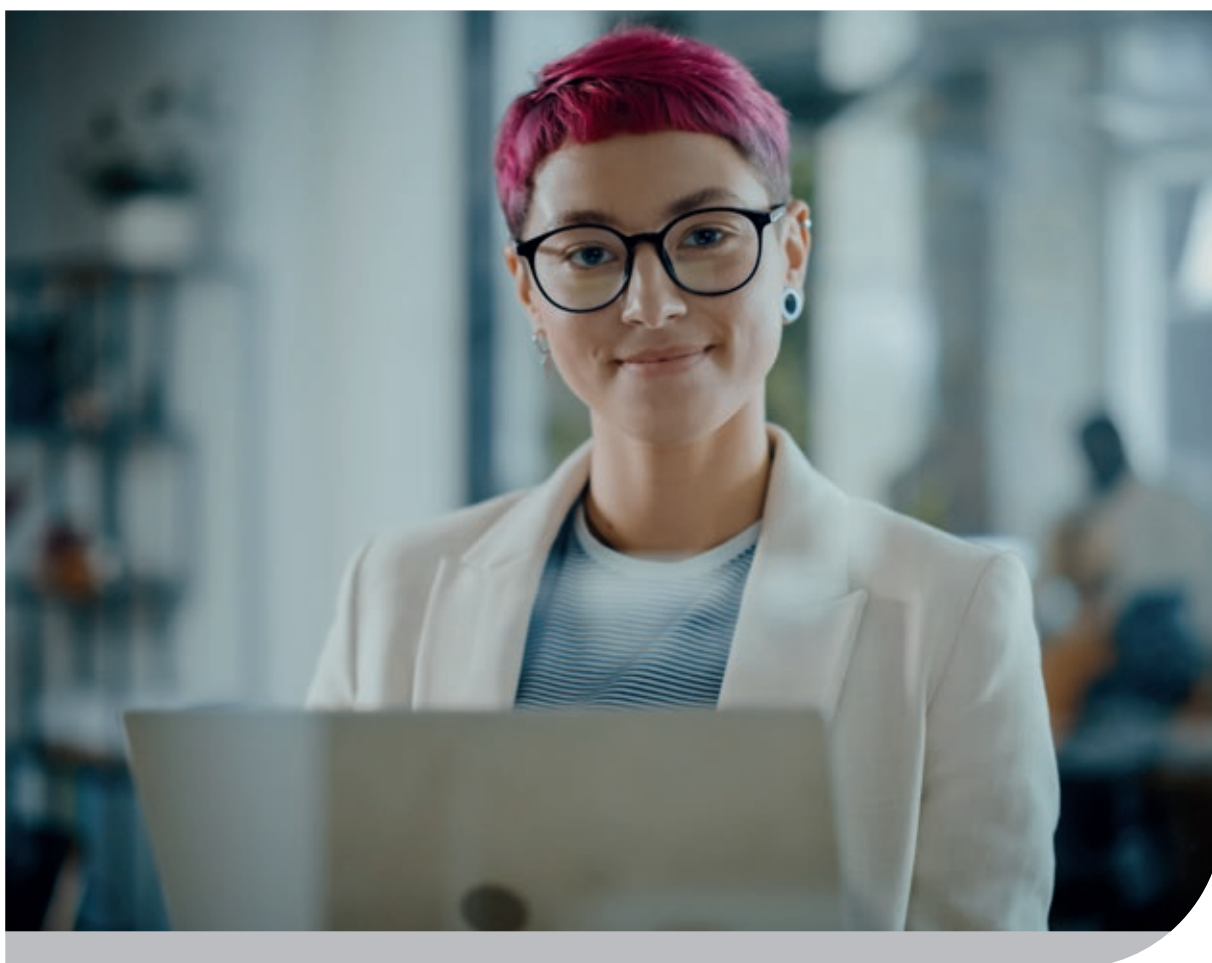
Embedding **diversity, equity and inclusion** best practices across our Group is the only way we can set the tone for our bank for the future. UniCredit supported the development of the entrepreneurial environment among women, joining the multi-year national programme for the development of entrepreneurship among women in the sector of small and medium enterprises implemented by the **Ministry of Entrepreneurship and Tourism**.

The main objective of the **Romanian** initiative was to stimulate and support the establishment and development of private economic

structures owned and managed by women, improving their economic performance, and achieving intelligent and inclusive economic growth. Based on digitisation, sustainable development, innovation, and training entrepreneurship, we can tackle problems related to maintaining the balance between family and professional obligations and prejudices still existing at a local level.

Through this programme, beneficiaries can obtain non-refundable financial aid from the state within the maximum limit of **RON 200,000**, an amount that represented a maximum of 95% of the value of eligible expenses related to the project. For eligible beneficiaries, UniCredit Bank facilitates the opening of separate current accounts for accessing the non-refundable aid and provided bridging loans of **up to 95%** of the value of the eligible expenses related to the project and investment loans for co-financing of **up to 15%** of the value necessary to ensure the individual contribution.

**Empowering our communities starts with people**, and providing people with fair and equitable opportunities is one of the key drivers in achieving our Purpose.





**Country:** Serbia



**Values:** Integrity, Caring

## A dedicated credit line for vulnerable groups

Going beyond our duty as a financial institution only means we have a commitment to providing tools and resources to those who need it most. In 2022, **UniCredit Bank in Serbia** and the **European Investment Bank (EIB)** launched a dedicated credit line totaling **€30 million**, aimed at supporting the employment, professional training, and long-term retention of people from vulnerable social groups.

These funds have enabled UniCredit to on-lend to Serbian companies that are com-

mitted to improving the social impact of their businesses and creating long-term leadership and employment opportunities for women, youths and segments of the population that face higher entry barriers in the labour market. As a bank, it is essential that we look to supporting companies who **empower their people**, in-line with our bank's commitment to empowering our communities.

In addition to funding, Serbian companies will receive a performance-based financial reward if they meet specific targets. This is with the aim to foster leadership, employment and professional development opportunities for women, youths and groups who currently tackle these barriers head-on in the current market, such as people with disabilities, refugees and more. The financial reward is provided as a grant under the **EIB's Economic Resilience Initiative (ERI)**, aimed at boosting job creation and sustainable private sector growth. This was the first EIB private sector loan in the **Western Balkans under ERI**, which contributed to the most important goals of promoting sustainable development.



**Country:** Hungary



**Values:** Caring, Ownership

## UTB Envirotech Zrt. puts sustainability at the forefront

UniCredit client **UTB Envirotech Zrt.** is a company well versed and fully engaged in wastewater purification and treatment. They design, construct and develop the technologies to achieve this, with their main patents in wastewater treatment and “**cyclator**” technology. A total of **50 patents** are already operating in **Hungary** and the surrounding

countries, as well as a related decanter product line, of which **more than 100** are already operating worldwide, including New Zealand and Australia.

Out of all UTB Envirotech Zrt.’s developments, their most important sustainability-related developments is **Cycle**. Cycle is a range of cleaning products based on a unique technology that allows them to recover useful raw materials from the sewage sludge and turn it into the desired detergent range.

As a company that is heavily invested in **Sustainability and ESG** as a whole, it’s our top priority to ensure our clients have the same focus and drive to better the world around us. Identifying clients who make concrete sustainable efforts and embed this in their work is always something UniCredit wants to be part of. For this reason, UniCredit has been their **exclusive partner for 15 years**, providing the client with financial sustainability. In those 15 years, the Group has seen its turnover quintuple and the number of employees triple.





**Country:** Czech Republic and Slovakia



**Values:** Caring, Ownership

## Bank@Work

Our bank and its people are motivated by the strong relationships we build with our people, our clients, and all our stakeholders. **Bank@Work** is a business initiative in **Czech Republic and Slovakia** focused on client acquisition an agreement between the retail and corporate teams in the bank. The initiative was based on a special offer of retail products for individuals who are employees of our corporate customers.

When our bank identifies new customers and clients to do business with, it is essential that

we offer them a full-scale, first-class service from a holistic point of view. This also means offering their employees, the people who keep the business running and maintain its success, the same support and resources our bank has to offer. Employees of our clients are able to access a special UniCredit offer available to clients only, which also adds a special and exclusive perk to working for our clients' companies by providing this additional employee benefit.

In 2022, through the Bank@Work programme, we managed to acquire **more than 15,000 new clients** to our retail franchise from our clients' businesses alone. As a next step, there is a strong focus on product cross-sell, ensuring client retention and revenue growth. Maintaining these relationships with our clients is a strong driver in ensuring we can extend the UniCredit offering across all facets of our business, our clients' business, and beyond.



# Digital & Data





Digital & Data is a key pillar of the UniCredit Unlocked strategic plan. We embarked on a transformation journey to optimise our digital machine, building an efficient and modern infrastructure with up-to-date solutions and rationalised data centres.

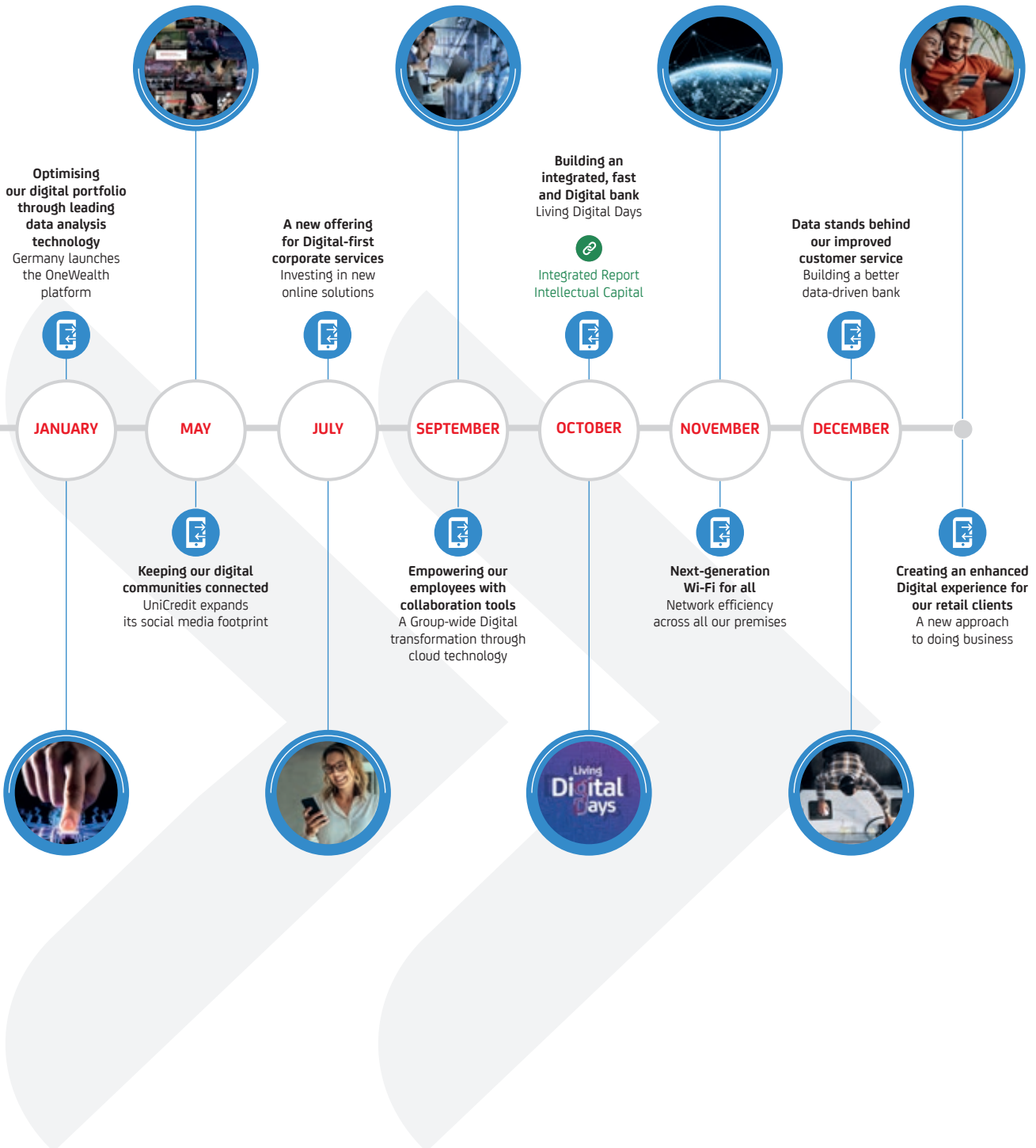
To upscale the infrastructure, bring it closer to the business, and gradually automate processes, we started by taking back control of the outsourced technology. One of the most noteworthy milestones achieved was the merger and absorption of UniCredit Services S.C.p.A into UniCredit S.p.A.

At the same time, we are rationalising the number of applications across Europe and improving our client experience by rebuilding them around their needs. For example, in 2022, we launched UCX Consumer Finance for our retail clients and UC Hedge and UC Pay FX for corporates.

Regarding our workforce, we reinforced our key competencies internally, starting with reskilling our people through UniCredit University Digital. We also implemented a new agile and data-driven way of working, leveraging internal talents to be more efficient and reduce our time to market.

To follow UniCredit's Digital & Data journey in 2022, click on the timeline and find out more about how we transformed throughout 2022 in order to fulfil our Purpose: to empower communities to progress.

# Digital & Data milestones



# Optimising our digital portfolio through leading data analysis technology

## Germany launches the OneWealth platform



**Values:** Integrity, Caring

Embedding digital in the way we do business is essential if we want to build our competitive bank for tomorrow. With the launch of **OneWealth** in the beginning of 2022, we offered our **Wealth Management & Private Banking** clients holistic portfolio advice using a portfolio and risk analysis tool. Together with their advisor, our clients can build a portfolio that is tailored to their needs, while our portfolio and risk analysis enables them to understand exactly which interrelationships and decisions affect their overall investment and how.

With OneWealth, consultants no longer only look at individual components of a portfolio but analyse it as a whole. More than **3,000 daily updated risk factors** and a variety of market scenarios are considered – this way,

clients can identify when and why there is a need for action and anticipate future market developments in their investment decisions.

With just a few clicks, advisors can create investment proposals and tailor the investment strategy precisely to the needs and risk range of clients. Contract creation and client communications are carried out on a **consistently digital basis**. Printouts are just as unnecessary as the cumbersome switching between different banking systems. The workflows are thus greatly simplified, leaving more time for the exchange with the clients.

This has revealed additional potential of our clients' assets and has given them more choice and flexibility for their investments – as well as a whole new view into the potential future of their assets. Together with their advisor, our clients can determine how they can fully exploit their risk variant and the performance strength of their assets as well as how they can further **diversify and develop** their portfolio. They can do this through understanding the future scenarios and opportunities of their selected assets, which the new tool supports.

Like our people, our clients are experiencing first-hand what it truly means to “**live digital**”. OneWealth made an important contribution to achieving the strategic goals of simplification and client centricity. In this way, OneWealth is helping **UniCredit HypoVereinsbank** achieve its ambitious growth plans in the German wealth management and private banking market.




[Watch the video](#)



# Keeping our digital communities connected

## UniCredit expands its social media footprint

 **Values:** Ownership, Caring

Now more than ever, it is essential that our people remain well connected across our business. **Digital communities** and how they interact have become increasingly important and have never been richer, more vibrant, and more impactful on people’s daily experiences than they are now. In line with our ambition of being the bank of Europe’s future, we strongly value relating and engaging with virtual communities as well as empowering them by providing the digital tools and resources they need to stay connected with each other.

In an effort to continue transforming our Bank into a more **integrated, fast, and digital organisation** for our people and our clients, our goal was to invest in building strong social media relationships that evolve, grow and resist the test of time.


Each market communicates to its audience with the aim of highlighting its own distinctive features while leveraging the strength

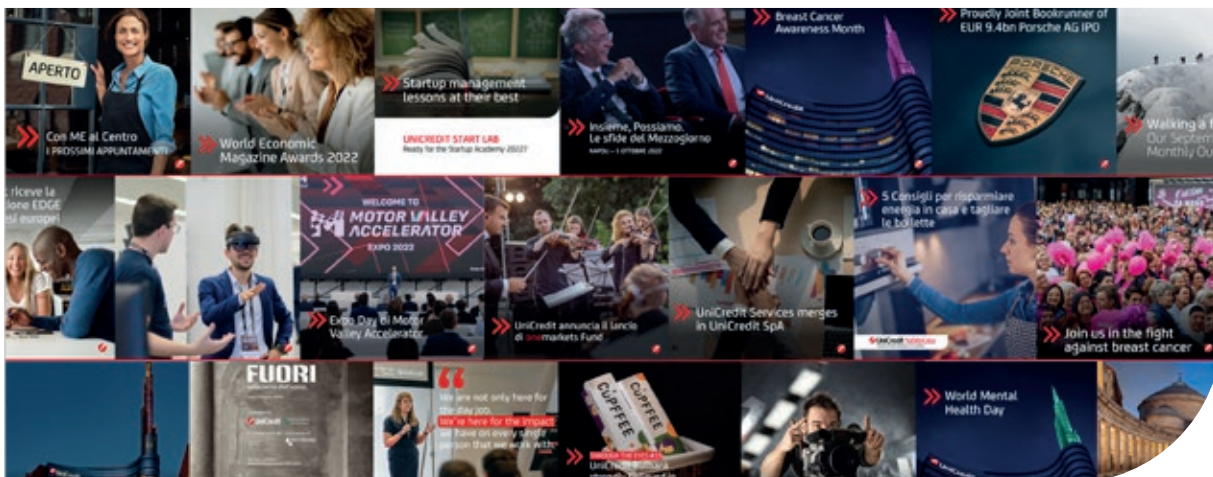
and the communicative power of a large Group. In this respect, **social media** and virtual communities have become a key source for intra-company inclusion, building a strong foundation for social relations among our people and with the outside community both in our industry and beyond.

To promote such inclusion through a genuine interaction based on facts, figures and concrete and meaningful actions, UniCredit joined the social media landscape more than a decade ago. We have always valued the importance of connecting and speaking to all our stakeholders across Europe and experimenting with new formats and trends to share insights and unique stories.

To further connect with those communities and reach the younger generation, we opened our **@UniCredit\_EU** global account on **Instagram** in May. Thanks to an impactful storytelling campaign leveraging images, short videos, and valuable financial tips, we have been able to reinforce the proximity to our clients, communities, and people. One month later, we also launched our first global **Facebook** profile, another platform offering useful and engaging content to fully discover the potential of an ever-evolving banking institution. To cement these efforts, we drove the importance of our key strategic initiatives through a dedicated **Group-wide podcast** – featuring key leaders from across our business.

UniCredit’s presence on Instagram and Facebook leverages the creative and engaging tools that the social network makes available – offering followers a vivid and rich dialogue to foster a daily relationship with our Bank, its progress and our **digital impact** across Europe.

 [Read the interview with Joanna Carss, Head of Group Stakeholder Engagement](#)



# A new offering for Digital-first corporate services

## Investing in new online solutions



Values: Ownership

**Digitalisation** is at the heart of our **simplification** strategy. That is why our priority in 2022 was to invest in new online solutions, such as **UC Hedge** and **UC Pay FX**, to offer our corporate clients an excellent digital-first experience.

We developed UC Hedge - a UniCredit online offering for small and mid-sized corporate clients - to support them with the end-to-end management of FX risk, which includes transparent insight into their FX exposure, possibility to analyse the FX Risk against the client's Hedging Policy and calibrate it, and trading execution according to the analysed FX risk scenarios.

UC Hedge is the first business component deployed on the new Cloud Digital Platform. It is a **cloud-based** application, technically composed of global, modular components, developed as micro-frontend/services-based APIs, scalable to any country and customer segments for e-Banking solutions. In 2023, we plan to open the full commercialisation of the product, improve the current functionalities and more based on customer needs and habits.

Keeping our **clients at the centre** of everything we do, we invested in developing UC Pay FX – a digital solution that provides tailor-made currency conversion of foreign payments based on customer-specific needs. The application was released in **Germany** on the **UC Corporate Portal** to serve clients with relevant information on converted transaction volumes, review of product details, reports and settings. Furthermore, UC Pay FX can be digitally purchased and activated by Customers directly in the Corporate Portal via the brand-new Customer Digital Onboarding.

Our bank plans to extend this digital solution to Italy for the upcoming year and supplement it with new features, such as Dealing Offline/Online, Currency Guide and Financial Institution dedicated upgrades.



[Discover more](#)



# Empowering our employees with collaboration tools

## A Group-wide Digital transformation through cloud technology



**Values:** Integrity, Ownership, Caring

With the adoption of new working patterns demanded by the **global pandemic**, our bank accelerated our **digital transformation** at UniCredit to forge a truly visible and connected workforce – offering a seamless experience across all devices anytime, anywhere.

UniCredit is committed to empowering our employees with the use of **technology**. This is no easy task for an organisation employing more than **80,000 people** across **13 countries**. The way we communicate has changed with the launch of an extensive IT migration program to introduce a unified modern workforce platform and unite all employees.

We embraced collaboration solutions, such as the **O365 package**, to enable consistently more agile and modern working. In 2022, the project reached nearly 100% completion across geographies and has proven transformational, with the latest migration to our single workplace platform including **15,000 users** from **Central and Eastern European countries**, which was completed in **less than six months**.

By leveraging digital tools such as **Microsoft Teams, OneDrive** and **Outlook**, we offered our colleagues a mobile phone solution that mirrors our laptop and desktop devices. In addition, we reviewed and reduced the number of applications available to simplify the work of our people. For example, the new corporate mobile app catalogue allows colleagues to customise their mobile workspace, cutting down on unnecessary clutter on their phone screens.

Leveraging local skills was crucial to the speed of the rollout, which was made possible through an **upskilling** and **reskilling** programme launched alongside the main migration. Key to supporting our transformation was ensuring that our users were developing the necessary skills and becoming certified on our new solution to help us in the immediate rollout as well as in the future.

Our employees have changed how they live their day-to-day lives and are more confident using these new solutions: collaborating, sharing documents, brainstorming, and participating in breakout sessions – ultimately embracing a cultural shift that complements **simplification** with **digitalisation**.



[Discover more](#)

We understood that if we wanted all our employees to feel confident and inspired, we needed to provide them with the right tools.

**Tina Pogacic**

Chief Digital and Information Officer CE&EE





## Building an integrated, fast, and Digital bank

### Living Digital Days



**Values:** Ownership, Caring

Over the past year, our Group has reached new and meaningful heights: launching **UniCredit University Digital**, the **Living Digital Community**, the **UCX Consumer Finance** in Italy, the **OneWealth** platform in Germany and the **COSMOS** platform, and much more.

This year, colleagues across our Bank gathered to learn from Digital and Business experts about the most recent initiatives we are putting in place to build an integrated, fast, and digital bank through our first-ever **Living Digital Days**.

Over the course of three days, **more than 10,000 colleagues** followed the event and connected online or attended in presence at our 25 speeches and 25+ physical stands in **Milan, Munich, Vienna, Zagreb, Budapest, Prague and Bucharest**. Over **40 speakers** offered insights on how we are transforming our Bank to offer our clients best-in-class products and services.

The event kicked-off with **Jingle Pang**, Group Digital & Information Officer, confirming the progress made in our **digital transformation journey**, emphasising why we need to focus on the future, embrace the latest and greatest technologies and deliver digital solutions for a best-in-class, integrated customer experience.

At UniCredit, we recognise that a digital transformation for an organisation of our size and scale is never simple or immediate. Our Bank is

rich in history and built on knowledge only attained by many years of past experience. On the other hand, we are focused on the future, embracing the latest and greatest technologies and digital solutions to deliver a world-class experience. Combining the two is what gives us our **competitive advantage**.

Over the **3-day expo** we exhibited and demonstrated how Digital is shaping our Bank, our industry and concretely changing the lives of our clients. This transformation is possible because each of our people are taking ownership and contributing, no matter how small, to the success of our bank: from our Digital colleagues to the Business areas and support functions who act as our true partners.

More specifically, the Living Digital Days event represented a critical next step for our Bank – recognising each employee participant and their essential role in our digital transformation.



[Watch the video](#)



[Read the interview with Jingle Pang, Group Digital & Information Officer](#)



[Discover more about the Intellectual Capital chapter in our Integrated Report](#)

The first-ever digital event to gather everyone in our Group and showcase the power of technology. Combining it with a best-in-class integrated customer experience is what gives us our competitive advantage.

#### **Jingle Pang**

Group Digital & Information Officer

An event with a great balance between content that is both informative and creative, conveying the Group's Digital strategy in a simple way.

#### **Barisaac Raphael**

Global Head of Cash Management

# Next-generation Wi-Fi for all

## Network efficiency across all our premises



Values: Ownership

Keeping our people connected to the business and to one another, is a key driver of our success. A **high-speed Wi-Fi connection** is essential for our Bank's efficiency. It allows us to access Group IT resources, carry out our activities, collaborate with colleagues and clients more effectively, and develop stronger relationships.

We began taking back control of our largely outsourced technology and continued building the core capability internally. Kicking off the first milestone of the strategic skills internalisation, we started by upgrading our Wi-Fi in our Milan offices, managed entirely by our in-house experts.

To **simplify our colleagues' daily work** and enhance their service, we worked diligently

to install more powerful and efficient Wi-Fi networks on our premises. As part of the project, in the last quarter of the year, we successfully delivered a new generation Wi-Fi network to our UniCredit offices in Milan and continued the implementation throughout Italy at our bank's Lampugnano offices.

The infrastructure consists of **over 500 Wireless Access Points**, significantly improving the bandwidth availability and speed for the connected users. Furthermore, we used a modern monitoring system leveraging Artificial Intelligence for a complete view of real-time performances and predictive issues monitoring.

We obtained excellent results in terms of the quality of the service, speed, and latency. In fact, in terms of performance, we measured a significant improvement in download and upload figures, and a significant decrease in the system latency, the primary indicator of connection responsiveness.

As a first initiative entirely managed by our teams, the results were remarkable – completing the rollout in our Milan headquarters one month before the estimated date. In economic terms, we expect a **drop of approximately 50%** compared to the initial cost estimation on the **3-year Total Cost of Ownership (TCO)**. We will relentlessly continue to work on improving the Digital experience for our colleagues and our clients.





# Data stands behind our improved customer service

## Building a better data-driven bank



Values: Caring

As a **data-driven Bank**, we have been working relentlessly to make relevant data available and accessible through our **Data Platform**. As one of our driving forces, this platform governs **42%** of all our data, and with its roll-out, we achieved one of our key 2022 goals six months in advance.

We have developed **12 customer analytics models** working in tandem with AI to increase our understanding of our customers and their user experience and improve and implement automation and decision-making.

Using AI-fueled data products has a plethora of benefits to capture business value, such as: reducing the risk of financial sanctions, reducing time to process corporate balance sheet information by leveraging automation capabilities **from 60 minutes to 2 minutes**, improving business targeting and customer analytical capabilities and improving con-

version rates on consumer finance activities thanks to digital behavioural segmentation.

We implemented **Data Mesh** – an innovative system to manage analytical data at scale – allowing all users to access and employ strategic data to generate insight for daily business. Furthermore, we let Data call the shots. We strengthened our data proficiency through reskilling, with **over 1,000 colleagues** involved in data culture events that took place throughout 2022.

Through data replenishment **increasing from 20% to 42%**, we generated **60% of cost synergies**, equal to approximately **€10 million** on FY22 data portfolio initiatives. Capitalising on the solid foundation, we honed in on extracting value from customer-oriented use cases by scaling-up Data product adoption across businesses. Data is and remains the focal point of all our future developments so we can continue serving our clients with excellent service complemented by efficiency and a forward-thinking mindset.

For us, digitalisation translates into execution and requires a number of elements to be deployed together. Our target is to combine investments in technology with data integration into all areas of the Bank.

### Artur Gruca

Chief Digital and Information Officer Germany



# Creating an enhanced Digital experience for our retail clients

A new approach to doing business



**Values:** Integrity, Caring

UniCredit's transformative road towards **simplification** continued in 2022 with the **digitalisation of Consumer Finance services** for the convenience of our retail customers. **UniCredit Customer Experience (UCX)** is our multi-year digital transformation programme which aims to provide our customers with a unique and consistent digital experience across all devices and channels.

In Italy, the latest rollout of UCX was in Consumer Finance. We created a seamless online customer service experience across many of our channels, setting the foundations for a new approach to doing business with our clients, increasing productivity, streamlining processes, and cutting red tape. As a result, we are giving our clients the opportunity to make the most out of their digital experience for consumer lending.

The **Digital and Data** teams introduced several exciting new features for UCX Consumer Finance, including new client onboarding, reducing the number of in-branch visits, multiple phone calls and excess paperwork, by offering clients the option to sign up and activate their profiles online, identify themselves using self-authentication methods, request services and purchase banking products on their own. Further, we introduced automatic decisions investing in data analysis software and online credit policy reviews to help our customers view the status of their requests and loan approvals instantly and automatically receive updates on other consumer finance services.

Our goal is to provide our clients with ease when it comes to receiving the financing they need without added hassle, so we have reduced the amount of income documentation required to be presented during a loan application.

Lastly, we introduced faster **Time-to-Yes** and **Time-to-Cash**. Credit is at the heart of most customer relationships, and digitising part of their experience offers significant advantages. For this reason, our investments in automation and digitalisation reduced considerably the Time-to-Yes and Time-to-Cash, all while increasing the **"quality of yes"**.

Digital is at the core of our strategy, and it is also a daily need for our customers. Being close to our customers, understanding digitalisation trends, and being able to incorporate these into daily software development and service design require time and dedication from everybody in our organisation.

## Luba Uram

Chief Digital and Information Officer Italy and Head of Retail Business Platform

Digitalisation is everywhere. At UniCredit, our aim is to serve our customers in the most frictionless way and be one tap away from their daily financial needs. We are committed to staying closer to our customers, offering them every possible digital touch point, and promptly responding to their financial needs on every channel.

## Vedat Sozer

Head of Alternative Distribution Channels



# Digital & Data stories



**Country:** Italy



**Values:** Ownership

## Su Misura per Te

### (Tailor Made for You)

This year, guided by our strategic plan, we shifted our focus to **Simplification** and streamlining our processes across all facets of the business. A program aimed at simplifying the daily life of the Italian network by eliminating unnecessary and redundant checks and tasks, “**Tailor Made for You**” was created to simplify our Bank’s processes, many of which have transformed to becoming unnecessarily complex and lengthy. The project was launched to build an in-depth comparison of current processes and strategies to make our way of operating **faster and more efficient**.

As part of the initiative, one component included was the paper-based authorisation for non-digitised customers. This allowed our

bank to continue to serve customers in the best possible way, especially those whom, for various reasons - one of which is age – are unfamiliar with new technology. This means that we were able to complete the contracts for products and services for non-digitised customers using the old paper printing system, meeting these needs as well.

The overall project automated repetitive activities to free-up commercial time by: rationalising checks and administrative tasks considered obsolete or redundant; automating repetitive activities to reduce network fatigue and reducing the cost to serve. It also allowed for continuous “**listening**” to the network proposals, thanks to a “**Sounding Board**” created by branch manager colleagues.

Throughout the year, almost **200 interventions** were applied including: **147 checks and administrative tasks** that were rationalised, **27 processes** reviewed, and **13 automation processes** implemented.

New projects are planned to be implemented in the next year as our bank continues along its simplification journey.



[Discover more](#)





**Country:** Italy



**Values:** Ownership

## Together4Digital: A partnership with Microsoft Italia to help 100,000 businesses go digital

To build the bank of the future, it is essential that we lean on the market leaders of digital and data know-how so we can continue to evolve as a bank, and as a Group. The collaboration between UniCredit and **Microsoft** aimed to further intensify our commitment to digitalisation by promoting both the **modernisation** of production and distribution processes, and the consolidation of digital skills, in line with the **National Recovery and Resilience Plan (NRRP)**. The collaboration, launched at the end of 2021 and further strengthened in 2022, aimed to generate a positive impact for all lev-

els of the value chain and for all production chains in the country through a series of structured interventions.

Microsoft offered specialised advice, technology and digital solutions through their partner, **Var Group**, on the platform. Starting from May 2022, companies willing to launch their transformation could freely be recipient of a **Solution Assessment** driven by experts who assessed their digital skills and suggested tailored action plans with a focus on the proper cyber security posture. In addition, e-skills training were made available according to specific needs.

UniCredit offers financial support for digital investment, personalised assistance and education on financing tools through its **Banking Academy**. All companies were also granted access to **Warrant Hub's** tailored advice on subsidised finance and tax issues, to verify if companies are eligible and have the necessary requirements to access NRRP funds.

Together, Microsoft and UniCredit provide SMEs with **quick and simple services** and solutions to assess their degree of digitalisation. By continuing our digital evolution with key players like Microsoft, we can build a better bank for our people and provide them with the tools they need for the future.



[Watch the video](#)



Country: Germany



Values: Ownership

## SmartDepot: A new digital securities account – simple and fast trading of securities

Embedding digital in everything we do is the only way our bank can continue to evolve and alongside the ever-changing landscape of the banking industry. With **SmartDepot, UniCredit HypoVereinsbank** expanded its securities offering for digital private clients in August 2022. The result of the project was a new securities account that can be opened online, fully paperless, in **less than 10 minutes**.

As a bank, we are fully focused on implementing Simplification across the Group – understanding and identifying key opportunities in our current processes to complement streamlined processes with a digital-driven mindset. Customers are becoming well-versed in digital, adopting new ways of banking in the fastest and most efficient ways possible.

UniCredit HypoVereinsbank's retail customers are increasingly benefiting from **digital, paperless** and more **cost-effective** offerings in all service and product areas. With its mix of technology, first-class service and expert advice, the bank offers customers a flexible range of banking services, both in the branches and through various digital channels. With that, the bank combines the advantages of cost-effective and fast online services with the benefits of an advisory bank: Securities can be traded conveniently in the **UniCredit HypoVereinsbank Online Banking** and with the **Mobile Banking app** – even while on the move.



Country: Bulgaria



Values: Integrity

## Digital process for onboarding of legal entities

**Digital onboarding** of legal entities for UniCredit in **Bulgaria** has become an **entirely remote process**. When it comes to acquiring new legal entities as customers of the bank, using the new digital processes and services of local **Qualified Trusted Service Providers** is essential. This includes signing with **Qualified Electronic Signatures**, a feature that is now readily available for companies owned by individuals who are existing or incoming customers of the bank. By digitising the process from start to finish, we **cut the overall processing time in half**, all while maintaining the integrity of our work and the strong relationship with our customers.

Remote E2E processes for mortgage lending is an entirely remote process for taking a mortgage loan using **Qualified Electronic Signature** for digital signing. This applies to all stages of the process: from the consultation, to accepting the application and necessary documents, to including the signing of the contractual documentation. The only visit of the customer is at the end with the notary signing.

Embedding simplification processes in our various ways of working has a ripple effect on every area. As the signing is an essential step for many of our customers' business and personal journeys, close to **300 mortgage deals** have since been processed to date and that number continues to grow.



**Country:** Romania



**Values:** Integrity, Ownership, Caring

## IOANA - The digital guide for UniCredit Romania

UniCredit puts “**living digital**” at the forefront when it comes to creating a best-in-class experiences for our clients. **Ioana**, the **vocal guide** introduced as part of the digital transformation strategy, was launched to interact with all private individual customers of UniCredit Bank and UniCredit Consumer Financing. **Ioana** enables human-like interactions in **Contact Center IVR** using **Natural Language Understanding** capabilities in Romanian, allowing individuals to self-serve and successfully resolve issues, while benefiting from a shorter time to answer and improved customer

experience. Further, it runs reactive and proactive initiatives for customers’ activation and digital acquisition while delivering administrative and commercial outbound campaigns (extending our reach).

Through **Ioana**, we deliver an intuitive service experience that anticipates the caller’s needs and allows them to interact with the system naturally, and in their own words, through simple voice indications. In terms of the benefits to the Bank, we achieved internal efficiency in our remote servicing model by delivering services with zero waiting time for the clients, addressing increased demands at constant headcount, using efficiencies to cross-sell, and more.

Leveraging on **Mediatek Data Contact Center software** and **Nuance enhanced capabilities**, **Ioana**’s role and contribution continues to evolve as we add new skills in accordance with the business strategy. The last one was launched in November 2022 and since then, the vocal guide is performing in IVR full caller identification, guiding the customer to log into Mobile Banking before transferring the call to a Contact Center Agent. Through **Ioana**, we can merge both the **best of digital and human interaction**, complementing one another to result in a streamlined approach to modern-day banking.





Country: Serbia



Values: Ownership

## Discover the WoCa platform

At **UniCredit Serbia**, we are modernising our processes by implementing simplification best practices in the tools we use every day. **WoCa** is the **new-age e-platform** for processing factoring products and improves efficiency and time savings, allows for the reduction of bureaucracy and achieves an incomparably faster process of disbursement of funds. The platform allows clients to manage their claims and obligations in a simple way, through a financial instrument that aims to speed up the collection of claims from debtors that are due with a delayed payment deadline.

The WoCa platform integrated the possibility for both the client and its partners to access the system directly from their computers, communicate quickly and easily with the bank, and seamlessly authorise requests. The platform is a complete revolution in factoring on the Serbian market and has a great positive response among clients.

WoCa is a platform with access to data at **any time, 365 days a year** and automatically sends notifications to all of the client's partners. This means that the platform enables the automatic processing of a very large number of invoices at once due to the fact that the architecture of the platform has the prerequisites for direct connection with the client's information system.



Country: Czech Republic and Slovakia



Values: Ownership

## Digitalisation of key products – a new digital platform

Digitalisation of key retail products is a key pillar to boost our business. In 2022, we introduced a new digital platform that offered the opportunity to clients in **Czech Republic and Slovakia** to open and access all key retail products – current accounts, mortgages, and consumer loans – in a digital and paperless manner, anytime and from anywhere – whether it's at a branch, online, through a special client centre or digitally through third parties.

Because of this innovation, it takes less than 10 minutes to open an account, 10 minutes to conclude a pre-approved consumer loan, and 20 minutes for a standard consumer loan. The mortgage process is digital from the submission of the application to its submission for approval. As a result, about **50% of consumer loans** and **60% of accounts** we serve are **fully digital**.

This brings not only a new concept of the digital customer experience for our clients, but completely changes the work routine of our colleagues in branches. Through new digital ways of working, automated and paperless processes can be efficient, sustainable, and allow our people to devote more time to our clients, who are always our top priority. So far, the open platform has saved **two million working minutes** through opening **50,000 current accounts** and more than **8,500** consumer loans and mortgages.



**Country:** Bosnia and Herzegovina  
(Banja Luka)



**Values:** Integrity, Ownership

## New UniCredit Mobile Banking App functionalities

Our bank continues to enhance our current digital offering to our clients, including a new functionality within the **UniCredit Banja Luka's "m-bank" mobile app** – dividing credit card transactions into instalments. UniCredit presented a campaign promoting this new functionality of the mobile banking application, which now provides the possibility of **dividing one-time transactions** into instalments made with **Visa** credit cards within UniCredit m-bank. In a simple way, our clients can divide a one-time transaction into the desired number of instalments, regardless of where it was done – online or POS purchased, as well as ATM withdrawals, within the country or abroad. Splitting transactions into instalments is made possible for amounts ranging from 100 - 10,000 KM. Depending on the amount, the transaction can be divided into **minimum of 3** and **maximum of 24 instalments**.

Together with UniCredit Bank Mostar, our bank, for several years in a row, received the Golden BAM award for the best mobile banking application on local market.

UniCredit in **Bosnia and Herzegovina** continuously monitors clients' satisfaction and creates its products and services according to their needs. We always take into account the needs and habits of our existing and new clients in order to improve digital services and introduce new technologies which bring digital and data benefits to all stakeholders.



**Country:** Austria



**Values:** Ownership

## MoneyMatters: youth financial education programme

At UniCredit, we understand the importance of **providing our youth with opportunities** to enhance their skills at a young age and prepare them for their future. The innovative financial education programme "**MoneyMatters**" was adopted, which offers students from the eighth grade onwards the opportunity to strengthen their financial knowledge in a playful and multimedia form. This blended learning programme is designed for students and trainees ages 14 and over. It was developed by **UniCredit Bank Austria** together with teachers and the **Institute of Business Education at the Vienna University of Economics and Business Administration** and launched in a pilot project at schools in the federal state of Burgenland.

The programme taught children and young adults how to handle money responsibly. Students and trainees can continue to work independently and regardless of their location via smartphone, tablet or PC. The **12 digital lessons** include basic knowledge trainings about money and the economy, cryptocurrency and cybersecurity. They receive a Basic Certificate after completing the first five basic modules and a **Premium Certificate** after completing ten modules. Through videos, quizzes and animated diagrams, MoneyMatters combines the best of digital as well as playful approaches alongside knowledge transfer.





UniCredit  
Foundation

# UNLOCKING THE POTENTIAL OF EUROPE'S NEXT GENERATION





 UniCredit Foundation

# Unlocking the potential of Europe's next generation

—  
This year, the UniCredit Foundation relaunched its Purpose and commitment to empowering Europe's youth by unlocking their potential through equal education opportunities.

We believe that only by investing in the next generation's education and progression, can we ensure growth and development across our society.

In line with UniCredit's ambition – to be the bank for Europe's future – our Foundation is focused on giving Europe's next generation the key to unlocking their innate potential and empowering them to become the changemakers of our society.

To do this, the UniCredit Foundation is working towards combating school dropout rates, enhancing employability, encouraging university attainment and promoting study and research. These all directly feed into to the Foundation's new Purpose: to unlock the potential of Europe's next generation. The UniCredit Foundation empowers our youth by providing them with the tools and resources they need to become successful in their academic and professional careers.

This is why the Foundation relaunched its Mission: offering equal educational opportunities to Europe's youth – our future leaders of tomorrow. To pursue this ambitious new journey, the UniCredit Foundation reshaped its governing bodies, electing a new Board of Directors for the next three years, which will be chaired by Andrea Orcel, Group Chief Executive Officer and Head of Italy, and vice-chaired by Professor Giorgio Barba Navaretti. Serenella De Candia has maintained her role as a member of the Board, while six new members have joined: Katharina Gehra, Szilvia Gyurkó, Roberto Kutić, Dorith Salvarani-Drill, Gerry Salole and Klaus Schwertner.

The nine international members aim to ensure there is equal representation both internally (UniCredit Group) and externally outside of the bank. Further, the careful selection of representatives maintains a strong presence of members from all four UniCredit regions, who represent diverse backgrounds, gender, expertise, and philanthropic experience.

Education is essential. It's a key driver of Europe's future, and it is our responsibility as an institution to identify, support and empower our youth – those individuals who will lay the foundation for Europe's progress and success in the years to come. It is our bank's Purpose to empower communities to progress, and it is our commitment to promoting social advancement, in line with our ESG strategy and strategic plan.

**Andrea Orcel**

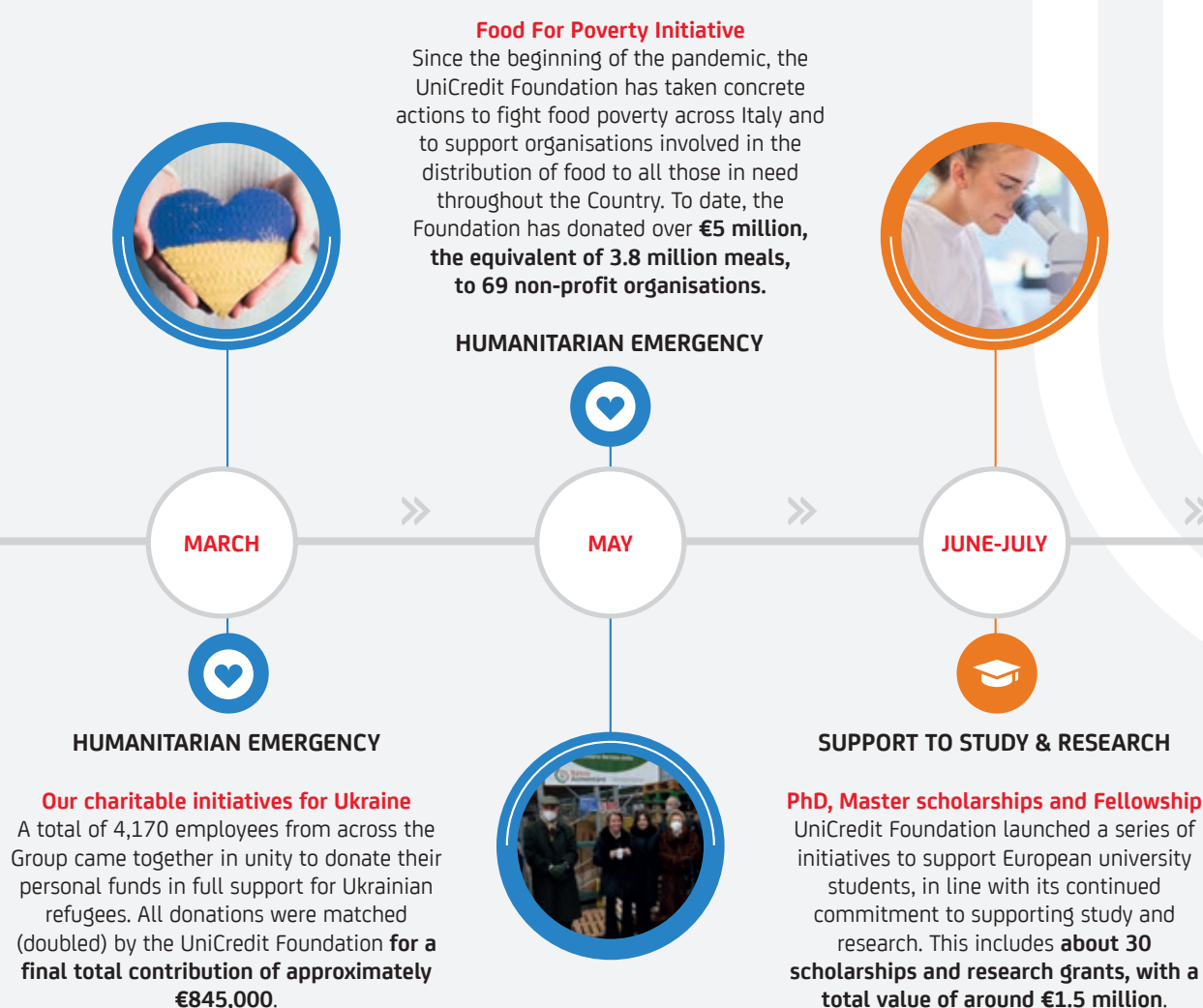
Chairman of the UniCredit Foundation



# 2022: Year of transition

2022 has been a transitional and evolutionary year for the UniCredit Foundation.

## Key Milestones



Since 2003, the UniCredit Foundation has always supported projects with relevant social impact and innovation, to better our communities and drive progress for those we serve. We now plan to continue that mission with a focus on European youth with dedicated support for their developmental and academic endeavours.

### Silvia Cappellini

General Manager of the UniCredit Foundation



[Listen to the podcast](#)

#### Obiettivo Lavoro Project - Orienteering in Vocational School

Together with the Fondazione Ing. Rodolfo Debenedetti, the Foundation acts as a compass, addressing the lack of **connections between schools and labour market intermediaries**. The ambition is to **improve access to employment** for young graduates of vocational schools through the implementation and evaluation of the impact of a **counselling programme**.

#### PILOT PROJECTS IN EDUCATION



NOVEMBER



#### THE RELAUNCH

**New mandate and look**  
This year, the UniCredit Foundation **relaunched its Purpose** and commitment to empowering Europe's youth by unlocking their potential through equal education opportunities. The Foundation also presents a fresh look: **a brand-new logo** composed of a harmonious intersection of lines, shaping the 'U' and the 'F' with shades of warm colours representing growth, development, and progress. This introduces **a new visual identity** to bring it closer to its target audience.

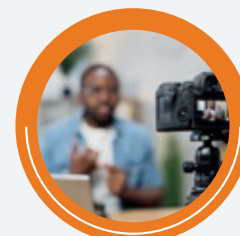
#### Call for Education

UniCredit Foundation launched an internal call to identify and support educational projects in **Bulgaria and Romania** for young people in the 11-19 age group (lower and upper secondary school), allocating financial resources **up to €500,000**, to maximum of 4 wide-ranging projects.

#### PILOT PROJECTS IN EDUCATION



DECEMBER



#### 20 YEARS OF GIFT MATCHING

**Gift Matching Program**  
UniCredit Foundation launched the Gift Matching Program **for the 20th year** in a row. Through this initiative, the Foundation and UniCredit's people joined forces in their solidarity commitment. The 2022 edition supported non-profit organisations engaged in activities for children and young people up to the age of 24, **doubling donations made by groups of colleagues** and recognising an **additional contribution** to initiatives aimed at **fostering educational equality**.

# Unlocking...

**A better bank**

A better world

A better future

Financial Highlights  
& Milestones



Discover our  
Financial  
Highlights  
& Milestones  
here



UniCredit prepares a single document called “Annual report and accounts” replacing the two documents relating to the UniCredit group consolidated financial statements and the UniCredit S.p.A. company financial statements.

The integration of the contents of the two financial statements documents into a single one leads to the elimination of duplications of the qualitative information presented in both files and, in order to facilitate the reading, the adoption of a system of cross-references between the chapters dedicated to the consolidated financial statements and the company ones; pursuant to these references the contents of the each referenced paragraph is entirely reported in the paragraph containing the reference.

The chapter “Incorporations of qualitative information by reference” reports the list of the references.

## General aspects

The UniCredit group's Consolidated financial statements and UniCredit S.p.A. financial statements as at 31 December 2022 were drafted in accordance with the IAS/IFRS international accounting standards, in compliance with the instructions of Banca d'Italia with the Circular No.262 of 22 December 2005 (and subsequent amendments). These instructions define binding requirements for the related fulfilling methods as well as regarding the minimal contents of the Notes to the accounts.

The Consolidated financial statements is made up of the Balance sheet, the Income statement, the Statement of Other comprehensive income, the Statement of changes in Shareholders' Equity, the Cash flow statement, the Notes to the accounts, as well as the Report on operations, the economic results achieved, the Group's financial situation and Annexes.

A section dedicated to Corporate Governance is also included within the document.

The Consolidated financial statements include:

- the Consolidated financial statements certification pursuant to Art.81-ter of Consob Regulation No.11971/99 as amended;
- the Independent Auditor's Report pursuant to Art.14 of Legislative Decree No.39 of 27 January 2010 and Art.10 of the EU Regulation No.537/2014.

UniCredit S.p.A. financial statements is made up of the Balance sheet, the Income statement, the Statement of other comprehensive income, the Statement of changes in Shareholder's Equity, the Cash flow statement, the Notes to the accounts as well as the Report on operation, the economic results achieved, the Bank's financial situation and Annexes.

UniCredit S.p.A. financial statements include:

- the Annual financial statements certification pursuant to Art.81-ter of Consob Regulation No.11971/99, as amended;
- the Report of the Board of Statutory Auditors pursuant to Art.153 of Legislative Decree No.58/1998;
- the Independent Auditor's Report pursuant to Art.14 of Legislative Decree No.39 of 27 January 2010 and Art.10 of the EU Regulation No.537/2014.

UniCredit's group website also contains the press releases concerning the main events of the period, the market presentation of Group results and the UniCredit Group Disclosure (Pillar III), this latter is subject of joint publication with this document.

For the declaration of a non-financial nature, refer to the Integrated Report published on the company website.







# Unlocking...

**A better bank**

A better world

A better future

2022

Consolidated Report and Accounts  
of UniCredit Group

Empowering  
Communities to Progress.





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# Consolidated report and accounts 2022 of UniCredit Group

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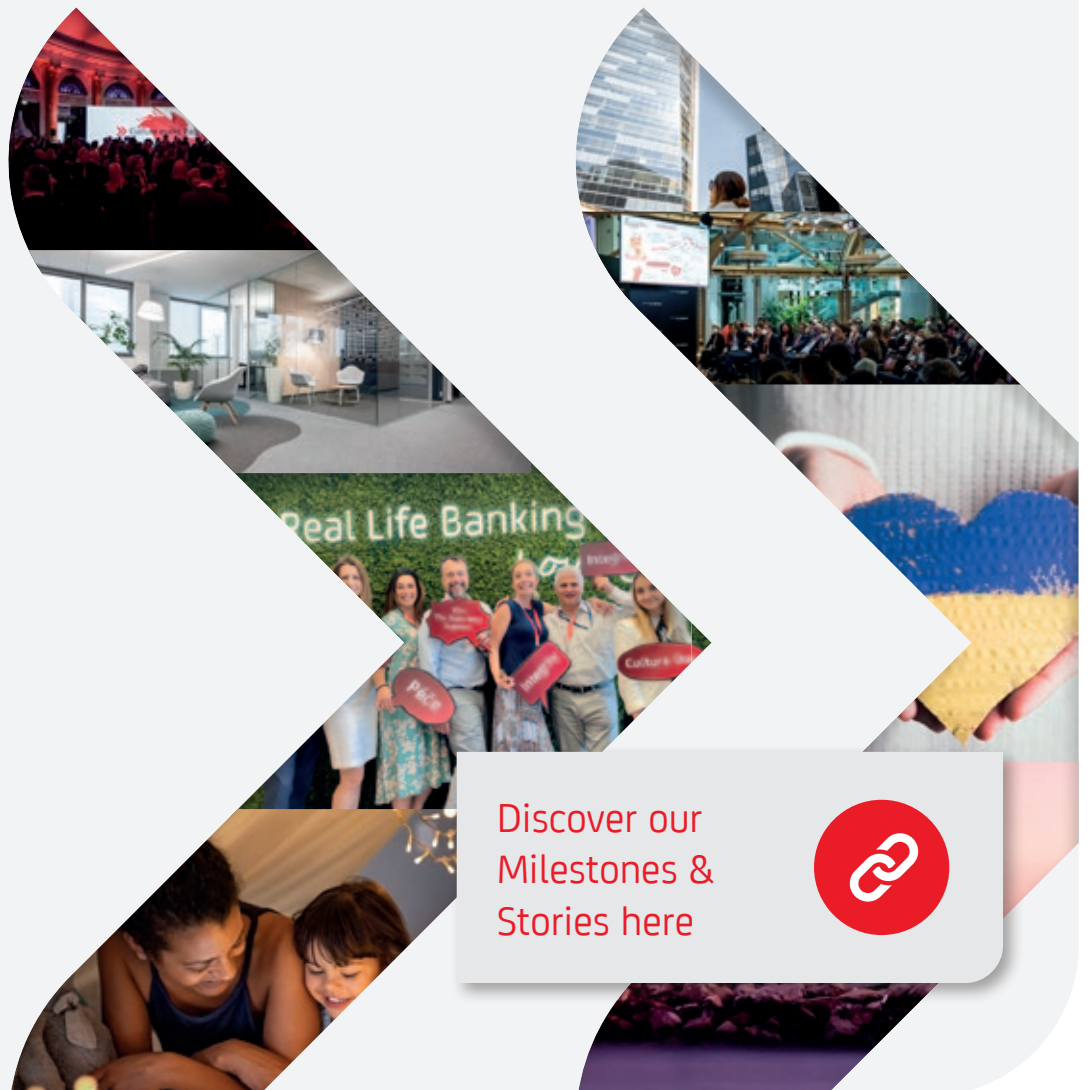
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# Introduction and Group highlights

## Introduction to the Consolidated report on operations of UniCredit group

The Consolidated report on operations illustrates the performance of UniCredit group and the related amounts and results. It includes financial information such as Group highlights, Reclassified consolidated accounts and their Quarterly figures, Summary results by business segment, Group and UniCredit share historical data series as well as a comment on "Group results".

To further illustrate the results of the period, the Consolidated report on operations includes Reclassified consolidated accounts prepared using the same criteria of previous quarterly reports.

In order to provide further evidences about the performance achieved by the Group, the Consolidated report on operations is also supported by some alternative performance indicators ("API") such as: Cost/Income ratio, Economic Value Added (EVA), Return On Tangible Equity (RoTE), Net bad loans to customers/Loans to customers, Net non-performing loans to customers/Loans to customers, Absorbed capital, Return On Allocated Capital (ROAC), Return On Assets (ROA), Cost of risk.

Although some of this information, including certain APIs, is neither extracted nor directly reconciled with the Consolidated financial statements, it is worth mentioning that the Consolidated report on operations, the Annexes and the Glossary provide explanatory descriptions of the contents and, in case, the calculation methods used, in accordance with European Securities and Markets Authority Guidelines (ESMA/2015/1415) of 5 October 2015.

In particular the Annex 1 includes the reconciliation between the reclassified accounts and the mandatory reporting schedule, as required by Consob Notice No.6064293 of 28 July 2006.

The amounts related to year 2021 Reclassified consolidated income statement and balance sheet differ from the ones published at that time. For further details about the reasons of these restatement, refer to following paragraphs relating to the reconciliation principles followed for the reclassified consolidated income statement and balance sheet.

For information on relations and transactions with related-party, it shall be referred to the Notes to the consolidated accounts - Part H - Related-party transactions.

For a complete description of risks and uncertainties that the Group has to face in the current market situation, it shall be referred to the specific paragraph of this Consolidated report on operations and to the Notes to the consolidated accounts - Part E - Information on risks and related hedging policies.

## Group highlights, alternative performance indicators and other measures

### Income statement

|                                | YEAR    |         | % CHANGE |
|--------------------------------|---------|---------|----------|
|                                | 2022    | 2021    |          |
| Revenue                        | 20,343  | 17,913  | + 13.6%  |
| of which:                      |         |         |          |
| - Net interest                 | 10,692  | 9,019   | + 18.6%  |
| - Dividends                    | 306     | 520     | - 41.1%  |
| - Fees                         | 6,841   | 6,776   | + 1.0%   |
| Operating costs                | (9,560) | (9,755) | - 2.0%   |
| Gross operating profit (loss)  | 10,782  | 8,158   | + 32.2%  |
| Loan Loss Provisions (LLPs)    | (1,894) | (1,634) | + 15.9%  |
| Net operating profit (loss)    | 8,888   | 6,524   | + 36.2%  |
| Profit (Loss) before tax       | 7,289   | 1,780   | n.m.     |
| Group stated net profit (loss) | 6,458   | 2,096   | n.m.     |

The figures in this table refer to the reclassified consolidated income statement. The amounts related to year 2021 differ from the ones published at that time.

For further details refer to "Reconciliation principles followed for the reclassified consolidated income statement". The Annex 1 includes the reconciliation between the reclassified accounts and the mandatory reporting schedule.

## Introduction and Group highlights

## Balance sheet

(€ million)

|  | AMOUNTS AS AT |            | % CHANGE |
|--|---------------|------------|----------|
|  | 31.12.2022    | 31.12.2021 |          |
| Total assets                                       | 857,773       | 917,227    | - 6.5%   |
| Financial assets held for trading                  | 64,443        | 80,109     | - 19.6%  |
| Loans to customers                                 | 455,781       | 448,989    | + 1.5%   |
| Financial liabilities held for trading             | 51,234        | 51,608     | - 0.7%   |
| Deposits from customers and debt securities issued | 594,300       | 596,587    | - 0.4%   |
| <i>of which:</i>                                   |               |            |          |
| - <i>deposits from customers</i>                   | 510,093       | 500,689    | + 1.9%   |
| - <i>debt securities issued</i>                    | 84,207        | 95,898     | - 12.2%  |
| Group shareholders' equity                         | 63,339        | 62,185     | + 1.9%   |

The figures in the table above refer to the reclassified consolidated balance sheet. The amounts related to year 2021 differ from the ones published at that time.

For further details refer to "Reconciliation principles followed for the reclassified consolidated balance sheet". In Annex 1 is included the reconciliation between the reclassified accounts and the mandatory reporting schedule.

## Profitability ratios

|                                   | YEAR  |       | CHANGE  |
|-----------------------------------|-------|-------|---------|
|                                   | 2022  | 2021  |         |
| EPS <sup>(*)</sup> (€)            | 3.085 | 0.930 | 2.155   |
| Cost/Income ratio <sup>(**)</sup> | 47.0% | 54.5% | - 7.5%  |
| EVA <sup>(***)</sup> (€ million)  | 1,560 | (192) | + 1,752 |
| RoTE <sup>(****)</sup>            | 10.7% | 7.3%  | + 3.4%  |
| ROA <sup>(*****)</sup>            | 0.8%  | 0.2%  | + 0.6%  |

## Notes:

(\*) Earnings per share. For further details refer to Part C - Section 25.

(\*\*) Ratio between operating expenses and operating income.

(\*\*\*) Economic value added equal to the difference between Net operating profit after tax (NOPAT) and the Cost of the absorbed capital.

(\*\*\*\*) Annualised ratio between the net profit and the average tangible equity.

(\*\*\*\*\*) Return on assets calculated as the ratio between Net profit (loss) attributable to the Group and Total assets pursuant to Art. 90 of CRD IV.

The amounts related to year 2021 differ from the ones published at that time. For further details refer to "Reconciliation principles followed for the reclassified consolidated income statement" and to "Reconciliation principles followed for the reclassified consolidated balance sheet".

## Risk ratios

|  | AS AT      |            | % CHANGE |
|--|------------|------------|----------|
|  | 31.12.2022 | 31.12.2021 |          |
| Net bad loans to customers/Loans to customers            | 0.1%       | 0.3%       | - 0.1%   |
| Net non-performing loans to customers/Loans to customers | 1.4%       | 1.8%       | - 0.4%   |

For the amounts, refer to the table "Loans to customers - Asset quality" reported in the paragraph "Net write-downs on loans and provisions for guarantees and commitments" of this Consolidated report on operations of the UniCredit group.

The amounts related to year 2021 differ from the ones published at that time. For further details refer to "Reconciliation principles followed for the reclassified consolidated balance sheet".

## Introduction and Group highlights

## Staff and Branches

|                          | AS AT      |            | CHANGE |
|--------------------------|------------|------------|--------|
|                          | 31.12.2022 | 31.12.2021 |        |
| Employees <sup>(*)</sup> | 75,040     | 78,571     | -3,531 |
| Branches <sup>(**)</sup> | 3,175      | 3,290      | -115   |
| of which:                |            |            |        |
| - Italy                  | 1,986      | 2,059      | -73    |
| - Other countries        | 1,189      | 1,231      | -42    |

## Notes:

(\*) "Full time equivalent" data (FTE): number of employees counted for the rate of presence.

(\*\*) Retail branches only.

## Group transitional capital ratios

| DESCRIPTION                        | AS AT      |            | CHANGE   |
|------------------------------------|------------|------------|----------|
|                                    | 31.12.2022 | 31.12.2021 |          |
| Total Own Funds (€ million)        | 66,062     | 64,850     | 1,212    |
| Total RWEA (€ million)             | 308,466    | 321,992    | (13,527) |
| Common Equity Tier 1 Capital ratio | 16.68%     | 15.82%     | 0.86%    |
| Total Capital ratio                | 21.42%     | 20.14%     | 1.28%    |

## Notes:

• Transitional own funds and capital ratios including all transitional adjustments according to the yearly applicable percentages.

• Furthermore, starting from 30 June 2020, UniCredit group has decided to apply the IFRS9 transitional approach as reported in article 473a of the Regulation (UE) No.873/2020 that amends the Regulation (EU) No.575/2013 and Regulation (EU) No.876/2019. Therefore the values here reported reflect the impact of the transitional arrangements provisioned in such Regulation.

For further details refer to the paragraph "Capital and value management - Capital ratios" of this Consolidated report on operations.

## Ratings

|                           | SHORT-TERM<br>DEBT | MEDIUM AND<br>LONG-TERM | OUTLOOK  | STANDALONE<br>RATING |
|---------------------------|--------------------|-------------------------|----------|----------------------|
| Fitch Ratings             | F2                 | BBB                     | stable   | bbb                  |
| Moody's Investors Service | P-2                | Baa1                    | negative | baa3                 |
| Standard & Poor's         | A-2                | BBB                     | stable   | bbb                  |

Ratings updated as at 31 January 2023.

# Reclassified consolidated accounts

## Changes occurred in the scope of consolidation

During 2022, with reference to the consolidation perimeter, the following changes were recorded:

- the number of fully consolidated companies, including those ones classified as non-current assets and asset disposal groups based on the accounting principle IFRS5, decreases for 49 (8 in and 57 out) changing from 407, as at 31 December 2021, to 358 as at 31 December 2022;
- the number of companies consolidated by using the equity method, including those ones classified as non-current assets and asset disposal groups, presents a decrease of 1 (1 out) changing from 29, as at 31 December 2021, to 28 as at 31 December 2022.

For additional information, reference is made in Notes to the consolidated accounts, Part A - Accounting Policies, A.1 - General, Section 3 - Consolidation scope and methods and in Part B - Consolidated balance sheet - Assets, Section 7 - Equity investments - Item 70.

## Non-current assets and disposal groups classified as held for sale

As at 31 December 2022, the main assets which, based on the application of IFRS5 accounting principle, were classified as non-current assets and asset disposal groups, regard the following individual asset and liability held for sale and groups of assets held for sale and associated liabilities which do not satisfy IFRS5 requirements for the classification as discontinued operations:

- the companies of the WealthCap group and the associated company Risanamento S.p.A.;
- the loans included in some sale's initiatives of portfolios;
- the real estate properties held by certain companies in the Group.

For additional information, reference is made in Notes to the consolidated accounts, Part B - Consolidated balance sheet - Assets, Section 12 - Non-current assets and disposal groups classified as held for sale and Liabilities associated with assets classified as held for sale - Item 120 (Assets) and Item 70 (Liabilities).

## Reconciliation principles followed for the reclassified consolidated balance sheet

The main reclassifications, whose amounts are provided analytically in the tables enclosed with this report, involve:

- the inclusion in "Loans to banks" of item "Financial assets at amortised cost: a) loans and advances to banks", net of debt securities reclassified in "Other financial assets", and of loans related to item "Financial assets at fair value through profit or loss: c) other financial assets mandatorily at fair value";
- the inclusion in "Loans to customers" of item "Financial assets at amortised cost: b) Loans and advances to customers", net of debt securities and of IFRS16 leasing assets reclassified in "Other financial assets", and of loans related to item "Financial assets at fair value through profit or loss: c) other financial assets mandatorily at fair value";
- the aggregation as "Other financial assets" of items (i) "Financial assets at fair value through profit or loss: b) financial assets designated at fair value and c) other financial assets mandatorily at fair value", net of loans reclassified in "Loans to banks and to customers", of (ii) "Financial assets at fair value through other comprehensive income", of (iii) "Equity investments", besides reclassifications of (iv) debt securities from item "Financial assets at amortised cost: a) loans and advances to banks and b) loans and advances to customers" and of (v) IFRS16 leasing assets from item "Financial assets at amortised cost: a) loans and advances to banks and b) loans and advances to customers";
- the inclusion in "Other financial liabilities" of leasing liabilities pursuant to accounting standard IFRS16 relating to item "Financial liabilities at amortised cost: a) deposits from banks and b) deposits from customers";
- grouping under "Hedging instruments", both assets and liabilities, of items "Hedging derivatives" and "Changes in fair value of portfolio hedged items" in the assets and "Value adjustment of hedged financial liabilities" in the liabilities;
- the inclusion of items "Provision for employee severance pay" and "Provisions for risks and charges" under "Other liabilities".

Figures of Reclassified Consolidated balance sheet relating to the last quarter 2021 and the first quarter 2022 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.

## Reclassified consolidated accounts

## Reclassified consolidated balance sheet

(€ million)

| ASSETS   | AMOUNTS AS AT  |                | CHANGE          |               |
|--|----------------|----------------|-----------------|---------------|
|  | 31.12.2022     | 31.12.2021     | AMOUNT          | %             |
| Cash and cash balances   | 111,776        | 107,407        | + 4,369         | + 4.1%        |
| Financial assets held for trading                                  | 64,443         | 80,109         | - 15,666        | - 19.6%       |
| Loans to banks   | 45,707         | 82,939         | - 37,232        | - 44.9%       |
| Loans to customers   | 455,781        | 448,989        | + 6,792         | + 1.5%        |
| Other financial assets   | 148,116        | 157,933        | - 9,817         | - 6.2%        |
| Hedging instruments  | (3,725)        | 4,665          | - 8,390         | n.m.          |
| Property, plant and equipment                                      | 9,164          | 9,510          | - 346           | - 3.6%        |
| Goodwill   | -              | -              | -               | -             |
| Other intangible assets  | 2,350          | 2,234          | + 116           | + 5.2%        |
| Tax assets   | 13,120         | 13,702         | - 582           | - 4.2%        |
| Non-current assets and disposal groups classified as held for sale | 1,229          | 2,400          | - 1,171         | - 48.8%       |
| Other assets   | 9,812          | 7,339          | + 2,473         | + 33.7%       |
| <b>Total assets</b>  | <b>857,773</b> | <b>917,227</b> | <b>- 59,454</b> | <b>- 6.5%</b> |

(€ million)

| LIABILITIES AND SHAREHOLDERS' EQUITY                                | AMOUNTS AS AT  |                | CHANGE          |               |
|---|----------------|----------------|-----------------|---------------|
|   | 31.12.2022     | 31.12.2021     | AMOUNT          | %             |
| Deposits from banks   | 131,324        | 163,506        | - 32,182        | - 19.7%       |
| Deposits from customers   | 510,093        | 500,689        | + 9,404         | + 1.9%        |
| Debt securities issued  | 84,207         | 95,898         | - 11,691        | - 12.2%       |
| Financial liabilities held for trading                              | 51,234         | 51,608         | - 374           | - 0.7%        |
| Other financial liabilities   | 12,041         | 11,618         | + 423           | + 3.6%        |
| Hedging instruments   | (18,101)       | 5,265          | - 23,366        | n.m.          |
| Tax liabilities   | 1,681          | 1,224          | + 457           | + 37.3%       |
| Liabilities included in disposal groups classified as held for sale | 579            | 619            | - 40            | - 6.5%        |
| Other liabilities   | 21,218         | 24,150         | - 2,932         | - 12.1%       |
| Minorities  | 158            | 465            | - 307           | - 66.0%       |
| Group shareholders' equity  | 63,339         | 62,185         | + 1,154         | + 1.9%        |
| <i>of which:</i>  |                |                |                 |               |
| - capital and reserves  | 56,881         | 60,089         | - 3,208         | - 5.3%        |
| - Group stated net profit (loss)                                    | 6,458          | 2,096          | + 4,362         | n.m.          |
| <b>Total liabilities and shareholders' equity</b>                   | <b>857,773</b> | <b>917,227</b> | <b>- 59,454</b> | <b>- 6.5%</b> |

## Reclassified consolidated accounts

## Reclassified consolidated balance sheet - Quarterly figures

(€ million)

| ASSETS   | AMOUNTS AS AT  |                |                |                | AMOUNTS AS AT  |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | 31.12.2022     | 30.09.2022     | 30.06.2022     | 31.03.2022     | 31.12.2021     | 30.09.2021     | 30.06.2021     | 31.03.2021     |
| Cash and cash balances   | 111,776        | 140,619        | 122,114        | 125,875        | 107,407        | 135,412        | 136,036        | 123,899        |
| Financial assets held for trading                                  | 64,443         | 79,136         | 74,668         | 76,144         | 80,109         | 80,545         | 78,991         | 73,925         |
| Loans to banks   | 45,707         | 73,410         | 97,973         | 101,664        | 82,939         | 98,379         | 100,219        | 100,733        |
| Loans to customers   | 455,781        | 461,782        | 461,909        | 455,762        | 448,989        | 439,811        | 438,401        | 446,691        |
| Other financial assets   | 148,116        | 154,883        | 157,014        | 154,861        | 157,933        | 157,104        | 158,590        | 158,337        |
| Hedging instruments  | (3,725)        | (3,428)        | (1,097)        | 1,706          | 4,665          | 5,553          | 5,907          | 6,607          |
| Property, plant and equipment                                      | 9,164          | 9,222          | 9,400          | 9,374          | 9,510          | 9,582          | 9,674          | 9,817          |
| Goodwill   | -              | -              | -              | -              | -              | -              | -              | -              |
| Other intangible assets  | 2,350          | 2,295          | 2,263          | 2,204          | 2,234          | 2,205          | 2,170          | 2,116          |
| Tax assets   | 13,120         | 12,680         | 12,743         | 13,229         | 13,702         | 12,402         | 12,484         | 12,831         |
| Non-current assets and disposal groups classified as held for sale | 1,229          | 980            | 802            | 2,075          | 2,400          | 832            | 749            | 1,003          |
| Other assets   | 9,812          | 11,224         | 7,967          | 6,960          | 7,339          | 6,760          | 6,824          | 6,206          |
| <b>Total assets</b>  | <b>857,773</b> | <b>942,803</b> | <b>945,756</b> | <b>949,854</b> | <b>917,227</b> | <b>948,584</b> | <b>950,046</b> | <b>942,165</b> |

(€ million)

| LIABILITIES AND SHAREHOLDERS' EQUITY                                | AMOUNTS AS AT  |                |                |                | AMOUNTS AS AT  |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | 31.12.2022     | 30.09.2022     | 30.06.2022     | 31.03.2022     | 31.12.2021     | 30.09.2021     | 30.06.2021     | 31.03.2021     |
| Deposits from banks   | 131,324        | 175,267        | 181,872        | 181,471        | 163,506        | 181,186        | 186,742        | 189,419        |
| Deposits from customers   | 510,093        | 533,927        | 529,499        | 523,000        | 500,689        | 509,794        | 505,716        | 497,394        |
| Debt securities issued  | 84,207         | 85,033         | 85,982         | 90,415         | 95,898         | 98,518         | 95,973         | 98,876         |
| Financial liabilities held for trading                              | 51,234         | 64,592         | 53,882         | 56,987         | 51,608         | 49,863         | 49,798         | 46,428         |
| Other financial liabilities   | 12,041         | 11,427         | 11,368         | 11,338         | 11,618         | 11,802         | 12,013         | 12,326         |
| Hedging instruments   | (18,101)       | (18,309)       | (10,496)       | (3,202)        | 5,265          | 7,045          | 8,041          | 9,056          |
| Tax liabilities   | 1,681          | 1,802          | 1,533          | 1,481          | 1,224          | 1,243          | 1,151          | 1,113          |
| Liabilities included in disposal groups classified as held for sale | 579            | 557            | 553            | 518            | 619            | 576            | 565            | 651            |
| Other liabilities   | 21,218         | 25,363         | 28,939         | 25,712         | 24,150         | 25,907         | 28,245         | 25,803         |
| Minorities  | 158            | 155            | 424            | 465            | 465            | 463            | 447            | 440            |
| Group shareholders' equity  | 63,339         | 62,989         | 62,200         | 61,669         | 62,185         | 62,186         | 61,356         | 60,660         |
| of which:   |                |                |                |                |                |                |                |                |
| - capital and reserves  | 56,881         | 58,995         | 59,915         | 61,395         | 60,089         | 59,207         | 59,435         | 59,772         |
| - Group stated net profit (loss)                                    | 6,458          | 3,994          | 2,285          | 274            | 2,096          | 2,979          | 1,921          | 887            |
| <b>Total liabilities and shareholders' equity</b>                   | <b>857,773</b> | <b>942,803</b> | <b>945,756</b> | <b>949,854</b> | <b>917,227</b> | <b>948,584</b> | <b>950,046</b> | <b>942,165</b> |

# Reclassified consolidated accounts

## Reconciliation principles followed for the reclassified consolidated income statement

The main reclassifications, whose amounts are provided analytically in the tables enclosed with this report, involve:

- the inclusion in “Dividends” of “Profit (Loss) of equity investments valued at equity” and the exclusion of (i) “Dividends from held for trading equity instruments” and (ii) “Dividends on equity investments, shares and equity instruments mandatorily at fair value” which are included in “Trading income”;
- the inclusion in the “Other expenses/income” of “Other operating expenses/income”, excluding “Recovery of expenses” which is classified under its own item, the exclusion of the costs for “Net value adjustments/write-backs on leasehold improvements” classified among “Other administrative expenses”, the inclusion of result of industrial companies and of gains/losses on disposal and repurchase of financial assets at amortised cost represented by performing loans;
- presentation of “Other expenses/income”, “HR costs”, “Non HR costs”, “Amortisations and depreciations” and “Other charges and provisions” net of any “Integration costs” relating to the reorganisation operations, classified as a separate item;
- the exclusion from the “Non HR costs” of the Contributions to the Resolution Funds (SRF), the Deposit Guarantee Schemes (DGS), the Bank Levy and the Guarantee fees for DTA reclassified in item “Other charges and provisions”;
- the exclusion from “Amortisations and depreciations” of impairment/writebacks related to (i) inventories assets (IAS2) obtained from recovery procedures of NPE (ii) rights of use of land and buildings used in the business (classified in item “Net income from investments”) and (iii) tangible in operating lease assets (classified in item “Other expenses/income”);
- in “Loan Loss Provisions”, the inclusion of net losses/recoveries on financial assets at amortised cost and at fair value through other comprehensive income net of debt securities, of the gains (losses) on disposal and repurchase of financial assets at amortised cost net of debt securities and of performing loans, of the “Net provisions for risks and charges” related to commitments and financial guarantees given;
- the inclusion in “Net income from investments” of net losses/recoveries on financial assets at amortised cost and at fair value through other comprehensive income - debt securities, of gains (losses) on tangible and intangible assets measured at fair value as well as gains (losses) of equity investments and on disposal on investments, including impacts from revaluation arising from IFRS5 non-current assets and disposal groups related to equity investment consolidated line by line and at net equity method not presented to item “Profit (Loss) of discontinued operations”;
- the inclusion among “Trading income” (i) of the net gains (losses) on trading, (ii) of the net gains (losses) on hedge accounting, (iii) of the net gains/losses on other financial assets/liabilities at fair value through profit or loss, (iv) of the gains/losses on disposal or repurchase of financial assets at fair value through other comprehensive income, (v) of gains/losses on disposal and repurchase of financial assets at amortised cost represented by debt securities, (vi) of gains/losses on disposal and repurchase of financial liabilities at amortised cost and (vii) of the interest income and expenses deriving from Trading Book instruments, excluded the economical hedging or funding banking book positions;
- the inclusion in the “Fees” of commissions of the Structuring and mandate fees on certificates, and the connected derivatives, issued by the Group.

Figures of Reclassified 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 in addition to fourth quarter 2021 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 fulfill contractual obligations have been reclassified from Trading income to Loans Loss Provisions (LLPs).

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

## Reclassified consolidated accounts

## Reclassified consolidated income statement

(€ million)

|   | YEAR           |                | CHANGE         |                |                                       |
|---|----------------|----------------|----------------|----------------|---------------------------------------|
|   | 2022           | 2021           | P&L            | %              | % AT CONSTANT FX <sup>(*)</sup> RATES |
| Net interest  | 10,692         | 9,019          | + 1,673        | + 18.6%        | + 17.4%                               |
| Dividends   | 306            | 520            | - 214          | - 41.1%        | - 41.1%                               |
| Fees  | 6,841          | 6,776          | + 65           | + 1.0%         | + 0.8%                                |
| Trading income  | 2,574          | 1,554          | + 1,020        | + 65.6%        | + 59.8%                               |
| Other expenses/income   | (70)           | 45             | - 115          | n.m.           | n.m.                                  |
| <b>Revenue</b>  | <b>20,343</b>  | <b>17,913</b>  | <b>+ 2,429</b> | <b>+ 13.6%</b> | <b>+ 12.4%</b>                        |
| HR costs  | (5,918)        | (5,981)        | + 63           | - 1.1%         | - 1.4%                                |
| Non HR costs  | (3,007)        | (3,190)        | + 182          | - 5.7%         | - 6.0%                                |
| Recovery of expenses  | 513            | 548            | - 34           | - 6.3%         | - 5.5%                                |
| Amortisations and depreciations                               | (1,149)        | (1,133)        | - 16           | + 1.4%         | + 0.7%                                |
| <b>Operating costs</b>  | <b>(9,560)</b> | <b>(9,755)</b> | <b>+ 195</b>   | <b>- 2.0%</b>  | <b>- 2.5%</b>                         |
| <b>GROSS OPERATING PROFIT (LOSS)</b>                          | <b>10,782</b>  | <b>8,158</b>   | <b>+ 2,624</b> | <b>+ 32.2%</b> | <b>+ 30.2%</b>                        |
| Loan Loss Provisions (LLPs)                                   | (1,894)        | (1,634)        | - 260          | + 15.9%        | + 13.7%                               |
| <b>NET OPERATING PROFIT (LOSS)</b>                            | <b>8,888</b>   | <b>6,524</b>   | <b>+ 2,364</b> | <b>+ 36.2%</b> | <b>+ 34.3%</b>                        |
| Other charges and provisions                                  | (1,093)        | (1,386)        | + 293          | - 21.1%        | - 21.0%                               |
| <i>of which: systemic charges</i>                             | <i>(1,085)</i> | <i>(1,037)</i> | - 48           | + 4.6%         | + 4.8%                                |
| Integration costs   | (324)          | (1,337)        | + 1,013        | - 75.8%        | - 76.1%                               |
| Net income from investments                                   | (182)          | (2,020)        | + 1,838        | - 91.0%        | - 94.0%                               |
| <b>PROFIT (LOSS) BEFORE TAX</b>                               | <b>7,289</b>   | <b>1,780</b>   | <b>+ 5,509</b> | <b>n.m.</b>    | <b>n.m.</b>                           |
| Income taxes  | (819)          | 342            | - 1,161        | n.m.           | n.m.                                  |
| Profit (Loss) of discontinued operations                      | 3              | 4              | - 1            | - 23.4%        | - 23.0%                               |
| <b>NET PROFIT (LOSS) FOR THE PERIOD</b>                       | <b>6,473</b>   | <b>2,126</b>   | <b>+ 4,346</b> | <b>n.m.</b>    | <b>n.m.</b>                           |
| Minorities  | (15)           | (30)           | + 15           | - 49.7%        | - 49.5%                               |
| <b>NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA</b> | <b>6,458</b>   | <b>2,097</b>   | <b>+ 4,361</b> | <b>n.m.</b>    | <b>n.m.</b>                           |
| Purchase Price Allocation (PPA)                               | -              | (1)            | + 1            | - 100.0%       | - 100.0%                              |
| Goodwill impairment   | -              | -              | -              | -              | -                                     |
| <b>GROUP STATED NET PROFIT (LOSS)</b>                         | <b>6,458</b>   | <b>2,096</b>   | <b>+ 4,362</b> | <b>n.m.</b>    | <b>n.m.</b>                           |

Note:

(\*) Foreign Exchange.



## Reclassified consolidated accounts

## Reclassified consolidated income statement - Quarterly figures

(€ million)

|   | 2022           |                |                |                | 2021           |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | Q4             | Q3             | Q2             | Q1             | Q4             | Q3             | Q2             | Q1             |
| Net interest  | 3,426          | 2,481          | 2,484          | 2,301          | 2,396          | 2,261          | 2,193          | 2,170          |
| Dividends   | 57             | 77             | 83             | 90             | 114            | 169            | 125            | 112            |
| Fees  | 1,622          | 1,651          | 1,725          | 1,843          | 1,697          | 1,672          | 1,699          | 1,708          |
| Trading income  | 613            | 612            | 564            | 785            | 202            | 333            | 400            | 619            |
| Other expenses/income   | 2              | 6              | (76)           | (3)            | 16             | (10)           | (29)           | 68             |
| <b>Revenue</b>  | <b>5,719</b>   | <b>4,827</b>   | <b>4,780</b>   | <b>5,016</b>   | <b>4,425</b>   | <b>4,425</b>   | <b>4,388</b>   | <b>4,675</b>   |
| HR costs  | (1,563)        | (1,459)        | (1,440)        | (1,456)        | (1,522)        | (1,505)        | (1,484)        | (1,470)        |
| Non HR costs  | (749)          | (767)          | (754)          | (738)          | (804)          | (783)          | (811)          | (792)          |
| Recovery of expenses  | 138            | 125            | 123            | 128            | 150            | 134            | 135            | 129            |
| Amortisations and depreciations                               | (300)          | (284)          | (287)          | (278)          | (286)          | (286)          | (290)          | (270)          |
| <b>Operating costs</b>  | <b>(2,474)</b> | <b>(2,385)</b> | <b>(2,358)</b> | <b>(2,344)</b> | <b>(2,462)</b> | <b>(2,439)</b> | <b>(2,451)</b> | <b>(2,403)</b> |
| <b>GROSS OPERATING PROFIT (LOSS)</b>                          | <b>3,246</b>   | <b>2,442</b>   | <b>2,422</b>   | <b>2,672</b>   | <b>1,963</b>   | <b>1,985</b>   | <b>1,937</b>   | <b>2,272</b>   |
| Loan Loss Provisions (LLPs)                                   | (528)          | (84)           | 2              | (1,284)        | (810)          | (297)          | (360)          | (167)          |
| <b>NET OPERATING PROFIT (LOSS)</b>                            | <b>2,717</b>   | <b>2,358</b>   | <b>2,424</b>   | <b>1,389</b>   | <b>1,153</b>   | <b>1,688</b>   | <b>1,577</b>   | <b>2,105</b>   |
| Other charges and provisions                                  | (144)          | (281)          | 56             | (725)          | (274)          | (195)          | (214)          | (702)          |
| <i>of which: systemic charges</i>                             | <i>(38)</i>    | <i>(265)</i>   | <i>(63)</i>    | <i>(719)</i>   | <i>(92)</i>    | <i>(200)</i>   | <i>(125)</i>   | <i>(620)</i>   |
| Integration costs   | (287)          | (38)           | 4              | (3)            | (1,327)        | (4)            | (7)            | -              |
| Net income from investments                                   | (176)          | 27             | (3)            | (30)           | (1,780)        | (59)           | 15             | (195)          |
| <b>PROFIT (LOSS) BEFORE TAX</b>                               | <b>2,111</b>   | <b>2,067</b>   | <b>2,481</b>   | <b>630</b>     | <b>(2,228)</b> | <b>1,430</b>   | <b>1,371</b>   | <b>1,207</b>   |
| Income taxes  | 355            | (367)          | (461)          | (346)          | 1,350          | (362)          | (331)          | (314)          |
| Profit (Loss) of discontinued operations                      | -              | -              | -              | 3              | 2              | -              | -              | 1              |
| <b>NET PROFIT (LOSS) FOR THE PERIOD</b>                       | <b>2,466</b>   | <b>1,700</b>   | <b>2,020</b>   | <b>287</b>     | <b>(875)</b>   | <b>1,068</b>   | <b>1,040</b>   | <b>894</b>     |
| Minorities  | (2)            | 10             | (10)           | (13)           | (8)            | (10)           | (5)            | (7)            |
| <b>NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA</b> | <b>2,464</b>   | <b>1,709</b>   | <b>2,010</b>   | <b>274</b>     | <b>(883)</b>   | <b>1,058</b>   | <b>1,034</b>   | <b>888</b>     |
| Purchase Price Allocation (PPA)                               | -              | -              | -              | -              | -              | -              | (1)            | -              |
| Goodwill impairment   | -              | -              | -              | -              | -              | -              | -              | -              |
| <b>GROUP STATED NET PROFIT (LOSS)</b>                         | <b>2,464</b>   | <b>1,709</b>   | <b>2,010</b>   | <b>274</b>     | <b>(883)</b>   | <b>1,058</b>   | <b>1,034</b>   | <b>887</b>     |

## Reclassified consolidated accounts

## Reclassified consolidated income statement - Comparison of Q4 2022/Q4 2021

(€ million)

|   | Q4             |                | CHANGE         |                |                                       |
|---|----------------|----------------|----------------|----------------|---------------------------------------|
|   | 2022           | 2021           | P&L            | %              | % AT CONSTANT FX <sup>(*)</sup> RATES |
| Net interest  | 3,426          | 2,396          | + 1,030        | + 43.0%        | + 41.5%                               |
| Dividends   | 57             | 114            | - 57           | - 50.1%        | - 50.1%                               |
| Fees  | 1,622          | 1,697          | - 76           | - 4.5%         | - 4.7%                                |
| Trading income  | 613            | 202            | + 410          | n.m.           | n.m.                                  |
| Other expenses/income   | 2              | 16             | - 14           | - 87.9%        | - 84.9%                               |
| <b>Revenue</b>  | <b>5,719</b>   | <b>4,425</b>   | <b>+ 1,294</b> | <b>+ 29.2%</b> | <b>+ 27.6%</b>                        |
| HR costs  | (1,563)        | (1,522)        | - 41           | + 2.7%         | + 2.2%                                |
| Non HR costs  | (749)          | (804)          | + 55           | - 6.8%         | - 7.2%                                |
| Recovery of expenses  | 138            | 150            | - 12           | - 8.0%         | - 6.9%                                |
| Amortisations and depreciations                               | (300)          | (286)          | - 13           | + 4.7%         | + 3.4%                                |
| <b>Operating costs</b>  | <b>(2,474)</b> | <b>(2,462)</b> | <b>- 12</b>    | <b>+ 0.5%</b>  | <b>- 0.2%</b>                         |
| <b>GROSS OPERATING PROFIT (LOSS)</b>                          | <b>3,246</b>   | <b>1,963</b>   | <b>+ 1,282</b> | <b>+ 65.3%</b> | <b>+ 62.4%</b>                        |
| Loan Loss Provisions (LLPs)                                   | (528)          | (810)          | + 282          | - 34.8%        | - 35.7%                               |
| <b>NET OPERATING PROFIT (LOSS)</b>                            | <b>2,717</b>   | <b>1,153</b>   | <b>+ 1,564</b> | <b>n.m.</b>    | <b>n.m.</b>                           |
| Other charges and provisions                                  | (144)          | (274)          | + 131          | - 47.7%        | - 47.9%                               |
| <i>of which: systemic charges</i>                             | (38)           | (92)           | + 54           | - 58.5%        | - 58.8%                               |
| Integration costs   | (287)          | (1,327)        | + 1,039        | - 78.3%        | - 78.5%                               |
| Net income from investments                                   | (176)          | (1,780)        | + 1,604        | - 90.1%        | - 93.1%                               |
| <b>PROFIT (LOSS) BEFORE TAX</b>                               | <b>2,111</b>   | <b>(2,228)</b> | <b>+ 4,338</b> | <b>n.m.</b>    | <b>n.m.</b>                           |
| Income taxes  | 355            | 1,350          | - 995          | - 73.7%        | - 72.8%                               |
| Profit (Loss) of discontinued operations                      | -              | 2              | - 2            | - 100.0%       | - 100.0%                              |
| <b>NET PROFIT (LOSS) FOR THE PERIOD</b>                       | <b>2,466</b>   | <b>(875)</b>   | <b>+ 3,341</b> | <b>n.m.</b>    | <b>n.m.</b>                           |
| Minorities  | (2)            | (8)            | + 5            | - 73.0%        | - 72.7%                               |
| <b>NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA</b> | <b>2,464</b>   | <b>(883)</b>   | <b>+ 3,347</b> | <b>n.m.</b>    | <b>n.m.</b>                           |
| Purchase Price Allocation (PPA)                               | -              | -              | -              | n.m.           | n.m.                                  |
| Goodwill impairment   | -              | -              | -              | -              | -                                     |
| <b>GROUP STATED NET PROFIT (LOSS)</b>                         | <b>2,464</b>   | <b>(883)</b>   | <b>+ 3,347</b> | <b>n.m.</b>    | <b>n.m.</b>                           |

Note:

(\*) Foreign Exchange.

## Summary results by business segments

## Key figures by business segment

|  |         |         |                |                |        |                                       |          | (€ million)              |
|--|---------|---------|----------------|----------------|--------|---------------------------------------|----------|--------------------------|
|  | ITALY   | GERMANY | CENTRAL EUROPE | EASTERN EUROPE | RUSSIA | GROUP CORPORATE CENTRE <sup>(*)</sup> | NON CORE | CONSOLIDATED GROUP TOTAL |
| <b>Income statement</b>                  |         |         |                |                |        |                                       |          |                          |
| <b>Revenue</b>                           |         |         |                |                |        |                                       |          |                          |
| 2022                                     | 9,050   | 5,050   | 3,453          | 1,996          | 1,259  | (464)                                 | -        | 20,343                   |
| 2021                                     | 8,435   | 4,458   | 2,994          | 1,802          | 569    | (288)                                 | (57)     | 17,913                   |
| <b>Operating costs</b>                   |         |         |                |                |        |                                       |          |                          |
| 2022                                     | (3,941) | (2,518) | (1,598)        | (819)          | (283)  | (402)                                 | -        | (9,560)                  |
| 2021                                     | (3,993) | (2,671) | (1,642)        | (768)          | (234)  | (376)                                 | (72)     | (9,755)                  |
| <b>GROSS OPERATING PROFIT (LOSS)</b>     |         |         |                |                |        |                                       |          |                          |
| 2022                                     | 5,109   | 2,532   | 1,855          | 1,177          | 976    | (867)                                 | -        | 10,782                   |
| 2021                                     | 4,442   | 1,788   | 1,352          | 1,033          | 335    | (664)                                 | (129)    | 8,158                    |
| <b>PROFIT (LOSS) BEFORE TAX</b>          |         |         |                |                |        |                                       |          |                          |
| 2022                                     | 4,310   | 1,801   | 1,408          | 884            | (272)  | (842)                                 | -        | 7,289                    |
| 2021                                     | 2,466   | 627     | 557            | 695            | 270    | (2,704)                               | (131)    | 1,780                    |
| <b>Balance sheet</b>                     |         |         |                |                |        |                                       |          |                          |
| <b>CUSTOMERS LOANS<sup>(**)</sup></b>    |         |         |                |                |        |                                       |          |                          |
| as at 31 December 2022                   | 168,363 | 129,871 | 95,837         | 31,426         | 6,596  | 349                                   | -        | 432,441                  |
| as at 31 December 2021                   | 169,704 | 127,316 | 92,534         | 28,840         | 11,845 | 318                                   | 194      | 430,750                  |
| <b>CUSTOMERS DEPOSITS<sup>(**)</sup></b> |         |         |                |                |        |                                       |          |                          |
| as at 31 December 2022                   | 198,962 | 146,580 | 93,651         | 43,954         | 8,677  | (7)                                   | -        | 491,817                  |
| as at 31 December 2021                   | 202,558 | 131,756 | 92,962         | 38,741         | 10,483 | (14)                                  | 460      | 476,945                  |
| <b>TOTAL RISK WEIGHTED ASSETS</b>        |         |         |                |                |        |                                       |          |                          |
| as at 31 December 2022                   | 120,192 | 81,130  | 60,402         | 26,866         | 16,143 | 3,733                                 | -        | 308,466                  |
| as at 31 December 2021                   | 135,729 | 82,516  | 61,027         | 25,394         | 11,516 | 5,451                                 | 361      | 321,992                  |
| <b>EVA</b>                               |         |         |                |                |        |                                       |          |                          |
| 2022                                     | 1,342   | 361     | 501            | 333            | (645)  | (331)                                 | (1)      | 1,561                    |
| 2021                                     | 360     | (5)     | 302            | 218            | (14)   | (939)                                 | (113)    | (192)                    |
| <b>Cost/income ratio</b>                 |         |         |                |                |        |                                       |          |                          |
| 2022                                     | 43.5%   | 49.9%   | 46.3%          | 41.0%          | 22.5%  | n.m.                                  | n.m.     | 47.0%                    |
| 2021                                     | 47.3%   | 59.9%   | 54.8%          | 42.6%          | 41.1%  | n.m.                                  | n.m.     | 54.5%                    |
| <b>Employees</b>                         |         |         |                |                |        |                                       |          |                          |
| as at 31 December 2022                   | 27,927  | 10,779  | 10,542         | 13,595         | 3,416  | 8,781                                 | -        | 75,040                   |
| as at 31 December 2021                   | 28,580  | 11,678  | 11,381         | 13,889         | 3,913  | 9,047                                 | 85       | 78,571                   |

**Notes:**

(\*) Corporate Centre Global Functions, inter-segment adjustments and consolidation adjustments not attributable to individual segments.

(\*\*) Net of repos, intercompany transactions.

The amounts related to year 2021 differ from the ones published at that time. For further details refer to "Reconciliation principles followed for the reclassified consolidated income statement" and to "Reconciliation principles followed for the reclassified consolidated balance sheet".

Figures as of 2021 were recast, where necessary, on a like-to-like basis to consider changes in scope of business segment and methodological rules.

With reference to perimeters of business sectors, refer to Notes to the consolidated accounts, Part L - Segment reporting - The Organisational Structure.

## Group and UniCredit share historical data series

## Group figures 2012 - 2022

|  | IAS/IFRS |         |         |         |          |          |          |          |          |          |          |
|--|----------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|
|  | 2022     | 2021    | 2020    | 2019    | 2018     | 2017     | 2016     | 2015     | 2014     | 2013     | 2012     |
| <b>Reclassified income statement (€ million)</b>   |          |         |         |         |          |          |          |          |          |          |          |
| Revenue  | 20,343   | 17,954  | 17,140  | 18,839  | 19,723   | 19,619   | 18,801   | 22,405   | 22,513   | 23,973   | 25,049   |
| Operating costs                                    | (9,560)  | (9,797) | (9,805) | (9,929) | (10,698) | (11,350) | (12,453) | (13,618) | (13,838) | (14,801) | (14,979) |
| Gross operating profit (loss)                      | 10,782   | 8,158   | 7,335   | 8,910   | 9,025    | 8,268    | 6,348    | 8,787    | 8,675    | 9,172    | 10,070   |
| Profit (Loss) before tax                           | 7,289    | 1,236   | (1,546) | 3,065   | 3,619    | 4,148    | (10,978) | 2,671    | 4,091    | (4,888)  | 317      |
| Net profit (loss) for the period                   | 6,473    | 1,570   | (1,842) | 3,559   | 4,112    | 5,790    | (11,061) | 2,239    | 2,669    | (3,920)  | 1,687    |
| Group stated net profit (loss)                     | 6,458    | 1,540   | (2,785) | 3,373   | 3,892    | 5,473    | (11,790) | 1,694    | 2,008    | (13,965) | 865      |
| <b>Reclassified balance sheet (€ million)</b>      |          |         |         |         |          |          |          |          |          |          |          |
| Total assets                                       | 857,773  | 916,671 | 931,456 | 855,647 | 831,469  | 836,790  | 859,533  | 860,433  | 844,217  | 845,838  | 926,827  |
| Loans to customers                                 | 455,781  | 437,544 | 450,550 | 482,574 | 471,839  | 447,727  | 444,607  | 473,999  | 470,569  | 503,142  | 547,144  |
| of which: bad exposures                            | 601      | 1,121   | 1,645   | 2,956   | 5,787    | 9,499    | 10,945   | 19,924   | 19,701   | 18,058   | 19,360   |
| Deposits from customers and debt securities issued | 594,300  | 596,402 | 600,964 | 566,871 | 560,141  | 561,498  | 567,855  | 584,268  | 560,688  | 571,024  | 579,965  |
| Group shareholders' equity                         | 63,339   | 61,628  | 59,507  | 61,416  | 55,841   | 59,331   | 39,336   | 50,087   | 49,390   | 46,841   | 62,784   |
| <b>Profitability ratios (%)</b>                    |          |         |         |         |          |          |          |          |          |          |          |
| Gross operating profit (loss)/Total assets         | 1.26     | 0.89    | 0.79    | 1.04    | 1.09     | 0.99     | 0.74     | 1.02     | 1.03     | 1.08     | 1.09     |
| Cost/Income ratio                                  | 47.0     | 54.6    | 57.2    | 52.7    | 54.2     | 57.9     | 66.2     | 60.8     | 61.5     | 61.7     | 59.8     |

The figures here reported refer to the information published in the reference year.

## Share information

|   | 2022   | 2021   | 2020   | 2019   | 2018   | 2017   | 2016   | 2015   | 2014   | 2013   | 2012   |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Share price<sup>(*)</sup> (€)</b>          |        |        |        |        |        |        |        |        |        |        |        |
| - maximum                                     | 15.850 | 13.576 | 14.174 | 13.494 | 18.212 | 18.350 | 25.733 | 32.824 | 34.427 | 28.213 | 22.440 |
| - minimum                                     | 8.021  | 7.420  | 6.213  | 9.190  | 9.596  | 12.160 | 8.785  | 24.605 | 25.583 | 16.227 | 11.456 |
| - average                                     | 11.087 | 10.088 | 8.650  | 11.193 | 14.635 | 15.801 | 13.820 | 29.509 | 30.015 | 22.067 | 16.520 |
| - end of period                               | 13.272 | 13.544 | 7.648  | 13.020 | 9.894  | 15.580 | 13.701 | 25.733 | 26.735 | 26.961 | 18.572 |
| <b>Number of outstanding shares (million)</b> |        |        |        |        |        |        |        |        |        |        |        |
| - at period end <sup>(**)</sup>               | 1,935  | 2,211  | 2,237  | 2,233  | 2,230  | 2,226  | 6,180  | 5,970  | 5,866  | 5,792  | 5,789  |
| - shares cum dividend                         | 1,926  | 2,201  | 2,228  | 2,224  | 2,220  | 2,216  | 6,084  | 5,873  | 5,769  | 5,695  | 5,693  |
| of which: savings shares                      | -      | -      | -      | -      | -      | 0.25   | 2.52   | 2.48   | 2.45   | 2.42   | 2.42   |
| - average                                     | 2,079  | 2,231  | 2,236  | 2,233  | 2,229  | 1,957  | 6,110  | 5,927  | 5,837  | 5,791  | 5,473  |
| <b>Dividend</b>                               |        |        |        |        |        |        |        |        |        |        |        |
| - total dividends (€ million)                 | -      | 1,170  | 268    | -      | 601    | 726    | -      | 706    | 697    | 570    | 512    |
| - dividend per ordinary share                 | -      | 0.538  | 0.120  | -      | 0.270  | 0.320  | -      | 0.120  | 0.120  | 0.100  | 0.090  |
| - dividend per savings share                  | -      | -      | -      | -      | -      | -      | -      | 0.120  | 1.065  | 0.100  | 0.090  |

**Notes:**  
 (\*) Due to extraordinary corporate operations (such as shares' grouping, demergers, distribution of extraordinary dividends, etc.) share prices might change being no longer comparable from one financial year to another. The historical series of share prices have been therefore adjusted to allow a better comparison.  
 (\*\*) The number of shares, existing at the end of the reference period, is net of treasury shares and includes 9.676 million of shares held under a contract of usufruct signed with Mediobanca S.p.A. The shares held under a contract of usufruct are excluded from the shares cum dividend highlighted at the following row.  
 (\*\*\*) With reference to the dividend amount for the year 2022, subject to approval by the Shareholders' Meeting scheduled for 31 March 2023, refer to the paragraph "Capital and value management - Capital ratios" of this Consolidated report on operations.

The following paragraph outlines additional information concerning shares capital changes and dividends pay-out.

On 25 March 2022 was registered with the Company Register the resolution to increase the share capital for €86,700,758.00 by issuing No.6,811,312 ordinary free shares for the execution of Group Incentive System.

On 21 April 2022 was paid the cash dividend approved by shareholders' meeting held on 8 April 2022 equal a dividend of €0.538 per share and for a total consideration of €1,170 million from allocation of the net profit for the financial year 2021.

On 11 May 2022 the "First Tranche of the Buy-Back Programme 2021" was launched for a maximum amount of €1,580 million in force of the authorization granted by ECB on 3 May 2022 and as per the authorization granted by the shareholders' meeting on 8 April 2022 that approved the purchase of UniCredit ordinary shares for a total expenditure up to €2,580 million, as a part of the total remuneration to shareholders for the financial year 2021 envisaged in strategic plan "UniCredit Unlocked".

# Group and UniCredit share historical data series

The first tranche of the share buy-back has been completed on 14 July 2022 with the purchase of total No.162,185,721 UniCredit shares, equal to 7.42% of the share capital, for a total consideration equal to the maximum expenditure authorized for the first tranche (€1,580 million); the shares acquired has been cancelled on 19 July 2022 without reducing the share capital, in force of the resolutions passed by extraordinary shareholders' meeting held on 8 April 2022.

With the resolution of 14 September 2022 the Shareholders' Meeting, to allow the completion of the buy-back ("Second Tranche of the Buy-Back Programme 2021") for the residual amount of the total expenditure authorized (€1,000 million), updated and integrated the previous resolution of 8 April 2022 by increasing the maximum number of shares that can be purchased up to No.200 million in consideration of the evolution of the UniCredit share price. The transaction was previously authorised by the ECB on 30 August 2022 and the share buy-back has been launched on 21 September 2022 and concluded on 30 November 2022 with the purchase of No.86,949,149 shares, equal to 4.30% of the share capital, for a total consideration equal to the maximum amount authorised available.

On 14 December 2022 the treasury shares acquired with the second tranche were cancelled without reducing the share capital, in execution of the resolution of the abovementioned shareholders' meeting.

## Earnings ratios

|   | IAS/IFRS |        |         |        |        |        |          |        |        |          |        |
|---|----------|--------|---------|--------|--------|--------|----------|--------|--------|----------|--------|
|   | 2022     | 2021   | 2020    | 2019   | 2018   | 2017   | 2016     | 2015   | 2014   | 2013     | 2012   |
| Shareholders' equity (€ million)                        | 63,339   | 61,628 | 59,507  | 61,416 | 55,841 | 59,331 | 39,336   | 50,087 | 49,390 | 46,841   | 62,784 |
| Net profit (loss) attributable to the Group (€ million) | 6,458    | 1,540  | (2,785) | 3,373  | 3,892  | 5,473  | (11,790) | 1,694  | 2,008  | (13,965) | 865    |
| Shareholders' equity per share (€)                      | 32.73    | 27.87  | 26.60   | 27.50  | 25.04  | 26.65  | 6.36     | 8.39   | 8.42   | 8.09     | 10.85  |
| Price/Book value  | 0.41     | 0.49   | 0.29    | 0.47   | 0.40   | 0.58   | 0.43     | 0.61   | 0.63   | 0.67     | 0.34   |
| Earnings per share <sup>(*)</sup> (€)                   | 3.085    | 0.680  | (1.306) | 1.462  | 1.712  | 2.794  | (1.98)   | 0.27   | 0.34   | (2.47)   | 0.15   |
| Payout ratio (%)  | -        | 76.0   | n.m.    | -      | 15.4   | 13.3   | -        | 41.7   | 34.7   | n.m.     | 59.2   |
| Dividend yield on average price per ordinary share (%)  | -        | 5.33   | 1.39    | -      | 1.84   | 2.03   | -        | 2.04   | 2.00   | 2.27     | 2.73   |

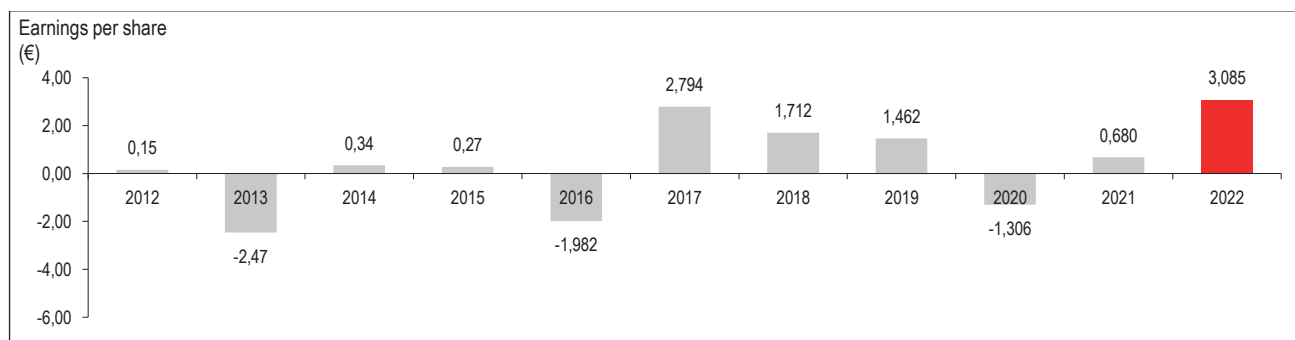
### Notes:

(\*) For further details on Earnings per share (EPS) refer to Part C - Section 25 Earnings per share.

(\*\*) For what concern to the amount of dividend related to 2022, subject to the 31 March 2023 General Shareholders Meeting approval, refer to the paragraph "Capital and value management - Capital ratios" of this Consolidated report on operations.

The amounts shown in the table are "historical figures" published in different periods and they should be read taking into account the context of the period at which they refer to.

The net profit for the period used to calculate EPS is reduced for the following amounts related to the cash-out, charged to equity, related to the usufruct contract signed with Mediobanca S.p.A. on UniCredit shares for supporting the issuance of convertible securities denominated "Cashes": €46 million for 2012, €105 million for 2013, €35 million for 2014, €100 million for 2015, €128 million for 2016, €32 million for 2017, €93 million for 2018, €124 million for 2019, €122 million for 2020 and €30 million for 2021, related to the last payment referred to 2019 results, and €74 million for 2022, referred to 2021 results.



# Group results

## Macroeconomic situation, banking and financial markets

### International situation

In 2022, global economic activity expanded by around 3.5% but the pace of growth sizably decelerated towards the end of the year as a result of a series of overlapping crises. The Russian war against Ukraine was source of massive price volatility for a variety of commodities, in particular crude oil, natural gas, and agricultural products. In turn, higher food and energy prices contributed to a spike in inflation across advanced economies that forced central banks to intervene by sharply tightening their monetary policies. Inflationary pressures became persistent and broad-based, further complicating the task for central banks. In addition, the zero-Covid-19 policy in China that led to the implementation of strict lockdowns in key cities like Shanghai deprived the world economy of one of its key engines of growth. Finally, escalating tensions between the US and China, particularly when it comes to advanced semiconductors and the future of Taiwan, further clouded the economic outlook. On the positive side, the post-pandemic reopening proceeded smoothly across the major economies, with an almost complete normalization in economic activity, especially in terms of consumer spending.

The Chinese economy grew by 3% in 2022, with anti-pandemic containment measures weighing on the economic performance. In late November, restrictions triggered a wave of protests across the country that forced the central government to abruptly remove most measures in what turned out to be a chaotic reopening that led to a sharp increase in the number of Covid-19 cases within a population with low vaccination rates and low immunity. The Japanese economy expanded by around 1.5% and, in response to rising inflationary pressures, in its December meeting the Bank of Japan (BoJ) revised its yield control policy, allowing 10-year bond yields to fluctuate by plus or minus 0.5pp of its target of zero, instead of the previous band of plus or minus 0.25pp. The UK economy expanded by around 4.0% in 2022 but the outlook deteriorated sharply after the summer as a result of financial tensions triggered by chaotic domestic politics, higher imported energy and food prices, rising mortgage costs, and in general a tightening of financial conditions, a sharp rise in economic inactivity and the delayed impact of Brexit.

Economic activity in the eurozone decelerated markedly in the second half of 2022 against the background of high inflation, weakening global demand, tightening financial conditions and ongoing uncertainty about the war in Ukraine and the risk of disruptions to energy supplies. Surveys pointed to a sharp decline in consumer confidence as households had to deal with an unprecedented, at least by recent standards, cost of living crisis. Real GDP rose slightly by 0.1% in the last quarter of the year, following a modest increase, at 0.3% qoq, in the third quarter of the year. The combination of rising energy prices and depreciating EUR contributed to rising inflationary pressures in the eurozone, with CPI inflation peaking at 10.6% yoy in October - a historic high for the eurozone. Energy and food inflation continued to explain the bulk of the high headline inflation rate, but price pressures increasingly became broad based in the second half of 2022, mainly due to the indirect effects of raising energy costs. Measures of underlying inflation remained at elevated levels, with the core rate peaking at 5.2% in December, although showing some signs of flattening towards the end of the year.

With the inflation rate well above its 2% target, the European Central Bank (ECB) adopted a tighter monetary policy, raising its policy rate by 250bp between July and December. At its October meeting, the ECB changed the terms of Targeted Long-Term Refinancing Operations (TLTRO), making them less supportive for banks. By creating conditions for accelerated TLTRO repayments, the ECB brought forward the time when its balance sheet starts shrinking, hence contributing to the normalization of monetary policy. At its December meeting, the ECB announced that its Quantitative Tightening (QT) will start in March 2023. The ECB will start reducing its APP (Asset Purchase Program) portfolio at an average pace of €15,000 million per month throughout 2Q23 with partial reinvestment of maturing bonds. The pace of run-off for the following quarters will be determined at a later stage. PEPP (Pandemic Emergency Purchase Program) holdings will continue to be reinvested in full and flexibly until at least the end of 2024 to provide the first line of defense against unwarranted fragmentation of the monetary policy.

In the US, the economy expanded by 2% but there were clear signs of deceleration at the end of the year as a result of higher interest rates and a squeeze in real incomes. The US economy continued to face demand-supply imbalances in the labor market, but in the fourth quarter 2022 there were signs of vacancies being off their peak. Inflationary pressures remained intense throughout the year, with CPI inflation peaking at more than 9% yoy in June. Core goods inflation declined sharply in the second half 2022 as a result of tighter monetary conditions and the normalization of spending patterns away from goods towards services. Core services inflation, instead, remained intense, particularly on the housing front. In reaction to high inflation, the Fed raised its policy rate by 425bp between March and December. Between June and August, the Fed also started to reduce its balance sheet by USD 47.5 billion per month; this amount was then increased to USD 95bn in September.

# Group results

## Banking and financial markets

Lending to the private sector in the eurozone showed solid growth during the second half of 2022, with its yearly growth rate hovering around 5% in December, broadly in line with its pace of growth in June. Driving this dynamic were loans to non-financial corporations, which accelerated, hitting an annual growth rate of more than 8% in the last few months of 2022, compared to 7% at the end of the first half of 2022. Companies probably increased demand for loans to finance higher production costs and/or to diversify borrowing instruments. The annual growth rate of loans to households stood at slightly above 4% at the end of 2022, gradually lower compared to where it was at the end of the first half of 2022. This was mainly due to a slowdown in loans for house purchases, which reflected weakening loan demand amid a deterioration in macroeconomic prospects and increasing bank rates.

Loans to the private sector in the main reference countries of UniCredit group (Austria, Germany and Italy) moved along the following trends. In Germany, a strengthening of growth of lending to non-financial corporations materialized, leading to a 10-12% annual increase at the end of 2022, from close to 10% at the end of the first half of 2022, while loans to households showed a gradual deceleration in their pace of expansion, to 4.3% yoy from about 5.5% in June 2022. A similar dynamic characterized loans in Austria, with loans to non-financial corporation showing a growth rate of around 8% yoy at the end of 2022 and of about 4% for loans to households. In Italy, the recovery proved much more moderate. At the end of 2022, the annual growth rate of loans to non-financial corporations stood around 1.0% yoy, from slightly above 2% in June 2022 and 1.6% at the end of 2021, while growth of loans to households slowed to 3.5% yoy in December.

With regard to bank funding at a system level, deposits from households and non-financial corporations showed sharp deceleration in annual growth rates in the second half of the year, compared to the buoyant increases they experienced during the pandemic crisis, in all the main reference countries of UniCredit group. In Italy, in particular, a strong recovery in private consumption in a context of increasing interest rates most likely explains the reduction in the pace of growth of deposits by households in the second semester of the year, with the monthly dynamic also characterized by negative flows in short-term deposits, especially sight deposits.

During the second half of 2022, there was significant tightening of financing conditions for households and firms as a consequence of changes in ECB's monetary-policy stances since July. Interest rates applied to bank loans to households and firms increased by about two percentage points compared to where they were at the end of 2021 in all the reference countries of UniCredit group. Lending rates to non-financial corporations were back at levels reached in 2014. Given a more gradual increase in the interest rates applied bank deposits in all the reference countries of UniCredit group, a widening bank spread (i.e. the difference between the average interest rate applied to loans and the average rate applied to deposits) was observed in the last few months of 2022. Such a dynamic is consistent with the monetary-policy tightening adopted by the ECB.

Changes in expectations regarding monetary-policy decisions by central banks and strong volatility in energy prices following the outbreak of the conflict between Russia and Ukraine were the two factors that influenced the performance of financial markets the most in 2022 and particularly in the second part of the year. On top of this, concerns related to the impact of the euro area's economic prospects and the risk that it could experience a moderate technical recession at the turn of the year also played a role. In this context, the performance of equity markets was confirmed to be in negative territory, but they have been gradually recovering compared to where they were at the end of the first half of 2022. The German stock exchange and the Italian stock exchange recorded losses of around 12-13% at the end of 2022, compared to December 2021, and have partially recovered from where they were at the end of the first half of 2022, while the Austrian stock exchange showed a decline of around 20% on an annual basis.

## CEE countries

For most of 2022, CEE economies have proven more resilient than had been feared at the start of Russia's invasion of Ukraine. While consumers turned markedly more pessimistic when the conflict began, their spending habits changed only gradually. Expecting higher prices and interest rates, households frontloaded spending and borrowing in the first half 2022 and many exhausted the precautionary savings they amassed in 2020 and 2021. The exceptions are clustered in countries where energy prices rose at a slower pace owing to administrative caps and/or where wage growth tracked inflation (Croatia, Czech Republic, Hungary, Serbia, Slovenia). The Russian economy has been significantly affected by the repercussions of the war in Ukraine, although it appeared to have coped with the implications of sanctions better than expected.

In the last quarter of the year, the economic environment deteriorated due to the impact of high energy costs on both the supply side and the demand side, falling purchasing power in CEE, destocking, lower public investment and weaker demand from the eurozone amid tighter financial conditions. This probably resulted in a contraction of economic activity in most CEE countries, which will probably continue in the first quarter 2023. A gradual recovery is expected to start in the second quarter.

# Group results

Energy imports rose significantly throughout CEE, with trade balances moving into deficits that have not been covered by FDI (Foreign Direct Investments) and EU funds. As a result, CEE currencies were affected by several depreciation episodes during 2022. High energy costs affected companies in energy-intensive sectors (especially the manufacturing of metals, chemicals, construction materials, glass and food) and SMEs that have limited economies of scale. The risk of permanent scarring is very high where restart costs are significant (for example for non-ferrous metals smelters) or where energy prices are expected to be too high to ensure business continuity over the medium term (fertilizer producers). Imports will have to rise to prevent disruptions along supply chains, with the highest risks faced by farmers, food processors and transporters.

We estimate EU-CEE<sup>1</sup> GDP to have grown by around 4.4% in 2022, while the Russian economy is estimated to have contracted by about 3%, which less than initially expected. The Western-Balkan economies probably grew by around 3.0% in 2022.

Inflation in the region increased significantly due to the impact of commodity prices, supply chain disruptions, demand, and in some cases currency depreciation. Inflation exceeded 15% at the end of 2022 in most EU-CEE and Western Balkans countries, with Hungary standing out with a rate of 24.5% in December. While inflation is expected to peak in first quarter, it will probably remain high in 2023. Central banks in the region reacted with significant monetary policy tightening. The policy rate was increased to 6.75% in Poland and Romania, 7.00% in Czech Republic and 5.50% in Serbia. Central banks also intervened in the foreign exchange market to prevent currency depreciation. In Russia, the policy rate was first increased from 8.50% to 20.00% in February and then gradually reduced to 7.50%.

## Main results and performance for the period

### Introduction

The Group's activities in the first six months of the year were oriented towards the implementation of the strategic guidelines identified by the new "UniCredit Unlocked" Plan, whose objectives are:

- Grow in the geographical areas of reference and develop the network of customers, transforming the business model and operating methods of the Group;
- Achieve economies of scale from the Group's network of banks, through a technological transformation focused on Digital & Data and operating with a view to sustainability;
- Driving financial performance through three interconnected levers under full managerial control: streamlining and improving the efficiency across the organization with very strong management on costs, organic generation of capital<sup>2</sup>, increase in revenues net of loan loss provisions to achieve profitability above the cost of capital;
- To enable, through the new business model, a high organic generation of capital<sup>2</sup> with a significantly greater and progressively growing distribution to shareholders<sup>3</sup>, maintaining or exceeding the CET1 ratio of 12.5-13 percent.

In particular, the Management Team focused on relaunching and strengthening the business with a view to customer centricity through initiatives aimed at achieving long-term sustainable growth; the Group's strategy hinges on digitalization and the enhancement of the economies of scale inherent in the Group's Banks; the unification of technology and data platforms, together with the consolidation of common principles will allow us to offer customers the best products and services.

Despite the uncertainties of the global economic context and the negative effects deriving from geopolitical tensions, during the year, the Group implemented the strategic guidelines set out in the new Plan, achieving and exceeding the objectives set for 2022.

The net profit stated recorded in the year at Group level was €6,458 million, compared to €2,096 million achieved in 2021.

Group net profit<sup>4</sup>, on the other hand, stood at €5,227 million, compared to €3,539 million achieved in 2021 and includes a loss of -€220 million attributable to Russia<sup>5</sup>, which in 2021 recorded a net positive result of €218 million. Group net profit excluding Russia amounts to €5,447 million, up by 64.0% compared to €3,321 million of the previous year.

<sup>1</sup> Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia.

<sup>2</sup> "Organic capital generation" means the evolution of CET1 deriving from (i) Net accounting profit excluding DTAs from losses carried forward and (ii) RWA dynamics net of regulatory impact.

<sup>3</sup> Distribution to shareholders subject to approval by supervisory bodies, shareholders' meeting and to non-organic growth opportunities.

<sup>4</sup> Group stated net profit (loss) net of coupons paid on AT1 and CASHES securities and DTA registrations or cancellations on previous losses derived from the updating of sustainability tests.

<sup>5</sup> Russia include AO UniCredit Bank with the other local legal entities and the cross-border exposures booked in UniCredit S.p.A.



# Group results

## Operating income

In 2022, the Group's revenues were €20,343 million, up by 13.6% compared to 2021 (up by 12.4% at constant exchange rates). Excluding Russia, the revenues, equal to €19,084 million, increased by 10.0% (up by 10.1% at constant exchange rates). The increase was due to the improvement in net interest and the positive result of trading activities, with commission revenues in moderate progress when compared to the sustained performance recorded in 2021.

Group net interest amounted to €10,692 million, up by 18.6% (€1,673 million) compared to last year (up by 17.4% at constant exchange rates); Russia contributed to the total of the year with €757 million in net interest, up by 66.6% year-on-year (up by 42.6% at constant exchange rates) or €303 million. Net of Russia, net interest amounted to €9,935 million, an increase of €1,371 million compared to last year or up by 16.0% (up by 16.1% at constant exchange rates). This growth was sustained both by higher volumes of loans to customers and by the trend in market rates, the increase of which led to an increase in customer interest, and by the results of treasury activities (the average Euribor 3 months of 2022 is 90 basis points higher than in the same period of 2021). It is also worth noting the positive impact on the net interest income produced by the TLTRO as a consequence of the more favorable market conditions.

The customer loans interest rates of the Group excluding Russia started to increase in the second quarter of 2022 and then continued to grow during the second half of the year, reflecting market rate developments. On annual basis, the adjustment of loan rates affected all countries, leading to an increase in interest rates towards customers compared to 2021.

The adjustment of interest rates also affected deposits, for which the average rate at Group level in 2022 gradually returned to being negative for the Bank; in fact, the particular dynamics of market interest rates which went from negative to positive during 2022, led to the decline, especially in Germany, of the commission on liquidity ("Excess Liquidity Fee") applied mainly to Corporate and Large Corporate clients and the simultaneous repricing of deposits that from the second half of the year, at Group level, began to accrue a negative rate for the Bank.

The dynamics described above have led at Group level to an increase of the difference between the average rate of loans to customers and the cost of deposits from customers compared to 2021.

Customer loans volumes increased by €6.8 billion, or up by 1.5% (up by 1.4% at constant exchange rates), going from €449.0 billion at 31 December 2021 to €455.8 billion at 31 December 2022. This trend was entirely explained by the Group excluding Russia (up by €12.1 billion) while Russia recorded a decrease of €5.3 billion (down by 44.5% or by 49.2% at constant exchange rates). The Group's growth excluding Russia was impacted by the reverse repos component with an increase of €5.1 billion, while other loans to customers increased by €6.9 billion, or up by 1.7% (up by 1.6% at constant exchange rates) up to €425.8 billion. Germany contributed with an increase of €2.6 billion, mainly supported by the performance of the Small and Medium Enterprises segment. Central Europe recorded a growth of €3.3 billion compared to last year (up by 3.6% at current and up by 3.3% at constant exchange rates), which saw as the main contributors Czech Republic (€2.1 billion or up by 10.9% at current exchange rates or up by 7.7% at constant exchange rates) and Hungary (up by €0.5 billion or up by 11.6% at current exchange rates or up by 21.2% at constant exchange rates) while Austria remained broadly stable (down by €0.1 billion or down by 0.2%). Eastern Europe's contribution was also positive, with an annual growth in customer loans excluding the reverse repos component of €2.6 billion (up by 9.0% at current exchange rates or up by 9.0% at constant rates) supported by Romania and Bulgaria, countries that reported double-digit growth compared to 31 December 2021 and by Croatia. In Italy, loans recorded a drop of 0.8% (or down by €1.3 billion); the decrease in stock is mainly explained by the capital efficiency actions implemented (negative sEva portfolio optimization and portfolio disposals were partially offset by the positive commercial actions on the positive sEva clients) and operations with large clients.

Group's deposits from customers, amounting to €510.1 billion, grew by €9.4 billion showing an increase of 1.9% (up by 1.8% at constant exchange rates) compared to 2021, despite Russia which recorded a decrease of 17.2% or €1.8 billion at current exchange rates or a decrease of 24.4% measured at constant exchange rates.

Deposits from customers of the Group excluding Russia stood at 31 December 2022 at €501.4 billion, with an increase of €11.2 billion compared to last year; excluding the repos component which is down by €5.5 billion, the growth amounted to €16.7 billion (up by 3.6% both at current and at constant exchange rates).

More in detail, the increase was supported by Germany, up by 11.3% (or up by €14.8 billion) and by Eastern Europe, which increased by 13.5% (up by 13.6% at constant exchange rates) or by €5.2 billion, of which €1.9 billion increase in Croatia (up by 13.6% or up by 14.0% at constant exchange rates), €1.7 billion increase in Bulgaria (up by 17.3% at both current and at constant exchange rates) and €1.1 billion increase in Romania (up by 14.2% at both current and at constant exchange rates). Central Europe recorded a growth of 0.7% (up by €0.7 billion or up by 0.7% at constant exchange rates), mainly generated by Czech Republic (with an increase of 10.5% or up by €2.0 billion or up by 7.2% at constant exchange rates) while Austria shows a decrease of 2.5% or down by €1.6 billion. Finally, Italy recorded a decrease of 1.8% or down by €3.6 billion compared to 2021, mainly explained by the volatility of some Large Corporate positions booked in December 2021 and then withdrawn at the beginning of 2022 while the other businesses show growth year-on-year.

# Group results

Dividends and other income on equity investments of the Group (which include the profits of companies valued at shareholders' equity) in 2022 amounted to €306 million, down by €214 million, or down by 41.1% (down by 41.1% at constant exchange rates) compared to prior year. This dynamic is mainly explained by the loss of the contribution of Yapi Ve Kredi Bankasi A.S., following the complete disposal of the stake held, and secondly by the lower contribution of Oberbank AG in Austria and by the insurance companies valued at equity in Italy.

Fees of the Group in 2022 were €6,841 million, up by 1.0% (up by 0.8% at constant exchange rates) compared to the previous year; this performance reflects the positive trend on transactional services commissions, which rose sharply compared to 2021, partially offset by the lower contribution of commissions on investment services.

In detail, transactional services commissions recorded an increase of €220 million (up by 9.8% compared to 2021; up by 9.5% at constant exchange rates), mainly thanks to higher commissions on current accounts, cards and payments services and FX dealings.

On the other hand, commissions on investment services decreased compared to the previous year by €168 million, down by 5.9% (down by 5.9% also at constant exchange rates) linked to lower placements of asset management products mainly in Italy in a particularly uncertain and volatile market context compared to a 2021 characterized by a more favorable macroeconomic scenario of post-pandemic recovery.

The financing services component increased by €12 million, equal to 0.7% compared to 2021 (up by 0.4% at constant exchange rates); this dynamic was characterized by a strong growth of commissions from loans and credit protection insurance (both of which grew thanks to Italy) and higher commission on collateral in both Italy and Germany, partially offset by the lower contribution of commissions from equity and debt capital markets transactions, which were negatively affected by financial market conditions in 2022.

The trading income of the Group in 2022 showed a strong growth compared to the previous year (up by €1,020 million), going from €1,554 million in 2021 to €2,574 million in the current year (up by 65.6% or up by 59.8% at constant exchange rates). This result benefited from foreign exchange activities with Large Corporate customers in the Russia segment. The Group excluding Russia, on the other hand, recorded an increase of 37.1% (up by 37.0% at constant exchange rates) going from €1,526 million last year to €2,092 million in December 2022. The growth was due both to higher revenues from client's activity, mainly supported by hedging transactions by Corporate, Large Corporate and Institutional counterparties given the particular geopolitical context, and from the increase in revenues from treasury activities in Italy and Germany.

Finally, in 2022, the balance of other income and expenses of the Group was negative for -€70 million, compared to the positive balance of €45 million of 2021; the result of 2022 is mainly attributable to Russia, and is connected to the activities of decreasing the exposure with Russian counterparties caused by the geopolitical context. On the other hand, the dynamic of the Group net of Russia (down by €39 million) was affected by the positive non-recurring effects on the first half of 2021 deriving from the agreement signed with SIA company regarding the update of the overall terms of the outsourcing contract for the provision of certain processing services in Italy, Austria and Germany related to credit card transactions and the management of POS and ATM terminals.

## Revenue

|                       | YEAR          |               | % CHANGE       | 2022 Q4      | % CHANGE ON Q3 2022 |
|-----------------------|---------------|---------------|----------------|--------------|---------------------|
|                       | 2022          | 2021          |                |              |                     |
| Net interest          | 10,692        | 9,019         | + 18.6%        | 3,426        | + 38.1%             |
| Dividends             | 306           | 520           | - 41.1%        | 57           | - 26.0%             |
| Fees                  | 6,841         | 6,776         | + 1.0%         | 1,622        | - 1.8%              |
| Trading income        | 2,574         | 1,554         | + 65.6%        | 613          | + 0.2%              |
| Other expenses/income | (70)          | 45            | n.m.           | 2            | - 69.2%             |
| <b>Revenue</b>        | <b>20,343</b> | <b>17,913</b> | <b>+ 13.6%</b> | <b>5,719</b> | <b>+ 18.5%</b>      |

## Operating costs

The Group's operating costs in 2022 amounted to €9,560 million, down by 2.0%, equal to €195 million, compared to prior year (down by 2.5% at constant exchange rates), thanks to the continuation of the staff downsizing and the discipline and rigor maintained on Non HR costs.

In detail, HR costs in 2022 amounted to €5,918 million, down by 1.1% compared to the previous year (down by 1.4% at constant exchange rates). This result was achieved mainly thanks to the positive effects generated by the continuing dynamics of staff reduction, characterized by a decrease of 3,531 FTEs (equivalent to a decrease of 4,201 average FTEs) compared to 2021, equal to a decrease of 4.5%. It is also to be highlighted that the personnel costs of 2022 include an extraordinary contribution in favor of the employees to cope with the price increases linked to high energy.

# Group results

Non HR costs amounted to €3,007 million during the year, down by 5.7% compared to 2021 (equal to €182 million) even with the inflationary pressures. The internal dynamic of Non HR costs saw a substantial reduction during the year of the costs related to consulting and marketing, advertising and promotions activities. Further savings for the Group were generated by lower credit recovery expenses, attributable to the progressive reduction in the stock of problematic loans and the decrease in some costs related to the Covid-19 pandemic due to the elimination of the related restrictive measures.

Expense recoveries in 2022 amounted to €513 million, down from €548 million last year (down by 6.3%) mainly due to lower booking of tax recoveries.

Finally, in 2022, were recorded amortizations and depreciations of €1,149 million, showing a slight increase (up by €16 million or up by 1.4%) compared to €1,133 million of 2021. It should be noted that these value adjustments are mostly made up of depreciation.

## Operating costs

|                                 | YEAR           |                | % CHANGE      | 2022 Q4        | % CHANGE ON Q3 2022 |
|---------------------------------|----------------|----------------|---------------|----------------|---------------------|
|                                 | 2022           | 2021           |               |                |                     |
| HR costs                        | (5,918)        | (5,981)        | - 1.1%        | (1,563)        | + 7.1%              |
| Non HR costs                    | (3,007)        | (3,190)        | - 5.7%        | (749)          | - 2.4%              |
| Recovery of expenses            | 513            | 548            | - 6.3%        | 138            | + 10.3%             |
| Amortisations and depreciations | (1,149)        | (1,133)        | + 1.4%        | (300)          | + 5.6%              |
| <b>Operating costs</b>          | <b>(9,560)</b> | <b>(9,755)</b> | <b>- 2.0%</b> | <b>(2,474)</b> | <b>+ 3.7%</b>       |

(€ million)

Thanks to sustained revenue growth (up by 13.6%) and cost containment (down by 2.0%), the Group gross operating profit of €10,782 million rose by 32.2% compared to the last year (up by 30.2% at constant exchange rates). Excluding Russia from the Group's perimeter, gross operating profit stood at €9,806 million euro, up by 25.4% (up by 25.5% at constant exchange rates).

The Group's cost income ratio, benefiting from this dynamic, fell to 47.0%, recording a decrease of 7.5 percentage points compared to 2021; at the same time, the ratio between costs and revenues of the Group without Russia went from 54.9% to 48.6% with a decrease of 6.3 percentage points.

## Net write-downs on loans and provisions for guarantees and commitments

LLPs of the Group amounted in 2022 to €1,894 million, compared to €1,634 million in 2021 (up by 15.9%).

This trend was mainly affected by the conflict between Russia and Ukraine, which led to recognise €882 million loan loss provisions for the FY2022 in Russia, while the other segments recorded €1,012 million, lower than €1,595 million in 2021.

With reference to Russia, the total amount derives from the following main key drivers:

- update in the IFRS9 macroeconomic scenario leading to recognise Loan Loss provisions for €90 million;
- classification of credit exposures held by AO UniCredit Bank in Stage 2, combined with the effect induced by the downgrades of the Russian sovereign rating, determining the recognition of Loan Loss provisions for €217 million<sup>6</sup>;
- recognition of overlays on credit exposures held by AO UniCredit Bank for €49 million;
- recognition of write-downs on Cross Border credit exposures for an amount of €676 million, which includes the effects arising from Stage 2 classification and downgrades, as well as the application of an average coverage higher than 30%.

With regard to the other segments of the Group, as of 31 December 2022 the total amount of LLPs was mainly determined by loan adjustments related to the introduction of geopolitical overlays in the calculation of the expected credit loss, extended to all geographies in light of the persistent uncertainty linked to the overall geopolitical situation. All over FY2022, the overlays increased to €1.828 million also coming from a new risk assessment of existing overlays (e.g., those related to the Covid-19 pandemic).

In addition, in the first half of the year, derivative adjustments for a total amount of €115 million were registered in Germany, as a result of the sanctions and restrictions imposed on Russian counterparties.

For more details on the actions taken to address the current macroeconomic scenario both with reference to direct risks to Russian exposures and indirect risks, refer to "Section 5 - Other matters" of the Notes to the consolidated accounts, Part A - Accounting policies, A.1 General.

<sup>6</sup> The reported amount shows the increase in LLP occurred at the moment of reclassification in Stage 2 and rating downgrade.

# Group results

With reference to the loan portfolios under moratorium, at 31 December 2022 almost all exposures expired in all divisions and there were no significant signs of deterioration.

The Group's cost of risk in 2022 was 41 basis points, up by 5 basis points compared to the 37 basis points of 2021. Excluding Russia, however, the cost of risk stood at 23 basis points, down by 14 basis points compared the previous year (37 basis points).

In detail, Italy has a cost of risk of 16 basis points, with an improvement of 38 basis points compared to 2021. Germany recorded 30 basis points against the 9 basis points of 2021; Central Europe recorded 12 basis points with an improvement compared to the 30 basis points in 2021. Finally, Eastern Europe shows a cost of risk of 60 basis points, down by 25 basis points compared to the previous year.

Group gross non-performing loans as at 31 December 2022 amounted to €12.5 billion (thus including Segment Russia, or €11.9 billion excluding Russia), down (by €4.8 billion) compared to €17.3 billion at 31 December 2021 as a result of disposals made and other actions aimed at reducing risk.

Thanks to this reduction, the ratio of gross non-performing loans to total loans improved from 3.74% in December 2021 to 2.68% in December 2022. Gross bad loans amounted to €2.6 billion, down by €2.1 billion compared to December 2021 (€4.7 billion) benefiting from disposals, radiations and recoveries made during the year.

The Group's gross non-performing loans coverage ratio as at 31 December 2022 was 48.25% down compared to 53.55% (-5.3 percentage points) in December 2021, affected firstly by the lower weight of gross non-performing loans (characterized by a higher coverage ratio) on total gross non-performing loans and secondly by the positive evolution of credit quality in non-performing portfolios also downstream of the disposals and closures carried out during the year.

## Loans to customers - Asset quality

(€ million)

|  | BAD EXPOSURES | UNLIKELY TO PAY | NON-PERFORMING PAST-DUE | TOTAL NON-PERFORMING | PERFORMING | TOTAL LOANS |
|--|---------------|-----------------|-------------------------|----------------------|------------|-------------|
| <b>As at 31.12.2022<sup>(*)</sup></b>  |               |                 |                         |                      |            |             |
| Gross exposure                         | 2,572         | 9,100           | 877                     | 12,549               | 454,891    | 467,439     |
| as a percentage of total loans         | 0.55%         | 1.95%           | 0.19%                   | 2.68%                | 97.32%     |             |
| Writedowns                             | 1,971         | 3,841           | 242                     | 6,055                | 5,604      | 11,658      |
| as a percentage of gross value         | 76.64%        | 42.21%          | 27.63%                  | 48.25%               | 1.23%      |             |
| Carrying value                         | 601           | 5,259           | 635                     | 6,494                | 449,287    | 455,781     |
| as a percentage of total loans         | 0.13%         | 1.15%           | 0.14%                   | 1.42%                | 98.58%     |             |
| <b>As at 31.12.2021<sup>(**)</sup></b> |               |                 |                         |                      |            |             |
| Gross exposure                         | 4,700         | 11,747          | 854                     | 17,301               | 445,630    | 462,931     |
| as a percentage of total loans         | 1.02%         | 2.54%           | 0.18%                   | 3.74%                | 96.26%     |             |
| Writedowns                             | 3,482         | 5,458           | 325                     | 9,265                | 4,677      | 13,942      |
| as a percentage of gross value         | 74.08%        | 46.46%          | 38.07%                  | 53.55%               | 1.05%      |             |
| Carrying value                         | 1,218         | 6,289           | 529                     | 8,036                | 440,953    | 448,989     |
| as a percentage of total loans         | 0.27%         | 1.40%           | 0.12%                   | 1.79%                | 98.21%     |             |

**Notes:**  
 (\*) Total loans to customers exclude the receivables arising from subleases recognised due to the application of IFRS16.  
 (\*\*) It should be noted that the amounts as at 31 December 2021 have been restated following the reclassification of (i) UniCredit Leasing S.p.A. and its subsidiary and (ii) UniCredit Leasing GMBH and its subsidiaries out of the non-current assets held for sale.

# Group results

## From net operating profit to profit before tax

The improvement in gross operating profit (equal to €10,782 million in 2022 compared to €8,158 million of 2021) partly offset by the higher loan loss provisions (up by €260 million) impacted by Russia, produced a Group net operating profit of €8,888 million, growing by €2,364 million compared to 2021 (up by 36.2% or up by 34.3% at constant exchange rates). Excluding Russia, the Group generated a net operating profit of €8,794 million with a strong growth (up by 41.2% or up 41.4% at constant exchange rates) compared to previous year.

The Group's other charges and provisions amounted to -€1,093 million, down from -€1,386 million in 2021.

This item includes net provisions for legal proceedings and estimated liabilities of various kinds of -€8 million in 2022 which benefitted from the releases of provisions realized in previous years, in addition to systemic charges of -€1,085 million. The latter include contributions to the Single Resolution Fund (SRF), charges for harmonized deposits guarantee schemes (DGS) and non-harmonized Deposits Guarantee Schemes (DGS) and Bank Levies.

The Group's integration costs in 2022 amounted to -€324 million, mainly explained by the additional severance costs booked in Italy and Germany; the data is compared to -€1,337 million recorded in 2021, of which -€1,023 million for severance costs related to the UniCredit Unlocked plan in Italy, Germany and Central Europe.

The Group's net income from investments in 2022 amounted to -€182 million, compared to -€2,020 million recorded in the same period of the previous year.

The result of 2022 was negatively impacted by Russia, which recorded a loss of -€321 million, mainly due to the write-down of the investment held in BARN BV (-€111 million) and Russian government bonds. Net profits from investments of the Group excluding Russia were positive for €139 million; this amount includes profits from the sale of CNP Vita Assicura S.p.A. (€193 million), the write-back of €55 million on CNP UniCredit Vita and the write-down of the investments in Bank Fuer Tirol Und Vorarlberg Aktiengesellschaft (-€86 million) and Bks Bank AG (-€22 million).

The result of 2021 was predominantly impacted by -€155 million connected to the sale on the market of 2% of the participation in Yapi Ve Kredi Bankasi A.S. mainly attributable to the recognition in the income statement of the related negative FX reserve and -€1,537 million originated by the deconsolidation of the remaining quota of 18%, as a consequence of the loss of significant influence resulting from the withdrawal of the 2 UniCredit representatives from the Board of Directors of Yapi Ve Kredi Bankasi A.S. which determined the recognition on the income statement of the negative FX reserve. On 1<sup>st</sup> of April 2022, following the announcement on 8<sup>th</sup> of November 2021, UniCredit S.p.A. announced the completion of the sale of the shares held in Yapi Ve Kredi Bankasi A.S. (YKB) representing 18% of the share capital to Koc Holding A.S. Following the completion of this transaction, UniCredit ceased to be a shareholder of YKB.

As a result of the items described above, 2022 showed a profit before tax for the Group of €7,289 million, €5,509 million higher when compared to €1,780 million of 2021. Net of Russia, profit before tax stood at €7,561 million with a growth of €6,050 million compared to 2021.

### Profit (loss) before tax by business segment

|                        | REVENUE       | OPERATING COSTS | LOAN LOSS PROVISIONS (LLPs) | NET OPERATING PROFIT | PROFIT (LOSS) BEFORE TAX |              |
|------------------------|---------------|-----------------|-----------------------------|----------------------|--------------------------|--------------|
|                        |               |                 |                             |                      | YEAR                     |              |
|                        |               |                 |                             |                      | 2022                     | 2021         |
| Italy                  | 9,050         | (3,941)         | (317)                       | 4,792                | 4,310                    | 2,466        |
| Germany                | 5,050         | (2,518)         | (392)                       | 2,140                | 1,801                    | 627          |
| Central Europe         | 3,453         | (1,598)         | (117)                       | 1,739                | 1,408                    | 557          |
| Eastern Europe         | 1,996         | (819)           | (184)                       | 992                  | 884                      | 695          |
| Russia                 | 1,259         | (283)           | (882)                       | 94                   | (272)                    | 270          |
| Group Corporate Centre | (464)         | (402)           | (2)                         | (868)                | (842)                    | (2,704)      |
| Non Core               | -             | -               | -                           | -                    | -                        | (131)        |
| <b>Group Total</b>     | <b>20,343</b> | <b>(9,560)</b>  | <b>(1,894)</b>              | <b>8,888</b>         | <b>7,289</b>             | <b>1,780</b> |

# Group results

## Profit (Loss) attributable to the Group

In 2022, the Group's income taxes amounted to -€819 million, compared to €342 million in 2021.

The amount of the current year was positively impacted by €650 million relating to the recognition of new deferred tax assets from tax losses carried forward resulting from the update of the sustainability test of the Italian Tax Perimeter on the basis of the forecasts resulting from the 2023 budget, approved by the Board of Directors (BoD) at its meeting of 16 January 2023, and the projections referring to the 2024-2025, presented to the Board of Directors at the same meeting; further €196 million new deferred tax assets from tax losses carried forward were recognised in Austria and were derived from the official confirmation by Austrian Tax Authority of the correctness of their attribution to UniCredit Bank Austria AG following previous corporate restructuring transaction. Furthermore, additional positive impacts were recognised in Germany relating to deferred tax assets from temporary differences (€70 million).

Similarly, the taxes of the previous year have been positively impacted by €1,164 million connected to the registration of new deferred tax assets from tax losses carried forward in Italy, consequences of the update of the sustainability test on the base of the new projections of the "UniCredit unlocked" Strategic Plan, presented to the market in December 2021. Net of the positive effects mentioned above, the Group's income taxes were negative and grew year-on-year, reflecting overall the higher profitability achieved by the Group in 2022.

Profit from discontinued operations net of tax in 2022 amounted to €3 million, in line with the figure for the same period of the previous year (€4 million).

The net profit for the period for 2022 amounted to €6,473 million, an increase of €4,346 compared to €2,126 million in 2021.

Minority interest, conventionally shown with a negative sign, amounted to -€15 million against -€30 million in the previous year. The lower amount is mainly explained by the increase of the share in Zagrebacka Banka.

The Purchase Price Allocation and goodwill impairment at 31 December 2022 amounted to €0 million, while in 2021 were recorded -€1 million.

As a result, in 2022 the stated net profit attributable to the Group amounted to €6,458 million, with an increase of €4,362 compared to €2,096 million in 2021. The Group excluding Russia, on the other hand, recorded a stated net profit of €6,657 million, with an increase of €4,771 million compared to 1.886 million of last year.

### Group stated net profit (loss)

|   | YEAR          |              | % CHANGE       | (€ million)  |                     |
|---|---------------|--------------|----------------|--------------|---------------------|
|   | 2022          | 2021         |                | 2022 Q4      | % CHANGE ON Q3 2022 |
| Revenue   | 20,343        | 17,913       | + 13.6%        | 5,719        | + 18.5%             |
| Operating costs   | (9,560)       | (9,755)      | - 2.0%         | (2,474)      | + 3.7%              |
| <b>GROSS OPERATING PROFIT (LOSS)</b>                          | <b>10,782</b> | <b>8,158</b> | <b>+ 32.2%</b> | <b>3,246</b> | <b>+ 32.9%</b>      |
| Loan loss provisions (LLPs)                                   | (1,894)       | (1,634)      | + 15.9%        | (528)        | n.m.                |
| <b>NET OPERATING PROFIT (LOSS)</b>                            | <b>8,888</b>  | <b>6,524</b> | <b>+ 36.2%</b> | <b>2,717</b> | <b>+ 15.3%</b>      |
| Other charges and provisions                                  | (1,093)       | (1,386)      | - 21.1%        | (144)        | - 48.8%             |
| Integration costs   | (324)         | (1,337)      | - 75.8%        | (287)        | n.m.                |
| Net income from investments                                   | (182)         | (2,020)      | - 91.0%        | (176)        | n.m.                |
| <b>PROFIT (LOSS) BEFORE TAX</b>                               | <b>7,289</b>  | <b>1,780</b> | <b>n.m.</b>    | <b>2,111</b> | <b>+ 2.1%</b>       |
| Income taxes  | (819)         | 342          | n.m.           | 355          | n.m.                |
| Profit (loss) of discontinued operations                      | 3             | 4            | - 23.4%        | -            | n.m.                |
| <b>NET PROFIT (LOSS) FOR THE PERIOD</b>                       | <b>6,473</b>  | <b>2,126</b> | <b>n.m.</b>    | <b>2,466</b> | <b>+ 45.1%</b>      |
| Minorities  | (15)          | (30)         | - 49.7%        | (2)          | n.m.                |
| <b>NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA</b> | <b>6,458</b>  | <b>2,097</b> | <b>n.m.</b>    | <b>2,464</b> | <b>+ 44.1%</b>      |
| Purchase Price Allocation (PPA)                               | -             | (1)          | - 100.0%       | -            | n.m.                |
| Goodwill impairment   | -             | -            | n.m.           | -            | n.m.                |
| <b>GROUP STATED NET PROFIT (LOSS)</b>                         | <b>6,458</b>  | <b>2,096</b> | <b>n.m.</b>    | <b>2,464</b> | <b>+ 44.1%</b>      |

# Group results

## Capital and value management

### Principles of value creation and capital allocation

In order to create value for the shareholders, the Group's strategic guidelines aim at optimising the composition of the business portfolio. This goal is pursued through a process of capital allocation to each business line in relation to its specific risk profile and ability to generate sustainable earnings measured as EVA (Economic Value Added), which is the main performance indicator linked to TSR (Total Shareholder Return). The capital allocated to business segments is quantified applying internal capitalisation targets to regulatory capital requirements (Regulatory Capital).

The development of Group operations with a view to value creation requires a process of allocating and managing capital governed by different phases in the process of planning and control, articulated as:

- formulation of the proposed risk propensity and capitalisation targets;
- analysis of the risks associated with the value drivers and resulting allocation of capital to the different businesses of the Group;
- assignment of performance targets in line with risk;
- analysis of the impact on the Group's value and of the creation of value for shareholders;
- drafting and proposal of the financial plan, capital plan and dividend policy.

The Group dynamically manages its capital base by monitoring regulatory capital ratios, anticipating the appropriate changes necessary to achieve its defined targets, and optimising the composition of its assets and equity. Planning and monitoring refer, on the one hand, to the total Own Funds (Common Equity Tier 1, Additional Tier 1 and Tier 2 Capital), Leverage Ratio, Total Loss Absorbing Capacity (TLAC) and Minimum requirement for eligible liabilities (MREL) and, on the other hand, to the Risk-Weighted Assets (RWAs) and Total Exposures. The RWAs, for portfolios managed using the internal advanced models, do not only depend on the nominal value of the assets but also on the relevant credit parameters. Besides volume dynamics, it is also crucial to monitor and forecast the change in the asset quality of the portfolio in view of the macroeconomic scenario (the so-called pro-cyclical effect).

Following the financial crisis that unfolded in 2007-2008, the European Union implemented a substantial reform of the financial services regulatory framework to enhance the resilience of its financial institutions. This reform was largely based on international standards agreed in 2010 by the Basel Committee on Banking Supervision, known as the Basel 3 framework. Among its many measures, the reform package included the adoption of Regulation (EU) 575/2013 of the European Parliament and of the Council and Directive 2013/36/EU of the European Parliament and of the Council, which strengthened the prudential requirements for credit institutions and investment firms.

These rules have been modified by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 (so-called CRR2), amending Regulation (EU) 575/2013 and by Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 (so-called CRDV), amending Directive 2013/36/EU.

## Capital ratios

### Group transitional Own Funds and capital ratios

| DESCRIPTION                               | AS AT         |               |
|---|---------------|---------------|
|   | 31.12.2022    | 31.12.2021    |
| Common Equity Tier 1 Capital              | 51,442        | 50,933        |
| Tier 1 Capital                            | 57,521        | 57,780        |
| Total Own Funds                           | 66,062        | 64,850        |
| Total RWEA                                | 308,466       | 321,992       |
| <b>Common Equity Tier 1 Capital ratio</b> | <b>16.68%</b> | <b>15.82%</b> |
| <b>Tier 1 Capital ratio</b>               | <b>18.65%</b> | <b>17.94%</b> |
| <b>Total Capital ratio</b>                | <b>21.42%</b> | <b>20.14%</b> |

#### Notes:

- Transitional own funds and capital ratios including all transitional adjustments according to the yearly applicable percentages.
- Furthermore, starting from 30 June 2020, UniCredit group has decided to apply the IFRS9 transitional approach as reported in article 473a of the Regulation (UE) 873/2020 that amends the Regulation (EU) 575/2013 and Regulation (EU) 876/2019. Therefore, the values here reported reflect the impact of the transitional arrangements provisioned in such Regulation.

# Group results

The positive change with respect to 31 December 2021, equal to €509 million on Common Equity Tier 1 Capital, mainly reflects: (i) the profit of 2022 (equal to €6,458 million), net of charges (equal to €1,932 million that include also €25 million of social, cultural and charity initiatives), computed for €4,526 million; (ii) the positive effect equal to €577 million stemming from the not exceedance of the threshold of 17.65% of Common Equity Tier 1 Capital after applying the adjustments and deductions in CRR articles 32 to 36 in full in comparison with the deferred tax assets that rely on future profitability and arise from temporary differences summed up to the direct, indirect and synthetic holdings retained by UniCredit S.p.A. in financial sector entities in which UniCredit S.p.A. has a significant investments; (iii) the negative effect of the deduction for €2,580 million connected to the "Share Buy-Back Programme 2021"; (iv) the higher deduction for €829 million on deferred tax assets that rely on future profitability and do not arise from temporary differences, resulting from the Deferred Tax Assets sustainability test related to tax losses carry forward (TLCF) carried out in the fourth quarter 2022; (v) the negative impact for €542 million stemming from the decrease of IFRS9 transitional adjustments mainly refers to the lower phase-in percentage applicable in 2022 on the static component (50% in 2021 and 25% in 2022); (vi) the higher deduction for €313 million on intangible assets mainly due to software assets deduction increase; (vii) the higher deduction for €120 million on defined benefit pension fund assets and (viii) other negative impacts for €0.2 billion.

With reference to the Total Own Funds, the positive change with respect to 31 December 2021, equal to €1,212 million, in addition to the effects on Common Equity Tier 1 Capital, reflects positive effects for €703 million mainly due to: (i) the positive impact for €758 million related to the disposal of the residual 18% of the stake in Yapı Ve Kredi Bankası A.S. that implies the reclassification of the counterparty as "not significant financial sector entity", therefore the subordinated instruments issued by Yapı ve Kredi Bankası A.S. and held by UniCredit S.p.A. are not directly deducted anymore from the Own Funds, but are reclassified among the instruments issued by not significant financial sector entity, whose total amount does not exceed the 10% regulatory threshold of the CET1; (ii) the positive impact for €625 million that considers the effects of IFRS9 transitional adjustments and referred to the re-calculation of the excess of the credit risk adjustments included in Tier 2 Capital; partially offset by (iii) the negative effect on Additional Tier 1 Capital due to the early redemption of the Capital instrument XS1539597499 (computable amount equal to €495 million) and (iv) the negative effect on Tier 2 Capital due to the maturity of the instrument XS0849517650 (computable amount €247 million).

The minimum capital requirements applicable to the Group as at 31 December 2022 in coherence with CRR article 92 are the following (Pillar 1):

- Common Equity Tier 1 Capital: **4.50%**
- Tier 1 Capital: **6.00%**
- Total Capital: **8.00%**

In addition to such requirements, for 2022 the Group shall also meet the following additional requirements:

- **1.75%**, as Pillar 2 Requirements in coherence with SREP results;
- **2.50%**, as Capital Conservation buffer (CCB) according to CRDIV article 129;
- **1.00%**, as Global Systemically Important Institutions (G-SII) buffer<sup>7</sup>;
- **0.13%**, as Countercyclical Capital buffer<sup>8</sup> (CCyB) according to the CRDIV article 130, to be calculated on a quarterly basis.

Moreover, the article 104a.4 of CRDV allows banks to partially use capital instruments that do not qualify as CET1 capital (e.g. Additional Tier 1 or Tier 2 instruments) to meet the Pillar 2 Requirements (P2R). As consequence, in line with Pillar 2 Requirements, required in coherence with 2021 SREP results and equal to 1.75%, UniCredit group shall meet:

- at least the 0.98% of such requirement through Common Equity Tier 1 Capital in the assumption, fulfilled as at 31 December 2022, that the amount of AT1 Capital exceeds the regulatory minimum of 1.50% (i.e. being 1.97%);
- at least the 1.31% of such requirement through Tier 1 capital in the assumption, fulfilled as at 31 December 2022, that the amount of T2 Capital exceeds the regulatory minimum of 2.00% (i.e. being 2.77%).

As at 31 December 2022, the Group shall meet the following overall capital requirements:

- Common Equity Tier 1 Capital: **9.12%**
- Tier 1 Capital: **10.95%**
- Total Capital: **13.38%**

<sup>7</sup> It should be noted that UniCredit group was identified by the Banca d'Italia as an O-SII authorized to operate in Italy, and it has to maintain a CET1 capital buffer; such level is equal to 1.00% in 2022. Nevertheless, it is worth mentioning that according to the CRD IV article 131.14, the higher of the G-SII and the O-SII buffer will apply; hence, UniCredit group is subject to the application of 1.00% G-SII buffer for 2022.

<sup>8</sup> Amount rounded to two decimal numbers. With reference to 31 December 2022: (I) countercyclical capital rates have generally been set at 0%, except for the following countries: Bulgaria (1.00%); Czech Republic (1.50%); Denmark (2.00%); Estonia (1.00%); Hong Kong (1.00%); Iceland (2.00%); Luxembourg (0.50%); Norway (2.00%); Romania (0.50%); Slovakia (1.00%); Sweden (1.00%); United Kingdom (1.00%) (II) with reference to the exposures towards Italian counterparties, Banca d'Italia has set the rate equal to 0%.



# Group results

Here below a scheme of the UniCredit group capital requirements and buffers which also provides evidence of the "Total SREP Capital Requirement" (TSCR) and the "Overall Capital Requirement" (OCR) related to the outcome of the SREP process held in 2021 and applicable for 2022.

## Capital requirements and buffers for UniCredit group

| REQUIREMENT   | CET1  | T1     | TOTAL CAPITAL |
|---|-------|--------|---------------|
| A) Pillar 1 requirements                                      | 4.50% | 6.00%  | 8.00%         |
| B) Pillar 2 requirements                                      | 0.98% | 1.31%  | 1.75%         |
| C) TSCR (A+B)   | 5.48% | 7.31%  | 9.75%         |
| D) Combined capital buffer requirement:                       | 3.63% | 3.63%  | 3.63%         |
| <i>of which:</i>  |       |        |               |
| 1. Capital Conservation Buffer (CCB)                          | 2.50% | 2.50%  | 2.50%         |
| 2. Global Systemically Important Institution buffer (G-SII)   | 1.00% | 1.00%  | 1.00%         |
| 3. Institution-specific Countercyclical Capital buffer (CCyB) | 0.13% | 0.13%  | 0.13%         |
| E) OCR (C+D)  | 9.12% | 10.95% | 13.38%        |

The above-mentioned requirements are the ones which are relevant for MDA purposes for UniCredit group as at 31 December 2022.

As at 31 December 2022, UniCredit group's ratios are compliant with all the above requirements.

- The Group consolidated net profit as at 31 December 2022 is equal to €6,458 million.
- The dividend policy communicated with the plan "UniCredit Unlocked" envisages, from 2022, a 35% cash pay-out ratio applied to the definition of Net Profit introduced with the plan. In this respect, Net Profit means Stated Net Profit (i.e. accounting net profit) adjusted for AT1, Cashes coupon and impacts from DTAs from tax loss carry forward sustainability test.
- As per first quarter 2022 decision, considering the extraordinary nature of the geopolitical events, the 35% cash pay-out ratio is calculated on the Net Profit excluding Russia segment contribution. Being the latter equal to €5,447 million for 2022, the 35% corresponds to cash dividends of €1,907 million. In addition, €25 million has been destined to social, cultural and charity initiatives.
- Thus, considering the 2022 accrued Group foreseeable charges (€1,932 million, including also the social, cultural and charity initiatives) to reduce the consolidated net profit (€6,458 million), a positive amount for €4,526 million is reported in the consolidated Own Funds.

## Capital strengthening

With reference to the Additional Tier 1 instruments recognised in the item "Equity Instruments" of Shareholders' Equity (so-called "Non-Cumulative Temporary Write-Down Deeply Subordinated Fixed Rate Resettable Notes") on 3 June 2022 UniCredit S.p.A. exercised its option to early redeem in whole the Additional Tier 1 instruments issued in 2016 for a total nominal value of €500 million in accordance with the relevant terms and conditions of the securities; the notes called up have been redeemed at par, together with accrued and unpaid interests.

During the year 2022 no further issues of Additional Tier 1 instruments were placed.

For additional information concerning shares capital changes and dividends pay-out of the year, both cash and through share buy-back programmes, refer to chapter "Group and UniCredit share historical data series" of this Consolidated report on operations.

# Group results

## Shareholders' equity attributable to the Group

The Shareholders' equity of the Group, including the result for the year equal to +€6,458 million, amounted to €63,339 million as at 31 December 2022, compared to €62,185 million as at 31 December 2021.

The following table shows the main changes occurred in 2022.

### Shareholders' equity attributable to the Group

|   | (€ million)   |
|---|---------------|
| <b>Shareholders' equity as at 31 December 2021</b>  | <b>62,185</b> |
| Share buyback <sup>(*)</sup>  | (3,032)       |
| Dividends and other allocations   | (1,174)       |
| Equity instruments  | (495)         |
| Change in reserve related coupon on AT1 instruments   | (298)         |
| Change in the valuation reserve relating to the financial assets and liabilities at fair value <sup>(**)</sup>    | (1,250)       |
| Change in the valuation of cash flow hedges   | (289)         |
| Change in the valuation reserve of the companies accounted for using the equity method                            | (269)         |
| Change in the valuation of hedges of foreign investments <sup>(***)</sup>   | (148)         |
| Exchange differences reserve <sup>(****)</sup>  | 222           |
| Change in the valuation reserve relating to the actuarial gains/losses on defined benefit plans <sup>(****)</sup> | 1,391         |
| Other changes   | 38            |
| Net profit (loss) for the year  | 6,458         |
| <b>Shareholders' equity as at 31 December 2022</b>  | <b>63,339</b> |

Notes:  
 (\*) In execution of the "Second Buy-Back Programme 2021" related to the distribution of 2020, "First Tranche of the Buy-Back Programme 2021" and "Second Tranche of the Buy-Back Programme 2021" both related to the distribution of 2021.

(\*\*) Mainly due to government securities.

(\*\*\*) Mainly referred to hedges of Ruble investment expired in May 2022.

(\*\*\*\*) This effect is mainly due to the impact of Russian Ruble for +€206 million.

(\*\*\*\*\*) Mainly referred to the increase in discount rate induced by the reduction in prices of High Quality Corporate Bonds, partially offset by (i) plan assets performance and (ii) salary and pension trend increases to reflect outstanding macroeconomic scenario, characterized by a significant inflation pressure driven by energy and commodities prices.

For further information, refer to section Consolidated accounts - Statement of changes in the consolidated shareholders' equity.

## Reconciliation parent company UniCredit S.p.A. - Consolidated accounts

The following table reconciles the Parent Company's shareholders' equity and Net profit to the corresponding consolidated figures.

### Reconciliation of parent company UniCredit S.p.A. to Consolidated accounts

|  | SHAREHOLDERS'<br>EQUITY | of which:<br>NET PROFIT |
|--|-------------------------|-------------------------|
| <b>Balance as at 31 December 2022 of parent company UniCredit S.p.A.</b> | <b>57,362</b>           | <b>3,107</b>            |
| Consolidated contribution:   | 5,044                   | 4,501                   |
| - fully consolidated subsidiaries  | 3,313                   | 4,480                   |
| - investments valued at equity method                                    | 1,731                   | 21                      |
| Reverse of ordinary dividends approved in the period:                    | -                       | (1,746)                 |
| - fully consolidated subsidiaries  | -                       | (1,568)                 |
| - investments valued at equity method                                    | -                       | (178)                   |
| Other consolidation adjustments  | 1,091                   | 611                     |
| <b>Balance as at 31 December 2022 (minorities included)</b>              | <b>63,497</b>           | <b>6,473</b>            |
| of which Group   | 63,339                  | 6,458                   |
| of which minorities  | 158                     | 15                      |

# Group results

## Contribution of the sector of activity to the results of the Group

For the description of the organizational structure, refer to Notes to consolidated account, Part L - Segment reporting.

### Italy

#### Income statement, key ratios and indicators

| ITALY                               | YEAR    |         | % CHANGE   | 2022 Q4 | % CHANGE ON Q3 2022 |
|-------------------------------------|---------|---------|------------|---------|---------------------|
|                                     | 2022    | 2021    |            |         |                     |
| Revenue                             | 9,050   | 8,435   | + 7.3%     | 2,560   | + 22.8%             |
| Operating costs                     | (3,941) | (3,993) | - 1.3%     | (979)   | + 0.2%              |
| Loan loss provisions (LLPs)         | (317)   | (1,043) | - 69.6%    | (132)   | - 14.7%             |
| NET OPERATING PROFIT (LOSS)         | 4,792   | 3,399   | + 41.0%    | 1,448   | + 52.3%             |
| PROFIT (LOSS) BEFORE TAX            | 4,310   | 2,466   | + 74.8%    | 1,407   | + 89.0%             |
| Customers loans (net Repos and IC)  | 168,363 | 169,704 | - 0.8%     | 168,363 | - 2.6%              |
| Customers depots (net Repos and IC) | 198,962 | 202,558 | - 1.8%     | 198,962 | + 0.7%              |
| Total RWA Eop                       | 120,192 | 135,729 | - 11.4%    | 120,192 | - 3.9%              |
| EVA (€ million)                     | 1,342   | 360     | n.m.       | 680     | n.m.                |
| Absorbed Capital (€ million)        | 16,829  | 17,820  | - 5.6%     | 16,060  | - 3.0%              |
| ROAC                                | + 17.1% | + 11.1% | + 6.0 p.p. | + 26.1% | + 13.0 p.p.         |
| Cost/Income                         | 43.5%   | 47.3%   | - 3.8 p.p. | 38.2%   | - 8.7 p.p.          |
| Cost of Risk                        | 16 bps  | 55 bps  | - 38 bps   | 28 bps  | - 4 bps             |
| Full Time Equivalent (eop)          | 27,927  | 28,580  | - 2.3%     | 27,927  | - 0.0%              |

### Germany

#### Income statement, key ratios and indicators

| GERMANY                             | YEAR    |         | % CHANGE    | 2022 Q4 | % CHANGE ON Q3 2022 |
|-------------------------------------|---------|---------|-------------|---------|---------------------|
|                                     | 2022    | 2021    |             |         |                     |
| Revenue                             | 5,050   | 4,458   | + 13.3%     | 1,348   | + 17.1%             |
| Operating costs                     | (2,518) | (2,671) | - 5.7%      | (617)   | - 1.4%              |
| Loan loss provisions (LLPs)         | (392)   | (118)   | n.m.        | (251)   | n.m.                |
| NET OPERATING PROFIT (LOSS)         | 2,140   | 1,670   | + 28.1%     | 481     | + 16.1%             |
| PROFIT (LOSS) BEFORE TAX            | 1,801   | 627     | n.m.        | 402     | - 2.8%              |
| Customers loans (net Repos and IC)  | 129,871 | 127,316 | + 2.0%      | 129,871 | - 1.1%              |
| Customers depots (net Repos and IC) | 146,580 | 131,756 | + 11.3%     | 146,580 | - 4.8%              |
| Total RWA Eop                       | 81,130  | 82,516  | - 1.7%      | 81,130  | - 5.3%              |
| EVA (€ million)                     | 361     | (5)     | n.m.        | 12      | - 78.2%             |
| Absorbed Capital (€ million)        | 10,668  | 10,546  | + 1.2%      | 10,847  | + 1.8%              |
| ROAC                                | + 10.9% | + 7.7%  | + 3.2 p.p.  | + 8.0%  | - 1.6 p.p.          |
| Cost/Income                         | 49.9%   | 59.9%   | - 10.0 p.p. | 45.7%   | - 8.6 p.p.          |
| Cost of Risk                        | 30 bps  | 9 bps   | 21 bps      | 76 bps  | 42 bps              |
| Full Time Equivalent (eop)          | 10,779  | 11,678  | - 7.7%      | 10,779  | - 2.5%              |

# Group results

## Central Europe

### Income statement, key ratios and indicators

(€ million)

| CENTRAL EUROPE                     | YEAR    |         | % CHANGE   | 2022 Q4 | % CHANGE ON Q3 2022 |
|------------------------------------|---------|---------|------------|---------|---------------------|
|                                    | 2022    | 2021    |            |         |                     |
| Revenue                            | 3,453   | 2,994   | + 15.3%    | 1,017   | + 25.5%             |
| Operating costs                    | (1,598) | (1,642) | - 2.7%     | (417)   | + 8.4%              |
| Loan loss provisions (LLPs)        | (117)   | (261)   | - 55.3%    | (149)   | n.m.                |
| NET OPERATING PROFIT (LOSS)        | 1,739   | 1,091   | + 59.4%    | 450     | + 1.4%              |
| PROFIT (LOSS) BEFORE TAX           | 1,408   | 557     | n.m.       | 348     | - 10.8%             |
| Customers loans (net Repos and IC) | 95,837  | 92,534  | + 3.6%     | 95,837  | + 0.3%              |
| Customers depos (net Repos and IC) | 93,651  | 92,962  | + 0.7%     | 93,651  | + 1.0%              |
| Total RWA Eop                      | 60,402  | 61,027  | - 1.0%     | 60,402  | + 4.8%              |
| EVA (€ million)                    | 501     | 302     | + 66.1%    | 102     | - 44.9%             |
| Absorbed Capital (€ million)       | 7,720   | 7,373   | + 4.7%     | 7,640   | + 1.2%              |
| ROAC                               | + 14.7% | + 12.0% | + 2.7 p.p. | + 13.6% | - 4.5 p.p.          |
| Cost/Income                        | 46.3%   | 54.8%   | - 8.6 p.p. | 41.0%   | - 6.5 p.p.          |
| Cost of Risk                       | 12 bps  | 30 bps  | - 17 bps   | 62 bps  | 70 bps              |
| Full Time Equivalent (eop)         | 10,542  | 11,381  | - 7.4%     | 10,542  | - 2.2%              |

## Eastern Europe

### Income statement, key ratios and indicators

(€ million)

| EASTERN EUROPE                     | YEAR    |         | % CHANGE   | 2022 Q4 | % CHANGE ON Q3 2022 |
|------------------------------------|---------|---------|------------|---------|---------------------|
|                                    | 2022    | 2021    |            |         |                     |
| Revenue                            | 1,996   | 1,802   | + 10.8%    | 560     | + 11.2%             |
| Operating costs                    | (819)   | (768)   | + 6.6%     | (224)   | + 13.1%             |
| Loan loss provisions (LLPs)        | (184)   | (241)   | - 23.6%    | (99)    | n.m.                |
| NET OPERATING PROFIT (LOSS)        | 992     | 792     | + 25.3%    | 236     | - 21.7%             |
| PROFIT (LOSS) BEFORE TAX           | 884     | 695     | + 27.2%    | 180     | - 38.7%             |
| Customers loans (net Repos and IC) | 31,426  | 28,840  | + 9.0%     | 31,426  | - 0.0%              |
| Customers depos (net Repos and IC) | 43,954  | 38,741  | + 13.5%    | 43,954  | + 5.1%              |
| Total RWA Eop                      | 26,866  | 25,394  | + 5.8%     | 26,866  | - 6.1%              |
| EVA (€ million)                    | 333     | 218     | + 52.6%    | 45      | - 72.3%             |
| Absorbed Capital (€ million)       | 3,534   | 3,212   | + 10.0%    | 3,543   | - 2.5%              |
| ROAC                               | + 19.3% | + 16.5% | + 2.8 p.p. | + 15.0% | - 12.7 p.p.         |
| Cost/Income                        | 41.0%   | 42.6%   | - 1.6 p.p. | 40.1%   | 0.7 p.p.            |
| Cost of Risk                       | 60 bps  | 86 bps  | - 25 bps   | 126 bps | 122 bps             |
| Full Time Equivalent (eop)         | 13,595  | 13,889  | - 2.1%     | 13,595  | - 0.1%              |

# Group results

## Russia

### Income statement, key ratios and indicators

(€ million)

| RUSSIA                              | YEAR    |         | %<br>CHANGE | 2022<br>Q4 | % CHANGE<br>ON Q3 2022 |
|-------------------------------------|---------|---------|-------------|------------|------------------------|
|                                     | 2022    | 2021    |             |            |                        |
| Revenue                             | 1,259   | 569     | n.m.        | 354        | - 1.0%                 |
| Operating costs                     | (283)   | (234)   | + 21.0%     | (79)       | + 0.0%                 |
| Loan loss provisions (LLPs)         | (882)   | (39)    | n.m.        | 103        | - 24.6%                |
| NET OPERATING PROFIT (LOSS)         | 94      | 296     | - 68.3%     | 377        | - 9.0%                 |
| PROFIT (LOSS) BEFORE TAX            | (272)   | 270     | n.m.        | 103        | - 74.1%                |
| Customers loans (net Repos and IC)  | 6,596   | 11,845  | - 44.3%     | 6,596      | - 31.3%                |
| Customers depots (net Repos and IC) | 8,677   | 10,483  | - 17.2%     | 8,677      | - 14.1%                |
| Total RWA Eop                       | 16,143  | 11,516  | + 40.2%     | 16,143     | - 7.3%                 |
| EVA (€ million)                     | (645)   | (14)    | n.m.        | (97)       | n.m.                   |
| Absorbed Capital (€ million)        | 2,293   | 1,489   | + 54.1%     | 2,181      | - 6.0%                 |
| ROAC                                | - 14.3% | + 12.8% | - 27.1 p.p. | - 3.6%     | - 51.5 p.p.            |
| Cost/Income                         | 22.5%   | 41.1%   | - 18.6 p.p. | 22.4%      | 0.2 p.p.               |
| Cost of Risk                        | 876 bps | 35 bps  | 841 bps     | - 506 bps  | 28 bps                 |
| Full Time Equivalent (eop)          | 3,416   | 3,913   | - 12.7%     | 3,416      | - 3.1%                 |

## Other information

### Report on corporate governance and ownership structure

Within the meaning of Art.123-bis par.3 of the Legislative Decree No.58 dated 24 February 1998, the “Report on corporate governance and ownership structure” is available in the “Governance” section of the UniCredit website (<https://www.unicreditgroup.eu>).

An explanatory chapter on the corporate governance structure is likewise included below in this document (“Corporate Governance”).

### Report on remuneration

Pursuant to Art.123-ter of the Legislative Decree dated 24 February 1998 No.58 and of Art.84-quater, of the Consob Issuers’ Regulations, the “Group Remuneration Policy and Report” is available on UniCredit’s website (<https://www.unicreditgroup.eu>).

### Non-financial information

For a detailed disclosure concerning UniCredit ESG strategy and 2022 achievements, refer to the 2022 Integrated Report that is published on UniCredit website (<https://www.unicreditgroup.eu>), and that, pursuant to articles 3 and 4 of Legislative Decree 254/2016, constitutes the Non-financial Declaration. The report also includes the Simplified Disclosure according to Art.10 of the Delegated Act supplementing EU Taxonomy Regulation (2020/852), requiring to financial companies to disclose the eligibility KPIs from 1 January 2022 to 31 December 2023.

In terms of climate-related information, in September 2022 a separate document dedicated to disclosure aligned with TCFD (Task Force on Climate-related Financial Disclosures) recommendations has been issued.

### Research and development projects

Research activities during 2022 were mainly focused on cryptography, streaming architectures and reinforcement learning. In detail:

- on cryptography our main topics were attribute-based, functional and homomorphic encryption. Attribute-based encryption was a key topic, with recent encryption schemes being implemented;
- research on streaming architectures was meant to support the Kite project, which is based on an ecosystem of event-based service components.

### Group activities development operations and other corporate transactions

#### Transactions and initiatives involving shareholdings

##### **Execution of the put option on the entire stake held in ABH Holdings S.A.**

In November 2021, UniCredit S.p.A. exercised its put option right for the disposal of its entire stake in ABH Holdings S.A., equal to 9.9% of the share capital of the company, pursuant to the shareholders’ agreement in force. The shareholding was acquired in 2016, in the context of the disposal of its Ukrainian bank (Ukrsotsbank).

The closing of the transaction, originally expected in the first semester of 2022, will be finalized as soon as possible, in line with current laws and regulations.

The carrying value of the stake is aligned to the euro equivalent of the put option price (\$325 million). The price of the put option will be partially offset by the liability amount related to a guarantee given by UniCredit S.p.A. in the context of the disposal of Ukrsotsbank; the liability amount is already fully covered by specific provisions.

##### **Completion of the disposal of the stake in Yapi Ve Kredi Bankasi A.S.**

In April 2022 UniCredit S.p.A. completed the disposal of its remaining stake in Yapı ve Kredi Bankası A.S. to Koc Holding A.S., representing 18% of the issued share capital of the company.

Following such disposal, UniCredit S.p.A. is no longer a shareholder of Yapı Ve Kredi Bankası A.S.

## Other information

### Agreement to sell 49% stake in CNP Vita Assicura S.p.A. and to increase shareholding in CNP UniCredit Vita S.p.A. to 45.3%

Following the agreement signed on 26 July 2022, on 25 October 2022 UniCredit S.p.A. sold to CNP Assurances its entire shareholding, equivalent to 49% of the share capital, in CNP Vita Assicura S.p.A. for a price equal to €500 million.

Furthermore, on 26 October 2022 UniCredit S.p.A. has acquired a 6.5% stake in CNP UniCredit Vita S.p.A., for a price of €70 million, increasing its shareholding from 38.8% to 45.3% with CNP Assurances keeping a majority shareholding equal to 51%.

### Acquisition of 11.72% stake in in Zagrebačka banka

On 30 September 2022 UniCredit S.p.A. purchased from Allianz SE its entire stake (11.72% of the share capital) in Zagrebačka banka dioničko društvo ("Zaba"), leading Croatian bank belonging to UniCredit S.p.A.

On 14 October 2022 Allianz Holding EINS GmbH will acquire the 16.84% of the share capital from Zaba in the Croatian insurance company, Allianz Hrvatska dioničko društvo za osiguranje.

### Reorganization of the Group

During 2022, in the broader process of reorganization of the Group aimed at simplifying its structure, the following mergers by incorporation into UniCredit S.p.A. were completed:

- merger by incorporation of **Cordusio Sim S.p.A.**: took effect during the month of May 2022 aimed at simplifying the structure and better the exploiting operational, administrative and corporate synergies, making it possible to complete the concentration within UniCredit of the activities previously carried out by Cordusio SIM and allowing for a rationalization and optimization of decision-making levels, resource management and structural costs;
- merger by incorporation of **UniCredit Service S.C.p.A.**: took effect on 1 October 2022 aimed at encouraging the simplification of digital services by allowing the development of a homogeneous approach to IT services in all the countries where the Group is present;
- merger by incorporation of **Crivelli S.r.l.**: took effect on 1 November 2022 aimed at simplifying and improving the management of the building held, saving administrative costs.

### Sale of the stake in La Villata S.p.A. Immobiliare di Investimento e Sviluppo

In June 2022, UniCredit S.p.A. sold the stake (32.5% represented by preference shares) owned in "La Villata S.p.A. Immobiliare di Investimento e Sviluppo" (purchased in April 2020), a real estate company controlled by Esselunga Group that owns most of the real estate properties that hosts the Group's stores; during the holding period, the aforementioned stake, sold at a price of €435 million in line with its carrying value, distributed dividends to UniCredit for a total amount of €60.2 million.

## Other information

### Sale initiatives of non-performing portfolios

#### Sale of an Italian Corporate non-performing credit portfolio

On 18 January 2022 UniCredit S.p.A. reached an agreement with a securitisation vehicle managed by KRUK Group in relation to the disposal on a non-recourse basis (pro-soluto) of a non-performing corporate credit portfolio both secured and unsecured, in Italy.

The portfolio consisted entirely of Italian Non-Performing Exposures with a claim value of €222 million, a gross book value at the transfer date of €148 million and a net book value, at the transfer date, of €23 million.

#### UniCredit successfully completed the transfer a NPL Portfolio with claim amount of €1.1 billion to ITACA

On 15 June 2022 UniCredit S.p.A. informed that on 3 May 2022 it completed the transfer of €0.9 billion in terms of gross book value (€1.1 billion total claim amount) of a NPL Portfolio including both secured and unsecured loans to a securitisation vehicle (ITACA SPV S.r.l., "Itaca") with the transaction ("Securitisation") structured by UniCredit Bank AG as Sole Arranger.

doNext and doValue act respectively as Master and Special Servicer of the Securitisation while Banca Finint S.p.A. covers the roles of Monitoring Agent, Corporate Servicer, Calculation Agent, Representative of Noteholders and Back-up Servicer Facilitator.

UniCredit Bank AG is the Placement and Settlement Agent of the mezzanine and junior notes, and cap and liquidity line provider.

On 6 May 2022 Itaca issued three classes of notes Asset Backed Secured (ABS): €125 million senior note, €24 million mezzanine note and €6 million junior note, fully subscribed by UniCredit S.p.A.

The senior notes are rated Baa2/BBB by Moody's and Scope respectively.

The Securitisation has been structured for complying with the GACS (Garanzia sulle Cartolarizzazioni delle Sofferenze) law in order to obtain the GACS guarantee on the senior note.

On 8 June 2022 UniCredit sold the 95% of the mezzanine and junior notes to a financial institution not belonging to UniCredit group, while retaining the minimum 5% net economic interest in Itaca as required by regulation for originators.

Following the completion of this agreement, UniCredit proceeded with the derecognition of the transferred loans from the Assets.

Following the notification to the European Central Bank, starting from 30 June 2022 UniCredit represented the significant transfer of risk for reporting purposes.

As at 31 December 2022, the total amount of the notes owned by UniCredit S.p.A. is equal to €125 million (€124.3 million of senior note recorded under item "30. Financial assets at fair value through other comprehensive income", €0.6 million of mezzanine and junior notes recorded under item "20. Financial assets at fair value through profit or loss c) other financial assets mandatorily at fair value").

#### UniCredit and Prelios sign partnership for management of Unlikely-To Pay loans

On 29 June 2022, at the conclusion of the competitive selection process launched in the last quarter of 2021, UniCredit informed that it signed with Prelios an agreement for the specialised management of Unlikely-To Pay (UTP) loans.

The agreement with Prelios, a leading market operator, has as its main objective the maximization of returns to performing and the resulting positive impact on the bank's customers, with direct benefits on the real economy and the Italian productive and social environment. It also represents for UniCredit an important part of the strategy to enhance the value of the non-performing portfolio, while allowing a reduction in the stock of impaired loans.

The long-term agreement calls for Prelios to be the preferred partner in the management of UTP loans in the corporate segment held by UniCredit: an initial stock under management for the year 2022 will be complemented by future flows of new UTP loans for the next six years.

*"The partnership with Prelios represents a significant step forward in addressing the potential post-pandemic aftermath of Italian companies in a structural manner. We are constantly committed to identify the most effective tools to support our customers, in this case favoring their return to better performance along a path of economically sustainable growth over time"* Andrea Orcel, CEO of UniCredit commented.

*"The choice of UniCredit strengthens our position as market leader in the management of UTP credits"* stated Fabrizio Palenzona, President of the Prelios group, *"and allows us to support the real economy of our country, helping to bring the largest possible number of companies back to performing. This is the mission that Prelios pursues with strength and with even greater determination and efficiency, collaborating with credit institutions and all those involved. Personally, finding myself as a partner of the bank I helped to found is a source of great pride and equal responsibility"*.

At the same time, Prelios advised UniCredit in the sale and securitisation of an UTP loan portfolio, mainly in the Corporate and SME segments, to a securitisation vehicle (Altea SPV S.r.l., "Altea") amounting to €2 billion gross of value adjustments, for which Prelios is Master and Special servicer.



## Other information

On 21 June 2022 Altea issued three classes of Asset Backed Secured (ABS) notes: €552 million senior note, €162 million mezzanine note and €22 million junior note, fully subscribed by UniCredit S.p.A.

On 24 and 27 June 2022 UniCredit sold the 95% of the mezzanine and junior notes to financial institutions not belonging to UniCredit group (mainly to the American fund Christofferson, Robb and Company), while retaining the minimum 5% net economic interest as required by regulation for originators.

Following the completion of this agreement, UniCredit proceeded with (i) the derecognition of the transferred loans from the Assets, and (ii) the recognition of the notes held by UniCredit for a total amount, as at 31 December 2022, of €504.5 million (senior note for €497 million recorded under item "40. Financial assets at amortised cost, mezzanine and junior notes for €7.5 million recorded under item "20. Financial assets at fair value through profit or loss c) other financial assets mandatorily at fair value").

Following the notification to the European Central Bank, starting from 30 June 2022 UniCredit represented the significant transfer of risk for reporting purposes.

### UniCredit announces the sale to illimity of an Italian non-performing loans portfolio

On 30 June 2022 UniCredit informed that it reached an agreement with a securitisation vehicle managed by illimity S.p.A. ("illimity") in relation to the disposal on a non-recourse basis (pro-soluto) of a mixed non-performing loans portfolio.

The portfolio consisted entirely of Italian non-performing exposures both secured and unsecured with a total claim value of €1.3 billion, a gross book value at the transfer date of €446 million and a net book value, at the transfer date, of €74 million.

### UniCredit announces the sale of an Italian Individual unsecured non-performing credit portfolio

On 12 December 2022 UniCredit informed that it reached an agreement with Credit Factor S.p.A. and a securitisation vehicle managed by KRUK SA ("KRUK") in relation to the disposal on a non-recourse basis (pro-soluto) of a non-performing unsecured Individual credit portfolio, in Italy.

The portfolio consisted entirely of Italian unsecured Individual credits with a claim value of approximately €90 million, a gross book value at the transfer date of €62 million and a net book value, at the transfer date, of €6 million.

The economic impacts were recognised in the fourth quarter 2022 financial statements.

UniCredit and KRUK have also reached an agreement for the disposal of up to €460 million of Italian unsecured consumer loans, classified as bad loans from first quarter 2023 to the end of 2024.

## Other information on Group activities

### FINO project

In relation to the FINO Project (started in 2016 and completed in 2018), as at 31 December 2022, following the redemptions made, the Notes (Asset Backed Securities) owned by UniCredit S.p.A. amount to €93 million (€61 million recorded under item "30. Financial assets at fair value through other comprehensive income" pertaining to the Senior securities and in part to the Mezzanine securities, and €32 million recorded under item "20. Financial assets at fair value through profit or loss c) other financial assets mandatorily at fair value" in connection with the remaining Mezzanine securities and all the Junior Notes).

During the year 2022 the evaluation of the notes classified among other assets mandatorily at fair value led to a negative impact of €6 million while, for the Notes classified among financial assets at fair value through other comprehensive income, an impairment has been recognised for €8 million, both due to the change in estimation of expected cash flows of the underlying securitised loans.

The receivables related to the Deferred Subscription Price (DSP/Deferred Purchase Price-DPP), owed to UniCredit S.p.A. by third-party entities belonging to the relevant third-party investor's groups, and deriving from the securitisation transactions completed during 2017, have been fully reimbursed in 2020, according to the contractual provisions.

### Prisma transaction

In relation to Prisma transaction, finalised in the fourth quarter 2019 and referring to the securitisation of a non-performing loan Residential Mortgage Portfolio of €4.1 billion gross book value originated by UniCredit S.p.A. and transferred to the securitisation vehicle Prisma SPV S.r.l., issuer of the Asset Backed Securities (named also ABS or Note), it should be noted that as at 31 December 2022, following the redemptions made, the total amount of the Notes owned by UniCredit S.p.A. amount to €546 million (of which €544 million recorded under item "30. Financial assets at fair value through other comprehensive income" pertaining to the Senior securities, and €2 million recorded under item "20. Financial assets at fair value through profit or loss c) other financial assets mandatorily at fair value" in connection with the Mezzanine securities and the Junior Notes).

During the year 2022, with reference to the notes recorded among the other financial assets mandatorily at fair value, a negative impact for €1 million was recognised in the Income statement while, for the Notes classified among financial assets at fair value through other comprehensive income, no impairment has been recognised in the Income statement.

## Other information

### Relais transaction

In relation to Relais transaction, realised in the fourth quarter 2020, as part of its program to accelerate the Non Core portfolio rundown, UniCredit Leasing S.p.A. (UCL) completed the transfer of €1.6 billion claim of an Italian non-performing real estate lease portfolio to a securitisation vehicle Relais SPV S.r.l., issuer of the Asset Backed Secured Notes (senior, mezzanine e junior), it should be noted that as at 31 December 2022, following the redemptions made, the notes amount to €355 million (senior note for €335 million held by UniCredit S.p.A. and for €18 million held by UCL recognised in item "30. Financial asset at fair value through other comprehensive income", mezzanine and junior notes for €2 million held by UCL and recognised under item "20. Financial assets at fair value through profit or loss c) other financial assets mandatorily at fair value"). During the year 2022, with reference to both the notes recorded among the Other financial assets mandatorily at fair value and the notes classified among Financial assets at fair value through other comprehensive income, no significant amount was recognised in the Income statement. With reference to the regulatory treatment applied, following the notification to the European Central Bank, starting from the first quarter 2021, UniCredit represents the related significant risk transfer when reporting the transaction above outlined. On 9 March 2021, the Ministry of Economy and Finance granted the GACS guarantee on the senior notes.

### Olympia transaction

In the fourth quarter 2021, as part of its program to finalise the Non Core portfolio run-down, UniCredit S.p.A. completed the transfer of €1.6 billion in terms of gross book value (€2.1 billion total claim amount) of a NPL Portfolio including both secured and unsecured loans to a securitisation vehicle (Olympia SPV S.r.l., "Olympia") through a securitisation. In November 2021 Olympia issued notes (senior, mezzanine and junior) fully subscribed by UniCredit S.p.A. On 9 December 2021 UniCredit sold the 95% of the mezzanine and junior notes to a financial institution not belonging to the Group, while retaining the 5% required by regulation as Originator net economic interest in Olympia. Consequently, UniCredit proceeded with the derecognition of the transferred loans from the Assets. With reference to the regulatory treatment applied, following the notification to the European Central Bank, starting from the fourth quarter 2021, UniCredit represents the related significant risk transfer when reporting the transaction above outlined. On 28 February 2022, the Ministry of Economy and Finance granted the GACS guarantee on the senior note.

As at 31 December 2022, following the redemptions made, the senior notes owned by UniCredit S.p.A. recorded under item "30. Financial assets at fair value through other comprehensive income" amount to €222 million, while the mezzanine and junior notes recorded under item "20. Financial assets at fair value through profit or loss c) other financial assets mandatorily at fair value" amount to €0.5 million. During the year 2022, with reference to the notes recorded among the Other financial assets mandatorily at fair value" and the notes classified among Financial assets at fair value through other comprehensive no material impacts have been recognised in the Income statement.

### Issue of a dual tranche Senior Preferred Notes for a total amount of €1.75 billion

On 11 January 2022 UniCredit S.p.A. launched a dual tranche Senior Preferred for €1.25 billion with 6 years maturity, callable after 5 years, and for €500 million with 10 years maturity. The amount issued, part of the 2022 Funding Plan, confirmed once again UniCredit's ability to access the market in different formats.

### Sale of equity investment in Optima Telekom

On 21 January 2022, as all necessary regulatory approvals and all other conditions for transactions completion have been met, Zagrebačka banka signed the Share Transfer Agreement with Telemach Hrvatska for the transfer of 36.90% of Optima Telekom shares. Based on the above, the company was therefore deconsolidated since January 2022.

### Strengthening of the partnership between UniCredit and Allianz in Italy and abroad

On 28 January 2022 UniCredit and Allianz announced having signed a multi-country framework agreement, setting the basis for enhanced collaboration benefiting clients of both companies. The agreement covers UniCredit's footprint in Italy, Germany, Central and Eastern Europe and appropriately recognises both partners' contribution to the value that is being created. The agreement encompasses joint investments aimed at integrating and accelerating the digitalization of our processes. It will also pave the way for a cooperation between the two groups in the insure-banking business, allowing UniCredit to offer its best-in-class banking products to customers on Allianz's open platform in Germany, Italy and other jurisdictions.

## Other information

### Republic of Slovenia - law for restructuring consumer loans denominated in CHF

On 2 February 2022, the National Assembly of Republic of Slovenia approved a law aimed at restructuring consumer loans denominated in CHF, or those contractually linked to CHF, originated between 28 June 2004 and 31 December 2010, effectively retroactively introducing a 10% exchange rate cap which limits the amount to be repaid by customers, as capital or interest, following revaluation of the CHF against the EUR.

During the first half of 2022, Slovenian banks filed a petition to the Slovenian Constitutional court to verify the constitutionality of the law also asking, pending the final ruling by the Court, the suspension of its effects.

As at 30 June 2022 no provision was recognised in light of (i) the circumstance that the Slovenian Constitutional court, admitting the request by the banks, suspended the effects of the law and (ii) the assessment, supported by an external counsel, of the likelihood that the law will be abrogated by the Constitutional court.

During the fourth quarter 2022, Constitutional Court annulled such law in its entirety, deeming it unconstitutional as it is retroactive and lacking such retroactivity public interest.

In light of this, none of the obligations imposed on the banks by such law can be applied.

### Compliance with capital requirements set by ECB

On 3 February 2022 it was announced that, following the communication received from the ECB in relation to the 2021 Supervisory Review and Evaluation Process (SREP), UniCredit's Pillar 2 Capital Requirement (P2R) is confirmed at 175 basis points.

Since 1 March 2022 UniCredit shall respect the capital requirements on a consolidated basis, unchanged with respect to those previously applied.

On 15 December 2022, following the communication received from the ECB in relation to the 2022 Supervisory Review and Evaluation Process (SREP), UniCredit announced that its Pillar 2 Capital Requirement (P2R) is 200 basis points.

There is no impact on UniCredit's 2022 and future distribution ambitions, funding plan and capital targets, which remain as per guidance.

UniCredit shall respect from 1 January 2023 the following capital requirements on a consolidated basis:

- 9.20 per cent CET1 ratio;
- 11.08 per cent Tier 1 ratio;
- 13.58 per cent Total Capital ratio.

The above capital ratios include the Combined Buffer Requirement to be met with CET1 instruments, composed by 2.50 per cent Capital Conservation Buffer (CCB), 1.00 per cent G-SIB buffer and 0.08 per cent Countercyclical Capital Buffer (CCyB).

For further details on capital requirements refer to the paragraph "Capital and value management - Capital ratios" of this Consolidated report on operations.

### Conclusion of the Second Buy-Back Programme 2021 related to the 2020 distribution

UniCredit S.p.A. announced that on 28 February 2022 the share buy-back programme communicated to the market on 9 December 2021 and initiated on 13 December 2021, in execution of the resolution of the Shareholders' Meeting held on 15 April 2021 which approved the share buy-back programme for a maximum amount of €651 million and for a number of UniCredit shares not exceeding 110,000,000 (the "Second Buy-Back Programme 2021"), has been completed.

Under the Second Buy-Back Programme 2021 related to the 2020 distribution, UniCredit purchased in aggregate No.48,536,221 shares, equal to 2.18% of the share capital, for a total consideration of €651 million.

The shares acquired were cancelled on 2 March 2022.

### Early redemption of notes for €500 million

On 21 April 2022 UniCredit announced the early redemption of notes, issued on 21 December 2016 (ISIN XS1539597499) for a nominal value of €500 million, in accordance with the relevant Terms and Conditions of the notes themselves. UniCredit S.p.A. exercised its option to early redeem in whole the notes on 3 June 2022 (the first call date). The early redemption of the issue was at par, together with accrued and unpaid interests. The interests ceased to accrue on the same first call date.

## Other information

### **S&P affirmed issuer rating at “BBB” and aligned outlook to “stable”**

On 27 April 2022 it has been announced that the rating agency S&P Global Ratings (“S&P”) has affirmed UniCredit S.p.A.’s “BBB” long- and “A-2” short-term Issuer Credit Ratings. The outlook remained at “positive”.

The instrument ratings have been affirmed as well.

On 29 July 2022 the rating agency S&P Global Rating (S&P) has aligned UniCredit S.p.A.’s outlook to “stable” from “positive”, in line with the Italian sovereign. Long and short-term ratings have been affirmed.

### **Above MREL requirements set by Resolution Authorities**

On 5 May 2022 it has been announced that, following the communication received by the Single Resolution Board (SRB) and Banca d'Italia, the Minimum Requirements for Own Funds and Eligible Liabilities (MREL) to be applied to UniCredit S.p.A. on a consolidated basis.

### **Share Buy-Back Programme related to the 2021 distribution**

Last May 2022 UniCredit S.p.A. announced, as per the authorisation granted by the Shareholders' Meeting held on 8 April 2022, that it has defined the measures for the execution of the first tranche of the share buy-back programme for a maximum amount of €1,580 million and for a number of UniCredit ordinary shares not exceeding 215,000,000 (the "First Tranche of the Buy-Back Programme 2021" related to the 2021 distribution).

The First Tranche of the Buy-Back Programme 2021 was authorised by the ECB.

On 14 July 2022 the First Tranche of the Buy-Back Programme 2021 related to the 2021 distribution was concluded and the shares acquired were cancelled on 19 July 2022.

In September 2022 UniCredit S.p.A. announced, as per the authorisation granted by the Shareholders' Meeting held on 8 April 2022, as updated and integrated pursuant to the shareholders' resolution of 14 September 2022, that it has defined the measures for the execution of the second tranche of the share buy-back programme for a maximum amount of €1,000 million and for a number of UniCredit ordinary shares not exceeding 200,000,000 (the "Second Tranche of the Buy-Back Programme 2021").

The Second Tranche of the Buy-Back Programme 2021 has been authorised by the ECB.

On 30 November 2022 the Second Tranche of the Buy-Back Programme 2021 related to the 2021 distribution was concluded and the shares acquired were cancelled on 14 December 2022.

For further information refer to paragraph “Group and UniCredit share historical data series” of this Consolidated report on operations.

### **Hungarian Government Decree**

On 4 June 2022 the Hungarian government adopted a new decree introducing sector-specific taxes for companies considered by the government itself as generating “extra profits” in the current adverse economic situation. Among other sectors, the extra profit tax is levied on banking and insurance.

On this basis, banks and financial institutions are required to declare and pay extra tax for tax years 2022 (10%) and 2023 (8%) on a taxable basis which considers interest income minus interest expenses, plus certain additional items, such as income from investment services.

With reference to the year 2022, the amount settled is equal to HUF 15,800 million (€41 million) due, according to the law requirements, because (i) positive net revenues were recognised as at 31 December 2021 (determined as above) and (ii) the Hungarian bank had a valid banking license as at 1 July 2022 (entry into force of the law).

It is worth to note that the related expense was recognised in income statement under item “190. Administrative expenses: b) other administrative expenses”.

### **Sale of UniCredit Leasing, leasing, d.o.o.**

In December 2021, UniCredit Banka Slovenija d.d. Management and Supervisory Boards approved the disposal of 100% share held in UniCredit Leasing, leasing, d.o.o. resulting in the classification of the related assets and liabilities as “Held for Sale”, given the fulfilment of IFRS5 conditions. During 2022, based on the offers received, UniCredit Banka Slovenija d.d. confirmed the interest to exclusively negotiate with a specific counterparty and a Share Purchase Agreement was subsequently concluded on 16 June 2022.

The closing of the transaction occurred on 22 July 2022 and, as at such date, UniCredit Leasing, leasing, d.o.o. net assets were deconsolidated.

## Other information

### Moody's aligned the outlook to the one applied to Italy

On 9 August 2022 the rating agency Moody's has aligned UniCredit S.p.A. outlook to "negative" (from "stable") following the same rating action for Italy.

The long-term senior preferred (unsecured) rating and the short-term rating have been affirmed at "Baa1/P-2".

### ECB change of TLTRO terms and conditions

On 31 October 2022, UniCredit S.p.A. announced the financial effects of the European Central Bank ("ECB") changes to the terms and conditions of Targeted Longer-Term Refinancing Operations ("TLTRO") facilities.

For further details on TLTRO refer to paragraph "TLTRO" in Notes to consolidated accounts, Part A - Accounting policies, A.1 General, Section 5 - Other matters.

### Issue of a Senior Non-Preferred Green Bond for a total amount of €1 billion

On 8 November 2022, UniCredit S.p.A. has successfully issued a fix-to-floater Senior Non-Preferred Green Bond for €1,000 million with a 5-year maturity and a call after year 4, targeted to institutional investors.

The Senior Non-Preferred Green Bond issuance took place under UniCredit's Sustainability Bond Framework (the "Framework") published in 2021 and aligned with the Green and Social Bond Principles and the Sustainability Bond Guidelines of the International Capital Market Association.

Annual reporting will ensure the transparent allocation and tracking of proceeds also in terms of impact achieved.

Proceeds are earmarked to fund eligible projects in renewable energy, clean transportation, and green buildings as outlined in our Framework. The green bond aims to support the United Nations Sustainable Development Goals (UN SDGs) number 7 (Affordable & Clean Energy), number 9 (Industry, Innovation & Infrastructure) and number 11 (Sustainable Cities & Communities).

### Fitch Ratings affirmed ratings and outlook of UniCredit S.p.A.

On 29 November 2022, the rating agency Fitch Ratings affirmed UniCredit S.p.A.'s ratings as "BBB" for Long-Term Issuer Default Rating ("IDR"), "F2" for short-term and "bbb" for Viability Rating (i.e. standalone rating).

The outlook has been affirmed at "stable" as well as SNP, Tier2 and AT1 ratings.

### 2022 EU-wide Transparency Exercise

On 6 December 2022 UniCredit noted the announcement made by the European Banking Authority (EBA) regarding the information of the 2022 EU-wide Transparency Exercise.

The EBA Board of Supervisors approved the package for the EU-wide Transparency Exercise, which since 2016 is performed on an annual basis and published along with the Risk Assessment Report (RAR). The annual transparency exercise is based solely on COREP/FINREP data on the form and scope to assure a sufficient and appropriate level of information to market participants.

The 2022 Transparency Exercise covers two reference dates: 1 September 2021 and 30 June 2022.

## Other information

### Organisational model

#### Significant organisational changes

During 2022, coherently with the simplification and accountability path of each area of the Bank, the "Empowerment Italy - Credit Delegations" project has been launched with the aim of increasing the credit delegated powers of the Business maintaining, at the same time, an adequate risk presidium.

Within the project, organizational changes have been made regarding the shift of the territorial "Poli Creditizi", in the first phase, and of the territorial "Credit Hub" and related responsibilities, in the second phase (effective since 27 June 2022), from Group Risk Management (Risk Italy) function to hierarchical report to the different Regions within Italy (Italy Network) perimeter, with the assignment of new delegated powers to the Business and with a functional reporting line to Risk Italy.

Group Risk Management, Italy, Group Client Solutions structures and impacted managerial Committees responsibilities have been updated due to credit process review.

Furthermore, as a consequence of the Merger of UniCredit Services S.C.p.A. into UniCredit S.p.A. by incorporation, changes within Group Digital & Information Division (effective since 1 August 2022), representing a further step of transformation program and also facilitating the full convergence of UniCredit S.p.A. and UniCredit Services S.C.p.A., and further changes of UniCredit S.p.A. organizational set-up and responsibilities (effective since 1 October 2022), in particular concerning Group Digital & Information, Group Operations and Competence Line functions, have been made.

#### Organisational structure

UniCredit adopts an organisational and business model that, while guaranteeing the autonomy of countries/local banks on specific activities in order to ensure greater proximity to customers and efficient decision-making processes, maintains a divisional structure for the governance of business/products, as well as global control over Digital and Operation functions.

More specifically, the current organisational structure of the Holding company can be broken down into:

- Group Finance, Group Risk Management, Group Legal, Group Compliance, Group People and Culture, the Functions, identified as Competence Lines (CL), together with Internal Audit, aimed at guiding, coordinating and controlling, for their area of competence, the management of activities and related risks of the Group as a whole and of the single Legal Entities;
- Italy, Germany, Central Europe & Eastern Europe: business functions, responsible for proposing and implementing the business strategies to maximize the risk adjusted value creation for the relevant perimeter; for this purpose, with reference to the related customer segments/geographies, these functions are assigned the responsibilities for service model definition as well as product development activities. Central Europe & Eastern Europe is placed under the responsibility of two "co-Heads" in charge of the Central Europe and Eastern Europe Countries respectively; Germany represents the synthesis point of the Group's business in the reference Country, maintaining an executive role at local level. Group Client Solutions supports the business functions of the Countries developing a complete range of best-in-class products for all types of customers;
- Group Digital & Information Division defines and executes the Group Technology, Digital and Data related management and transformation, driving value through the capability of technology and data, embedded into digital solutions that optimize execution and improve customer experience;
- Group Operations, responsible for the oversight of the operating machine with a specific focus on costs, procurement, real estate, operations performance management, corporate security, in coherence with the defined Group strategies, by ensuring at the same time synergies, savings and operational excellence;
- Group Stakeholder Engagement governs the Group's reputation and overseeing all communication activities to ensure the delivery of coordinated and consistent messages across multiple stakeholder group (investor relations, identity and communication, relationships with institutional counterparties and with the European Banking Supervisory Authorities - e.g. EBA, ECB - and Banca d'Italia);
- Group Strategy & ESG, responsible for supporting strategic initiatives, including the integration of ESG into the Group's strategy.

The Group Strategy and ESG and Group Stakeholder Engagement functions represent the "CEO Office" aimed at supporting CEO in the development and implementation of strategic initiatives.

## Other information

### Conversion of Deferred tax assets (DTAs) into tax credits

Referring to financial year 2021, UniCredit S.p.A. and UniCredit Leasing S.p.A. registered a profit in their separate financial statements (respectively equal to €10,366 million and €13.9 million), hence during 2022 they did not convert Deferred Tax Assets (DTA) into tax credits.

In order to preserve for the future the regime of conversion of DTAs into tax credits and in order to overcome the issues raised by the European Commission in connection to the application of State Aid rules, Art.11 of Law Decree No.59/2016, converted into Law No.119/2016 (as modified by Law Decree No.237/2016, converted into Law No.15/2017) provides for the possibility, starting from 2016 till 2030, to elect for the payment of an annual fee equal to 1.5% of an aggregate amount deriving from the difference between:

- the increase in convertible DTAs recognised at the end of the fiscal year and the convertible DTAs existing as at the end of 2007 for IRES tax, and as at the end of 2012 for IRAP tax, taking into account the amounts already converted into tax credits (including those carried out pursuant to Art.44-bis Law Decree No.34/2019 as extended by Law Decree No.73/2021);
- taxes:
  - IRES paid starting by the Tax Group from 1 January 2008;
  - IRAP paid registered starting from 1 January 2013 by Legal Entities included in the Tax Group with convertible DTAs;
  - substitute taxes that generated convertible DTAs.

The fee due for the financial year 2022 has been paid on 24 June 2022 for an overall amount of €103.8 million relating to the whole Italian Tax Group, of which €99.6 million for UniCredit S.p.A., €4.0 million for UniCredit Leasing S.p.A. and €0.2 million for UniCredit Factoring S.p.A.

### Certifications and other communications

With reference to the "Rules of Markets organized and managed by Borsa Italiana S.p.A." dated 4 January 2021 (Title 2.6 "Obligations of issuers", Art.2.6.2. "Disclosure requirements", paragraph 10) the satisfaction of conditions provided by article 15 of Consob Regulation No.20249/2017, letters a), b) and c) is hereby certified.

With reference to paragraph 8 of Art.5 - "Public information on transactions with related parties" of Consob Regulation containing provisions relating to transactions with related parties (adopted by Consob with Resolution No.17221 of 12 March 2010, as subsequently amended by Resolution No.21624 of 10 December 2020), it should be noted that:

- a) according to the Global Policy "Transactions with related parties, associated persons and Corporate Officers ex Art.136 CBA<sup>9</sup>" adopted by the Board of Directors of UniCredit S.p.A. on 8 June 2021, and published on the website [www.unicreditgroup.eu](http://www.unicreditgroup.eu), during 2022 the Bank's Presidio Unico received no reports of transactions of greater importance ended in the period;
- b) during 2022, no transactions with related parties as defined by article 2427, paragraph 22-bis of the Civil Code were conducted, under different conditions from normal market conditions and materially affecting the Group's financial and economic situation;
- c) during 2022, there were no changes or developments in the individual transactions with related parties already described in the latest annual report that had a material effect on the Group's financial position or results during the reference period.

For more information on related-party transactions refer to Part H - Related-party transactions of the Notes to the consolidated accounts.

### Information on risks

For a complete description of the risks and uncertainties that the Group must face under the current market conditions, refer to "Part E - Information on risks and related hedging policies" of the Notes to the consolidated accounts.

<sup>9</sup> Corresponding to Italian Testo Unico Bancario.

# Subsequent events and outlook

## Subsequent events<sup>10</sup>

On 10 January 2023 UniCredit S.p.A. issued a fix-to-floater Senior Preferred Bond for €1 billion with 6 years maturity and a call after year 5, targeted to institutional investors.

The bond will have a one-time issuer call at year 5, as to maximize regulatory efficiency. Should the issuer not call the bond after 5 years, the coupons for the subsequent periods until maturity will reset to a floating rate equal to 3-months Euribor plus the initial spread of 190bps.

On 9 February 2023 UniCredit S.p.A. issued a fix-to-floater Senior Non-Preferred Bond for €1 billion with 6 years maturity and a call after year 5, targeted to institutional investors.

The bond will have a one-time issuer call at year 5, as to maximize regulatory efficiency. Should the issuer not call the bond after 5 years, the coupons for the subsequent periods until maturity will reset to a floating rate equal to 3-months Euribor plus the initial spread of 160bps, paid quarterly.

<sup>10</sup> Up to the date of approval by the Board of Directors' Meeting of 16 February 2023 which, on the same date, authorised the publication also in accordance with IAS10.



# Subsequent events and outlook

## 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. Global GDP growth is expected to slow to 2.0% in 2023 and then recover to 2.6% in 2024. The expected growth rate for the current year is therefore very low compared to historical standards, effectively leading to a global recession.

In the euro area, it is expected GDP to stagnate in 2023 and increase by 1.3% in 2024. Risks surrounding this 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 inflation is expected to remain high, on average, a clear declining trend is envisaged for most of the year. CPI is expected to rise by 6.5% in 2023 and by 3.5% in 2024. In Italy, after growing by about 3.5% in 2022, GDP is expected to broadly stabilize in 2023 and expand by 1.0% in 2023. 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% level after an increase of 50bp in the first quarter of 2023. The ECB will start reducing its APP portfolio (*Asset Purchase Programme*) in March at an average pace of 15 billion euro per month throughout second quarter of this year with partial reinvestment of maturing bonds.

The Group has brilliantly exceeded the targets set for 2022 by the new UniCredit Unlocked Strategic Plan, maintaining a prudent risk profile and improving its profitability despite the contingencies related to the geopolitical and market scenario. This positive tone supported by the new business model, together with a high capitalization and a very prudent level of provisions already in place, allows to continue addressing the uncertainties and risks that remain on the macroeconomic scenario of 2023 while maintaining the focus on the realization and completion of the 2022-24 UniCredit Unlocked Plan and supporting the communities in which the Group operates, customers and the financial system.

Milan, 16 February 2023

CHAIRMAN  
PIETRO CARLO PADOAN



THE BOARD OF DIRECTORS

CEO  
ANDREA ORCEL





# Governance structure

The information in this section refers to the date of 16 February 2023 (the approval date by the Board of Directors of the 2022 Report and Accounts - General Meeting Draft of UniCredit S.p.A. and of the 2022 Consolidated Report and Accounts of UniCredit group).

## Introduction

UniCredit's overall corporate governance framework, i.e. the system of rules and procedures that its corporate bodies refer to steer the principles of their behavior and fulfil their various responsibilities towards the Group's stakeholders, has been defined in compliance with current national and European provisions, as well as the recommendations contained in the Italian Corporate Governance Code (hereinafter, also the "Code").

In line with practice on major international markets, the Code identifies goals for a sound corporate governance, as well as the behaviors deemed appropriate for their achievements recommended by the Corporate Governance Committee to companies listed in Italy, to be applied according to the "comply or explain" principle that requires explanation in the corporate governance report of any reasons for failure to comply with one or more recommended best practices.

Moreover, UniCredit is subject to the provisions contained in the Supervisory Regulations issued by Banca d'Italia and, specifically with regards to corporate governance issues, to regulations on banks' corporate governance (Circular No.285/2013, First Part, Title IV, Chapter 1).

In compliance with the aforementioned Supervisory Regulations, as a significant bank subject to the direct prudential supervision of the European Central Bank, as well as being a listed bank, UniCredit qualifies as a bank of large size or operational complexity and consequently complies with provisions applicable to such banks.

Since 2001, UniCredit has adopted the Code, which is publicly available on the Italian Corporate Governance Committee website (<https://www.borsaitaliana.it/comitato-corporate-governance/homepage/homepage.en.htm>).

On an annual basis, UniCredit draws up a corporate governance report for its shareholders, institutional and non-institutional investors, and the market. The report conveys appropriate information about the UniCredit in-house corporate governance system.

Consistently with applicable legal and regulatory obligations, and in line with the provisions of the Code, in its version as approved as at January 2020, the 2022 Report on corporate governance and ownership structure has been drafted, in accordance with article 123/bis of the Legislative Decree No.58 dated 24 February 1998 (hereinafter, also the Consolidated Law on Finance - "TUF").

The Report on corporate governance and ownership structure, approved by the Board of Directors in its meeting held on 24 February 2023, is disclosed at the same time as the Report on Operations via the Issuer's website (<https://www.unicreditgroup.eu/en/governance/our-governance-system.html>). For further information on the UniCredit corporate governance system see the first of the above documents.

As an issuer of shares that are also listed on the Frankfurt and Warsaw regulated markets, UniCredit also fulfils legal and regulatory obligations relating to listings on said markets, as well as the provisions on corporate governance stipulated under the Polish Corporate Governance Code issued by the Warsaw Stock Exchange.

Since its establishment, UniCredit has adopted the so-called traditional management and control system.

The distinctive feature of this model is that the strategic supervision and the management of the company, the overseeing of its management and the legal accounting supervision are separated. In particular, the Board of Directors is solely responsible for the strategic supervision and the management of the Company, while the Board of Statutory Auditors is entrusted with supervising its management. Legal accounting supervision is assigned to an external audit firm by the Shareholders' Meeting on the basis of a proposal from the Board of Statutory Auditors, in compliance with relevant current laws.

The reasons behind the choice of such governance model are that it has proven capable of managing the business efficiently, while ensuring effective controls. That is, it creates the conditions for UniCredit S.p.A. to be able to guarantee the sound and prudent management of a complex and global banking group, such as the UniCredit group.

Moreover, the traditional management ascribes certain aspects to the sole responsibility of the Shareholders' Meeting, creating in this way an opportunity for dialogue and debate between shareholders and management about the fundamental elements of governance. These include the appointment and dismissal of directors, the appointment of the Board of Statutory Auditors members, the assignment of the mandate for the external auditing to an audit firm, the setting of the related remuneration, as well as the approval of the financial statements, the profit allocations, the resolutions on the remuneration and incentive policies and practices provided for by current provisions and the criteria to determine the compensation to be granted in the event of early termination of employment or early retirement from office.

# Governance structure

## Shareholders' Meeting

The ordinary Shareholders' Meeting of UniCredit is convened at least once a year within 180 days of the end of the financial year, to resolve upon the issues that current laws and the Articles of Association make it responsible for. An extraordinary Shareholders' Meeting is convened, instead, whenever it is necessary to resolve upon any of the matters that are exclusively attributed to it by current laws.

The Agenda of the Shareholders' Meeting is established pursuant to legal requirements and to the UniCredit Articles of Association by whoever exercises the power to call a Meeting.

The ordinary Shareholders' Meeting has adopted Regulations governing ordinary and extraordinary Meetings in a functional and regular way. The Regulations are available on the Governance/Shareholders Section of the UniCredit website.

## Board of Directors

The Board of Directors of UniCredit may be comprised of between a minimum of 9 up to a maximum of 24 members. At the approval date of this document, UniCredit has 12 Directors.

Their term in office is 3 financial years, unless a shorter term is established at the time they are appointed, and ends on the date of the Shareholders' Meeting called upon to approve the financial statements relating to the latest year in which they were in office.

The term in office of the current Board of Directors, which was appointed by the Shareholders' Meeting of 15 April 2021, will end on the date of the Shareholders' Meeting called upon to approve the 2023 financial statements.

According to the current legal and regulatory provisions, the UniCredit Directors shall be appointed on the basis of a proportional representation mechanism ("voto di lista") abiding to the membership criteria concerning, inter alia, minority and independent Directors, as well as the balance between genders, pursuant to the procedures specified in Clause 20 of the UniCredit Articles of Association. Legitimate parties entitled to submit slates are the Board of Directors and shareholders, who individually, or jointly with others, represent at least 0.5% of share capital in the form of shares with voting rights at ordinary Shareholders' Meetings.

The UniCredit Articles of Association envisage that, regardless of the total number of Board members, two Directors shall be appointed from the second slate receiving the highest votes, without any connection with the shareholders who, even jointly, filed, or voted for, the slate first by number of votes, to ensure that the minority shareholders have a greater presence on the Board of Directors.

The Board establishes its qualitative and quantitative composition deemed to be optimal for the effective fulfillment of the duties entrusted to the Board of Directors by law, by the Supervisory Provisions and by the UniCredit Articles of Association, according to current provisions applicable on such topics, also concerning the time commitments and the limits upon the maximum number of offices UniCredit Directors may hold.

Moreover, Directors must take into account the provisions of Art.36 of Law Decree No.201/2011 ("ban on interlocking directorships"), approved as statute by Law No.214/2011, which establishes that holders of a seat in managerial, supervisory and controlling bodies, as well as top management officers in companies or group of companies active in banking, insurance and financial markets are forbidden from holding similar offices, or to exercise similar duties, in competing companies or groups of companies.

The function and competencies of the Board of Directors are set forth in the UniCredit Corporate Bodies and Committees Regulation, available on the Governance/Corporate Bodies Section of the UniCredit website.

## Independence of Directors

In compliance with the provisions in force from time to time as well as in line with the criteria envisaged under the Italian Corporate Governance Code (corresponding with those envisaged under the UniCredit Articles of Association), non-executive Directors' independence shall be assessed by the Board of Directors upon their appointment, as well as during the mandate upon the occurrence of circumstances concerning their independence and, in any case, at least once a year, on the basis of information provided by the Directors themselves or however available to the Company, also considering any circumstance that affects or could affect such requirement. The outcome of these Board assessments shall be disclosed to the market after the appointment, through a press release and, subsequently, via the Corporate Governance Report.

The Corporate Governance & Nomination Committee and the Board of Directors assessed with a positive outcome the Directors' independence requirement based on statements made by the parties concerned and on information available to the Company. In 2022, the Board of Directors ascertained the Directors' independence requirements during its yearly evaluation (meeting held on July 5) and when it assessed the position of a single Director (meeting held on November 9).

# Governance structure

With specific reference to the independence requirements laid down by the Italian Corporate Governance Code, information was taken into account relating to the existence of direct or indirect relationships (credit relationships, business/professional relationships and employee relationships, as well as significant offices held) that Directors and their other connected subjects may have with UniCredit and Group Companies.

In order to assess the potential significance of the abovementioned relationships, the Board of Directors has decided not to proceed with merely identifying predefined economic targets, which if simply exceeded could automatically indicate that independence has been compromised, as such check requires an overall assessment of both objective and subjective aspects. Therefore, for this purpose, the following criteria should be taken into account: (i) the nature and characteristics of the relationship; (ii) the amount in absolute and relative terms of the transactions; and (iii) the subjective profile of the relationship.

More specifically, when assessing the significance of such a relationship, the following information, where available, is considered by the Board:

- as far as credit relations are concerned, the amount in absolute value of the credit granted, its weighting in relation to the system and, where appropriate, the economic and financial situation of the borrower;
- as far as professional/commercial relations are concerned, the characteristics of the transaction/relationship, the amount of the consideration and, where appropriate, the economic and financial situation of the counterparty;
- as far as offices held in Group Companies are concerned, the total amount of any additional remunerations.

In all of the above cases, all the parties involved (Director or family member; UniCredit or Group Company) and, for relationships with companies/entities, the related kind of "connection" (post held/control participation) with the Director or the family member were taken into account.

At the approval date of this document, the number of independent Directors according to the provisions of the Code is equal to 9.

At its meetings held on 15 July and 11 November 2022, the Board of Statutory Auditors ascertained, with a positive outcome, the proper application of the criteria and procedures adopted by the Board of Directors to assess the independence of its own members.

# Governance structure

## Status and activities of the Directors

In the following chart the information regarding the members of the Board of Directors in office at the approval date of this document is reported.

| POSITION   | MEMBERS                          | IN OFFICE  |                                       | SLATE (M/m) <sup>(*)</sup> | EXECUTIVE | NON-EXECUTIVE | INDEPENDENT AS CODE | INDEPENDENT AS TUB | INDEPENDENT AS TUF | BOARD MEETINGS ATTENDANCE % <sup>(**)</sup> | NUMBER OF OTHER POSITIONS <sup>(***)</sup> |
|--|----------------------------------|------------|---------------------------------------|----------------------------|-----------|---------------|---------------------|--------------------|--------------------|---|--|
|  |                                  | SINCE      | UNTIL                                 |                            |           |               |                     |                    |                    |   |  |
| Chairman   | Padoan Pietro Carlo              | 04.15.2021 | Approval of 2023 financial statements | M                          |           | X             | X                   | X                  | X                  | 100   | --   |
| Deputy Vice Chairman   | Andreotti Lamberto               | 04.15.2021 | Approval of 2023 financial statements | M                          |           | X             | X                   | X                  | X                  | 89.47                                       | 1  |
| CEO <sup>◇</sup>   | Orcel Andrea                     | 04.15.2021 | Approval of 2023 financial statements | M                          | X         |               |                     |                    |                    | 100   | 1  |
| Director   | Cariello Vincenzo                | 04.15.2021 | Approval of 2023 financial statements | m                          |           | X             | X                   | X                  | X                  | 100   | 1  |
| Director   | Carletti Elena                   | 04.15.2021 | Approval of 2023 financial statements | M                          |           | X             | X                   | X                  | X                  | 100   | --   |
| Director   | Hedberg Jeffrey Alan             | 04.15.2021 | Approval of 2023 financial statements | M                          |           | X             | X                   | X                  | X                  | 89.47                                       | 4  |
| Director   | Lara Bartolomé Beatriz Ángela    | 04.15.2021 | Approval of 2023 financial statements | M                          |           | X             | X                   | X                  | X                  | 100   | 1  |
| Director   | Molinari Luca                    | 04.15.2021 | Approval of 2023 financial statements | M                          |           | X             | X                   | X                  | X                  | 100   | 1  |
| Director   | Pierdicchi Maria                 | 04.15.2021 | Approval of 2023 financial statements | M                          |           | X             | X                   | X                  | X                  | 100   | 3  |
| Director   | Tondi Francesca                  | 04.15.2021 | Approval of 2023 financial statements | m                          |           | X             | X                   | X                  | X                  | 94.74                                       | 2  |
| Director   | Wagner Renate                    | 04.15.2021 | Approval of 2023 financial statements | M                          |           | X             |                     | X                  | X                  | 78.95                                       | 2  |
| Director   | Wolfgang Alexander               | 04.15.2021 | Approval of 2023 financial statements | M                          |           | X             |                     |                    | X                  | 100   | 2  |
| <b>----- Directors who left during and after the Period -----</b>                        |                                  |            |                                       |                            |           |               |                     |                    |                    |   |  |
| Director   | Gadhia Jayne-Anne <sup>(1)</sup> | 04.15.2021 | 02.7.2023                             | M                          |           | X             | X                   | X                  | X                  | 100   | 1  |
| <b>Quorum required for the submission of the slates for the latest appointment: 0.5%</b> |                                  |            |                                       |                            |           |               |                     |                    |                    |   |  |
| <b>Number of meetings held during the financial year: 19</b>                             |                                  |            |                                       |                            |           |               |                     |                    |                    |   |  |

### Notes:

(\*) M = Member elected from the slate that obtained the majority of the shareholders' votes.

m = Member elected from the slate voted by the shareholders' minority.

(\*\*) Number of meeting attended/number of meetings held during the concerned party's term of office with regard to the Reference Period.

(\*\*\*) Number of positions as Director or Auditor held in other listed companies or large companies. A list of such companies for each Director is attached to the Report on corporate governance and ownership structure.

◇ Director in charge of the internal controls and risks management system.

(1) Resigned effective from 7 February 2023.

# Governance structure

## Committees of the Board of Directors

In order to foster an efficient information and advisory system to enable the Board of Directors better to assess the topics for which it is responsible, also in accordance with the provisions of the Code, the Board has established five Committees, vested with research, advisory and proposal-making powers diversified by sector of competence: the Internal Controls & Risks Committee, the Corporate Governance & Nomination Committee, the ESG Committee, the Remuneration Committee and the Related-Parties Committee. Their duties are undertaken based on terms of reference and procedures set forth by the Board.

The Committees consist, as a rule, of a number of members from 3 up to 5. More specifically, the Internal Controls & Risks Committee, the Corporate Governance & Nomination Committee, the ESG Committee and the Remuneration Committee, all set up in compliance with the provisions contained in the Banca d'Italia Supervisory Regulations on banks' corporate governance, are composed of non-executives Directors, mostly independent. Such Committees must be differentiated from each other by at least one member and, if a Director elected by the minorities is present, that Director is a member of at least one Committee. The Chair of each Committee shall be chosen from among the independent members. The Related-Parties Committee, set up for overseeing issues concerning transactions with related and associated parties, in compliance with the CONSOB regulatory provisions and the Banca d'Italia Supervisory Regulations, consists only of independent Directors pursuant to the Italian Corporate Governance Code.

None of the functions of one or more specialist Committees on appointments, risks and remuneration envisaged by the Code has been reserved for the Board of Directors. Moreover, none of the abovementioned Committees, per se, performs the multiple functions of two or more committees as envisaged by the Code. The Committee functions have not been allocated amongst the various Committees in a different manner that differs from the Code's provisions.

The Committee's tasks are coordinated by its Chair, who exercises all necessary powers for its proper functioning. Each Committee draws up an annual plan of activities to ensure the fulfillment of its tasks. Committee meetings are convened by the Chair with a frequency adequate to the fulfillment of its tasks and plan of activities, or when needed or requested in writing, with proper motivation, by at least two members of the Committee. The provisions set out for the Board of Directors' functioning shall apply, as compatible, to the Board Committees.

Committee members have the necessary knowledge, skills and experience to perform the duties assigned to them and ensure that any other corporate positions they hold in other companies or entities (including non-Italian ones) are compatible with their availability and commitment to serve as a Committee member.

At the invitation of each Committee Chair, the CEO, other Directors, the General Manager (when appointed), the Manager in charge of drafting the company financial reports, as well as personnel belonging to the Company and the Group, may attend Committee meetings on specific Agenda items. Without prejudice to the possibility for the other Statutory Auditors to attend the meetings, the Chair of the Board of Statutory Auditors - or any other Auditor designated by the latter - attends Board Committee meetings. Always at the invitation of each Committee Chair, personnel or externals appointed in the corporate bodies of the Group's subsidiaries may be called upon to attend Committee meetings.

To perform their duties, Board Committees have access to the financial resources necessary to guarantee their operational independence and, within the limitations of the budget approved by the Board of Directors, may consult independent external experts and invite them to attend meetings; in the event of specific requirements, the relevant budget may be supplemented.

The Chair of each Committee, at the first available Board of Directors meeting, reports on the activities carried out during the Committee meetings, with the support of specific documentation.

The Board Committees' composition, functions and competencies are set forth in the Corporate Bodies and Committees Regulation, available on the Governance/Corporate bodies Section of the UniCredit website.

## Internal Controls & Risks Committee

The Internal Controls & Risks Committee consists of 4 non-executive Directors.

The composition of the Internal Controls & Risks Committee at the approval date of this document is the following: Ms. Elena Carletti (Chairwoman), Ms. Maria Pierdicchi, Ms. Francesca Tondi and Mr. Alexander Wolfgring.

The majority of the members of the Committee complies with the independence requirements prescribed by Section 2, recommendation 7, of the Italian Corporate Governance Code and Section 13 of the Decree issued by the Ministry of Economics and Finance No.169/2020; all the members are independent according to Section 148 of the Consolidated Law on Finance.

# Governance structure

All members of the Committee have the experience required under applicable provisions, covering the provided areas of competence related to risk and control as well as accounting and audit.

Committee meetings are attended by the Chair of the Board of Statutory Auditors, the Head of Internal Audit, the Group Compliance Officer and the Group Risk Officer. Upon invitation of the Committee Chair, the Chief Executive Officer, other Directors, the Manager in charge of drafting the company financial reports, as well as personnel belonging to the Company and the Group, may attend Committee meetings. Representatives from the external audit firm may also be invited.

The Committee is responsible for setting up the necessary functional links with the Board of Statutory Auditors, so as to undertake activities deemed common to the two bodies, and to exchange information of mutual interest, within the purview of their respective competencies.

The Committee must be able to access relevant corporate information, consult external experts and, where necessary, communicate directly with the Heads of Internal Audit, Group Risk Management and Group Compliance.

In 2022, the Committee held 25 meetings.

## Duties

The Committee supports the Board of Directors on risk management and control-related issues.

Among other things, the Committee:

- a) with the support of the Corporate Governance & Nomination Committee, identifies and proposes to the Board who should be appointed as Head of the corporate control functions or assesses the evaluation of their dismissal; for the Head of Internal Audit function, issues its opinion on setting the remuneration and the performance goals associated with its variable portion in line with the company policies;
- b) pre-examines activity programmes (including audit plans) and annual reports from corporate control functions to be sent to the Board, as well as periodical reports prepared by these functions above and beyond legal or regulatory requirements;
- c) evaluates and issues opinions to the Board on the compliance of the internal control system and corporate organization with the applicable rules and regulations, and on the requirements that must be complied with by the corporate control functions, drawing the Board's attention to any weaknesses and consequent corrective actions to be implemented; for this purpose, it assesses proposals put forward by the CEO;
- d) through evaluations and opinions, contributes to defining company policy on the outsourcing of corporate control functions;
- e) verifies that the corporate control functions correctly comply with the Board's recommendations and guidelines, assisting the Board in drafting the coordination documents envisaged under Banca d'Italia Circular No.285/2013;
- f) examines and assesses the correct use of accounting principles and their uniformity with regard to drafting the main accounting documents (such as, by way of example, operating and consolidated financial statements, interim operating reports, etc.), for this purpose coordinating with the Manager in charge of drafting the company financial reports and with the Board of Statutory Auditors;
- g) examines the work carried out by the Group's external auditors and the results stated in their reports or any letters and suggestions;
- h) assesses any findings reported by Internal Audit and Group Compliance, or that may arise from enquiries and/or investigations carried out by third parties;
- i) may seek specific audit interventions, at such time informing the Chair of the Board of Statutory Auditors;
- j) analyses Group guidelines for the Group Compliance function that fall within its remit, monitoring that they have been adopted and implemented;
- k) requests that the Head of Internal Audit draft any proposals for the qualitative and quantitative improvement of the function itself;
- l) is involved, within its specific remit, in the process of identifying material risk takers on an on-going basis.

With a special focus on risk management and control-related issues, the Committee supports the Board of Directors in:

- defining and approving strategic guidelines and risk management policies with specific reference to risk appetite and risk tolerance. For this purpose, it also examines the annual budget drafting guidelines;
- verifying that risk strategies, management policies and the Risk Appetite Framework (RAF) have been correctly implemented;
- defining policies and processes for evaluating corporate activities, including verification that the price and conditions of client transactions comply with the risk-related business model and strategies.

Without prejudice to the competencies of the Remuneration Committee, the Committee checks that the incentives underlying the remuneration and incentive system comply with the RAF, particularly taking into account risks, capital and liquidity.

Moreover, the Committee reports to the Board of Directors on the status of the Group's internal control system.

Furthermore, as regards investments in non-financial equities, the Committee assesses, supports and puts forward proposals with regard to organizing and enacting internal controls on the making and managing of equity investments in non-financial companies, in addition to verifying compliance within the framework of such equity investments in terms of strategic and operational guidelines.



# Governance structure

## Corporate Governance & Nomination Committee

As a rule, the Corporate Governance & Nomination Committee consists of 3 non-executive Directors. At the approval date of this document, the Committee is made up of 2 Directors, following the resignation of Director Ms. Jayne-Anne Gadhia.

Therefore, the composition of the Corporate Governance & Nomination Committee at the approval date of this document is the following: Mr. Lamberto Andreotti (Chairman) and Mr. Alexander Wolfgring.

The members of the Committee comply with the independence requirements prescribed by Section 148 of the Consolidated Law on Finance; a member is also independent according to Section 2, recommendation 7, of the Italian Corporate Governance Code and Section 13 of the Decree issued by the Ministry of Economics and Finance no. 169/2020. In 2022, the Committee held 10 meetings.

### Duties

Among other things, the Committee:

- a) provides opinions and support to the Board regarding the definition of the UniCredit corporate governance system, corporate structure and Group governance models and guidelines;
- b) drafts proposals to be submitted to the Board regarding the optimal qualitative and quantitative composition of the Board, and the maximum number of posts held by Directors in other companies considered compatible with effectively fulfilling these roles at UniCredit;
- c) provides opinions and support regarding the Board self-assessment process, as directed by the Chair of the Board of Directors;
- d) sets targets for the least well represented gender in corporate bodies as well as for management and staff belonging to the Group, and prepares a plan to bring this proportion up to set targets;
- e) drafts proposals to be submitted to the Chair of the Board of Directors regarding the selection of staff appointed to conduct the Board's self-assessment process.

The Committee provides opinions and support to the Board also regarding:

- a) the verification that UniCredit Directors comply with the requirements provided by applicable laws and the Articles of Association (including the ban on interlocking directorships laid down by applicable laws), and that they collectively and individually ensure abidance with the qualitative and quantitative composition of the Board deemed to be optimal;
- b) the selection of candidates for the post of Chair, Chief Executive Officer and Director of UniCredit, in the event of co-optation, and, should the Board present its own list of candidates for the position of independent Director for approval by the UniCredit Shareholders' Meeting, taking into due account any recommendations from shareholders, as per the process for selecting candidates to the post of Board of Directors members (including the Chair and the Chief Executive Officer) approved by the Board itself;
- c) the appointment of the CEO, General Manager, Deputy General Managers and other Executives with strategic responsibilities;
- d) the verification that the General Manager and the Manager in charge of drafting the company financial reports comply with the requirements provided by applicable laws and the Articles of Association, if applicable;
- e) the definition of appointment and succession plan policies for the CEO, General Manager, Deputy General Managers and other Executives with strategic responsibilities, Senior Executive Vice Presidents, the Group Management Team (Executive Vice Presidents) and Leadership Team (Senior Vice Presidents);
- f) the definition of the policy for the appointment of corporate officers (members of the Board of Directors, Board of Statutory Auditors and Supervisory Board) at Group companies;
- g) the designation of corporate officers (members of the Board of Directors, Board of Statutory Auditors and Supervisory Board) at the main companies.

Moreover, the Committee:

- provides support, coordinating with the Internal Controls & Risks Committee, in proposing candidates or assessing dismissal for the roles of Heads of corporate control functions to the Board of Directors;
- undertakes research to help the Board of Directors draft a succession plan for executive directors.

# Governance structure

## ESG Committee

The ESG Committee consists of 3 non-executive Directors.

The composition of the ESG Committee at the approval date of this document is the following: Ms. Francesca Tondi (Chairwoman), Mr. Jeffrey Alan Hedberg and Ms. Beatriz Ángela Lara Bartolomé.

All members of the Committee comply with the independence requirements prescribed by Section 2, recommendation 7, of the Italian Corporate Governance Code and are independent according to Section 13 of the Decree issued by the Ministry of Economics and Finance No.169/2020 and Section 148 of the Consolidated Law on Finance.

In 2022, the Committee held 10 meetings.

### Duties

The purpose of the ESG Committee is to support the Board of Directors in fulfilling its responsibilities with respect to the ESG integral components on the Group's business strategy and sustainability.

The ESG Committee shall provide opinions and support to the other Board Committees to ensure the alignment of the Group's policies to UniCredit's ESG principles and objectives.

The Committee also oversees:

- ESG and sustainability-related developments also considering international guidelines and principles and market developments, monitoring the positioning of the Group with respect to national and international best practices in the ESG field;
- the preparation of the yearly Integrated Report, which constitutes a non-financial declaration pursuant to the provisions of Sections 3 and 4 of Legislative Decree No.254/2016, as well as the preparation of the TCFD (Task force on Climate-related Financial Disclosures) report, and any other specific disclosure obligations required by future ESG commitments of the Bank.

## Remuneration Committee

The Remuneration Committee consists of 3 non-executive Directors.

The composition of the Remuneration Committee at the approval date of this document is the following: Mr. Jeffrey Alan Hedberg (Chair), Mr. Luca Molinari and Ms. Renate Wagner.

The majority of the members of the Committee complies with the independence requirements prescribed by Section 2, recommendation 7, of the Italian Corporate Governance Code; all members are independent according to Section 13 of the Decree issued by the Ministry of Economics and Finance No.169/2020 and Section 148 of the Consolidated Law on Finance.

At least one member of the Committee has adequate knowledge and experience in finance or remuneration policies, which the Board of Directors assesses at such time as they are appointed to the Committee.

In order for the incentives included in the compensation and incentive schemes to be consistent with the Bank's risk, capital and liquidity management, as well as to get updates on the market trends, compensation levels and regulatory developments, an external advisor also attends Committee meetings.

The Group Chief Risk Officer is invited, upon need, to attend Committee meetings to ensure that incentive schemes are appropriately updated to take into account all of the risks that the Bank has taken on, pursuant to methodologies in compliance with those adopted by the Bank in managing risk for regulatory and internal purposes.

In 2022, the Committee held 14 meetings.

### Duties

Among other things, the Committee:

- puts proposals to the Board regarding the remuneration and the performance goals associated with its variable portion, for the members of the Board of Directors, the General Manager, Deputy General Managers, Heads of the corporate control functions and personnel whose remuneration and incentive systems are decided upon by the Board;
- exercises oversight on the criteria for remunerating the most significant employees, as identified pursuant to the relevant Banca d'Italia provisions, as well as on the outcomes of the application of such criteria.

# Governance structure

Furthermore, the Committee issues opinions to the Board on:

- a) the remuneration policy for Senior Executive Vice Presidents, the Group Management Team (Executive Vice Presidents) and the Leadership Team (Senior Vice Presidents);
- b) Group incentive schemes based on financial instruments;
- c) the remuneration policy for corporate officers (members of the Board of Directors, Board of Statutory Auditors and Supervisory Board) at Group companies.

Committee members regarding whom the Committee is called upon to express its opinion on their remuneration as a result of their specific assignments shall not attend meetings at which the proposal for such remuneration is calculated.

Furthermore, the Committee:

- coordinates the process for identifying material risk takers on an on-going basis;
- directly oversees the correct application of rules regarding the remuneration of the Heads of corporate control functions, working closely with the Board of Statutory Auditors;
- works with the other committees, particularly the Internal Controls & Risks Committee, to verify that the incentives included in compensation and incentive schemes are consistent with the RAF, ensuring the involvement of the corporate functions responsible for drafting and monitoring remuneration and incentive policies and practices;
- provides appropriate feedback on its operations to the Board of Directors, Board of Statutory Auditors and the Shareholders' Meeting;
- where necessary drawing on information received from the relevant corporate functions, expresses its opinion on the achievement of the performance targets associated with incentive schemes, and on the other conditions laid down for bonus payments.

## Related-Parties Committee

The Related-Parties Committee consist of 3 independent Directors.

The composition of the Related-Parties Committee at the approval date of this document is the following: Ms. Maria Pierdicchi (Chairwoman), Mr. Vincenzo Cariello and Ms. Elena Carletti.

In reference to the Related-Parties Committee's meetings, only for reasons of urgency, in specific cases dealing with transactions falling into the decision-making powers of the Board of Directors, a meeting may be convened at least twelve hours in advance.

In 2022 the Committee held 15 meetings.

## Duties

The Committee oversees issues concerning transactions with related parties pursuant to CONSOB Regulation No.17221/2010 and transactions with associated parties pursuant to Bank of Italy Circular No.285/2013 (Third Part, Chapter 11), carrying out the specific role attributed to independent directors by the aforementioned provisions. Furthermore, it carries out any other duties assigned to it within the Global Policy for the management of transactions with persons in conflict of interest.

The Company's competent offices ensure a constant monitoring of transactions envisaged by the procedures for the identification and management of transactions with related and/or associated parties, also in view of enabling the Committee to propose corrective actions.

### a) Temporary replacement in cases of conflict of interest

For each individual transaction, Committee members must be different from the counterparty, its associated parties and/or any entities related to it.

If a Committee member is a counterparty to the transaction under examination (or is related/associated with the counterparty), he/she must promptly inform the Chair of the Board of Directors and the Committee Chair (provided he/she is not in a conflict of interest situation), and abstain from attending further Committee proceedings with regard to the transaction in which the relationship exists. Having consulted with the Committee Chair (provided he/she is not in a conflict of interest situation), the Chair of the Board of Directors shall immediately take steps to replace the member who has this conflict of interest with another member from the Board of Directors who qualifies as independent pursuant to the Italian Corporate Governance Code, after contacting them beforehand, in order to restore the Committee to three non-related and non-associated independent Directors.

### b) Temporary replacement of unavailable members in the event of an urgent transaction

For transactions that need to be finalized urgently and require the intervention of the Related-Parties Committee during negotiations and due diligence and/or during the issue of opinions, having acknowledged the urgency and noted that the majority or all members are unable to meet or carry out the required activities in time to conclude the transaction, the Committee Chair shall promptly inform the Chair of the Board of Directors of this situation.

# Governance structure

In any event, these circumstances must be communicated no later than the day after the Committee Chair was informed that the majority or all Committee members were not available.

Having consulted with the CEO and determined that the transaction cannot be delayed, the Chair of the Board of Directors immediately takes steps to find three Directors to sit on the Committee and follow the process for temporary substitutions in the event of conflicts of interest.

As regards sections a) and b) above, it should be noted that:

- replacements must be provided with all available information in good time before the meeting at which the Committee is called upon to express its opinion regarding the transaction;
- replacements undertake the duties allocated to them until the conclusion of the decision-making process regarding the specific transaction in question, and remain involved in the decisions taken by the Committee.

## Board Committees

| MEMBERS  | EXEC. | NON EXEC. | INDEP. AS CODE | INTERNAL CONTROLS & RISKS COMMITTEE |      | CORPORATE GOVERNANCE & NOMINATION COMMITTEE |      | ESG COMMITTEE   |      | REMUNERATION COMMITTEE |        | RELATED-PARTIES COMMITTEE |        |
|--|-------|-----------|----------------|-------------------------------------|------|---|------|-----------------|------|------------------------|--------|---------------------------|--------|
|  |       |           |                | (*)                                 | (**) | (*)   | (**) | (*)             | (**) | (*)                    | (**)   | (*)                       | (**)   |
| Padoan Pietro Carlo                                      |       | X         | X              |                                     |      |   |      |                 |      |                        |        |                           |        |
| Andreotti Lamberto                                       |       | X         | X              |                                     |      | C   | 100% |                 |      |                        |        |                           |        |
| Orcel Andrea   | X     |           |                |                                     |      |   |      |                 |      |                        |        |                           |        |
| Cariello Vincenzo  |       | X         | X              |                                     |      |   |      |                 |      |                        |        | M                         | 100%   |
| Carletti Elena   |       | X         | X              | C                                   | 100% |   |      |                 |      |                        |        | M                         | 100%   |
| Hedberg Jeffrey Alan                                     |       | X         | X              |                                     |      |   |      | M               | 100% | C <sup>(1)</sup>       | --     |                           |        |
| Lara Bartolomé Beatriz Ángela                            |       | X         | X              |                                     |      |   |      | M               | 100% |                        |        |                           |        |
| Molinari Luca  |       | X         | X              |                                     |      |   |      |                 |      | M                      | 85.71% |                           |        |
| Pierdicchi Maria   |       | X         | X              | M                                   | 96%  |   |      |                 |      |                        |        | C                         | 93.33% |
| Tondi Francesca  |       | X         | X              | M                                   | 96%  |   |      | C               | 100% |                        |        |                           |        |
| Wagner Renate  |       | X         |                |                                     |      |   |      |                 |      | M                      | 92.86% |                           |        |
| Wolfring Alexander                                       |       | X         |                | M                                   | 100% | M   | 100% |                 |      |                        |        |                           |        |
| ----- Members who left during and after the Period ----- |       |           |                |                                     |      |   |      |                 |      |                        |        |                           |        |
| Gadhia Jayne-Anne  |       | X         | X              |                                     |      | M <sup>(2)</sup>                            | 90%  |                 |      | C <sup>(2)</sup>       | 100%   |                           |        |
| <b>No. of meetings held during the financial year</b>    |       |           |                | <b>IC&amp;RC: 25</b>                |      | <b>CG&amp;NC: 10</b>                        |      | <b>ESGC: 10</b> |      | <b>RC: 14</b>          |        | <b>RPC: 15</b>            |        |

### Notes:

(\*) A "C" (Chair) or an "M" (Member) in this column shows that the member of the Board of Directors belongs to the Committee and also indicates his/her position.

(\*\*) Meetings' attendance percentage (number of meetings attended/number of meetings held during the concerned party's term of office with regard to the Reference Period).

(1) Office held since 16 February 2023.

(2) Office held until 7 February 2023.

# Governance structure

## Board of Statutory Auditors

Pursuant to the UniCredit Articles of Association, the ordinary Shareholders' Meeting appoints 5 permanent Statutory Auditors, among whom the Chair, and 4 substitute Statutory Auditors. Both the permanent and substitute Statutory Auditors may be re-elected.

Permanent and substitute members of the Board of Statutory Auditors are appointed on the basis of a proportional representation mechanism ("voto di lista") in accordance to the composition criteria, *inter alia*, regarding the appointment of the Chair of the Board of Statutory Auditors by the minority shareholders and the balance between genders, as established by the UniCredit Articles of Association, and in compliance with current legal provisions. In detail, the candidate who has obtained the highest share of votes among the candidates belonging to the slate that obtained the highest number of votes among the minority slates, as defined by current provisions (also regulatory) in force, shall be selected by the Shareholders' Meeting as Chair of the Board of Statutory Auditors.

Their term in office is 3 financial years and ends on the date of the Shareholders' Meeting called upon to approve the financial statements relating to the last year in which they are in office.

Members of the Board of Statutory Auditors shall comply with the requirements envisaged by current provisions, also of a regulatory nature, in particular with the professional experience, integrity and independence ones, and they can hold administrative and control appointments with other companies within the limits set by current laws and regulations.

The ordinary Shareholders' Meeting of 8 April 2022 appointed the permanent and substitute Statutory Auditors for the 2022-2024 financial years, whose term runs until the date of the Shareholders' Meeting called to approve the 2024 financial statements.

In the following chart the information regarding the members of the Board of Statutory Auditors in office.

### Statutory Auditors

| POSITION   | MEMBERS                          | IN OFFICE  |                                       | SLATE (M/m) <sup>(*)</sup> | INDEPENDENT AS PER CODE | %( <sup>(**)</sup> ) | NUMBER OF OTHERS POSITIONS <sup>(***)</sup> |
|--|----------------------------------|------------|---------------------------------------|----------------------------|-------------------------|----------------------|---|
|  |                                  | SINCE      | UNTIL                                 |                            |                         |                      |   |
| Chairman   | Rigotti Marco Giuseppe Maria     | 04.08.2022 | Approval of 2024 financial statements | m                          | X                       | 100%                 | --  |
| Permanent Statutory Auditor  | Cacciamani Claudio               | 04.08.2022 | Approval of 2024 financial statements | M                          | X                       | 100%                 | --  |
| Permanent Statutory Auditor  | Navarra Benedetta                | 04.08.2022 | Approval of 2024 financial statements | M                          | X                       | 100%                 | 1   |
| Permanent Statutory Auditor  | Paolucci Guido                   | 04.08.2022 | Approval of 2024 financial statements | M                          | X                       | 100%                 | --  |
| Permanent Statutory Auditor  | Bientinesi Antonella             | 04.08.2022 | Approval of 2024 financial statements | m                          | X                       | 100%                 | --  |
| Substitute Statutory Auditor   | Pagani Raffaella                 | 04.08.2022 | Approval of 2024 financial statements | M                          | X                       |                      |   |
| Substitute Statutory Auditor   | Manes Paola                      | 04.08.2022 | Approval of 2024 financial statements | M                          | X                       |                      |   |
| Substitute Statutory Auditor   | Dell'Atti Vittorio               | 04.08.2022 | Approval of 2024 financial statements | m                          | X                       |                      |   |
| Substitute Statutory Auditor   | Rimoldi Enrica                   | 04.08.2022 | Approval of 2024 financial statements | m                          | X                       |                      |   |
| <b>---- Statutory Auditors that left off during the Period ----</b>                      |                                  |            |                                       |                            |                         |                      |   |
| Permanent Statutory Auditor  | Bonissoni Angelo Rocco           | 04.11.2019 | 04.08.2022                            | M                          | X                       | 100%                 | 2   |
| Substitute Statutory Auditor   | Di Carluccio Ciro <sup>(1)</sup> | 04.15.2021 | 04.08.2022                            | --                         | X                       |                      |   |
| <b>Quorum required for the submission of the slates for the latest appointment: 0.5%</b> |                                  |            |                                       |                            |                         |                      |   |
| <b>Number of meetings held during the financial year: 57</b>                             |                                  |            |                                       |                            |                         |                      |   |

#### Notes:

(\*) M = Member elected from the slate that obtained the majority of the shareholders' votes;

m = Member elected from the slate voted by the shareholders' minority.

(\*\*) Meetings' attendance percentage (number of meetings attended/number of meetings held during the concerned party's term of office with regard to the Reference Period).

(\*\*\*) Number of positions as Director or Auditor held by the concerned party pursuant to Art.148/bis of the Consolidated Law on Finance ("TUF") and to the relevant implementing provisions contained in the CONSOB Issuers' Regulation. A complete list of such positions is published by the CONSOB on its website pursuant to Art.144-quinquiesdecies of the CONSOB Issuers Rules.

(1) Appointed by the 15 April 2021, Shareholders' Meeting in place of Mr. Roberto Franchini, who resigned as Substitute Statutory Auditor, effective from 28 April 2020.

# Governance structure

## Share capital

As at 31 December 2022, the fully subscribed and paid up UniCredit share capital amounted to Euro 21,220,169,840.48, divided into No.1,935,269,741 ordinary shares with no nominal value. The ordinary shares are issued in a dematerialised form and are indivisible as well as freely transferable. Each share entitles holders to the right to cast one vote at ordinary and extraordinary Shareholders' Meetings.

No other types of shares, equity instruments or convertible or exchangeable bonds have been issued.

## Major Shareholders

On the basis of the communications received in accordance with Art.120 of the Consolidated Law on Finance ("TUF"), direct and indirect relevant equity holdings as at 31 December 2022, registered on the Shareholders Register are stated below. The shareholders listed below hold more than 3%, and do not qualify for disclosure exemptions (as provided under Art.119/bis of CONSOB Rule No.11971/99).

| DECLARANT               | DIRECT SHAREHOLDER | % (up to the third decimal)<br>OF ORDINARY CAPITAL                      | % (up to the third decimal)<br>OF VOTING CAPITAL |        |
|-------------------------|--------------------|---|--|--------|
| <b>BlackRock Group</b>  |                    | <b>5.938%</b>   | <b>5.938%</b>                                    |        |
|                         |                    | <i>BlackRock Fund Advisors</i>  | 1.631%   | 1.631% |
|                         |                    | <i>BlackRock Institutional Trust Company, National Association</i>      | 1.558%   | 1.558% |
|                         |                    | <i>BlackRock Advisors (UK) Ltd</i>                                      | 0.944%   | 0.944% |
|                         |                    | <i>BlackRock Asset Management Deutschland Ag</i>                        | 0.778%   | 0.778% |
|                         |                    | <i>BlackRock Investment Management (UK) Ltd</i>                         | 0.384%   | 0.384% |
|                         |                    | <i>BlackRock Investment Management, Llc</i>                             | 0.283%   | 0.283% |
|                         |                    | <i>BlackRock Advisors, Llc</i>  | 0.122%   | 0.122% |
|                         |                    | <i>BlackRock Asset Management Canada Ltd</i>                            | 0.083%   | 0.083% |
|                         |                    | <i>BlackRock Japan Co. Ltd</i>  | 0.064%   | 0.064% |
|                         |                    | <i>BlackRock Investment Management (Australia) Ltd</i>                  | 0.049%   | 0.049% |
|                         |                    | <i>BlackRock Financial Management, Inc.</i>                             | 0.036%   | 0.036% |
|                         |                    | <i>BlackRock Asset Management North Asia Ltd</i>                        | 0.004%   | 0.004% |
|                         |                    | <i>Aperio Group Llc</i>   | 0.002%   | 0.002% |
|                         |                    | <i>Blackrock (Singapore) Ltd</i>  | 0.000%   | 0.000% |
|                         |                    | <i>Blackrock International Limited</i>                                  | 0.000%   | 0.000% |
| <b>Allianz SE Group</b> |                    | <b>3.598%</b>   | <b>3.598%</b>                                    |        |
|                         |                    | <i>Allianz Finance II Luxembourg S.à.r.l.</i>                           | 3.477%   | 3.477% |
|                         |                    | <i>Allianz S.p.A.</i>   | 0.101%   | 0.101% |
|                         |                    | <i>Investitori Società di Gestione del Risparmio Società per Azioni</i> | 0.009%   | 0.009% |
|                         |                    | <i>Allianz Lebensversicherungs Ag</i>                                   | 0.008%   | 0.008% |
|                         |                    | <i>Allianz Life Luxembourg Sa</i>                                       | 0.002%   | 0.002% |
|                         |                    | <i>Allianz Benelux Sa</i>   | 0.001%   | 0.001% |
|                         |                    | <i>Allianz Vie</i>  | 0.001%   | 0.001% |

# Governance structure

## Participation Rights

Eligible to attend Shareholders' Meetings are those who hold voting rights and in respect of whom the Company has received, from the broker holding the relevant securities account, the notification within the deadline set forth by applicable law (record date, i.e., seven market trading days before the Shareholders' Meeting date).

Those who hold voting rights may arrange to be represented in the Shareholders' Meeting, in compliance with the provisions of the prevailing law.

UniCredit has always encouraged its shareholders to exercise their participation and voting rights and, for that reason, some time ago it adopted the Regulations governing Shareholders' Meetings to ensure their regular conduct. Said Regulations are available on UniCredit website on the Governance/Shareholders' Meeting Section.

## Group Executive Committee (GEC)

The **Group Executive Committee** (GEC) is a Managerial Committee that has been set up in order to ensure the effective steering, coordination and control of Group business, as well as an effective managerial alignment across the Group.



**ANDREA ORCEL**

Group Chief Executive Officer  
and Head of Italy



**MARION HÖLLINGER**

Head of Germany



**GIANFRANCO BISAGNI**

Head of Central Europe



**TEODORA PETKOVA**

Head of Eastern Europe



**RICHARD BURTON**

Head of Client Solutions



**STEFANO PORRO**

Chief Financial Officer





**SIOBHAN MCDONAGH**

Head of Group People & Culture



**JINGLE PANG**

Group Digital & Information Officer



**FIONA MELROSE**

Head of Group Strategy & ESG



**JOANNA CARSS**

Head of Group Stakeholder Engagement



**TJ LIM**

Group Risk Officer



**SERENELLA DE CANDIA**

Group Compliance Officer



**BART SCHLATMANN**

Group Chief Operating Officer



**GIANPAOLO ALESSANDRO**

Group Legal Officer - Secretary of the Board of Directors



**REMO TARICANI**  
PERMANENT GUEST TO GEC

Deputy Head of Italy

## Board of Directors

Directors' term in office is three financial years, unless a shorter term is established at such time as they are appointed, and ends on the date of the Shareholders' Meeting called to approve the financial statements relating to the last year in which they are in office.

The Board of Directors currently in office was appointed by the **Ordinary Shareholders' Meeting on April 15, 2021** for the financial years 2021 - 2023, on the basis of a proportional representation mechanism ("voto di lista"), and its terms of office ends on the date of the Shareholders' Meeting called to approve the 2023 financial statements.

As regards the actions taken in recent years to strengthen **our governance** and align it with international best practices, improving the composition and functioning of the Board of Directors has been a fundamental commitment for our Group.



**PIETRO CARLO PADOAN**

Chairman of the Board of Directors



**LAMBERTO ANDREOTTI**

Deputy Chairman



**ANDREA ORCEL**

Group Chief Executive Officer



**VINCENZO CARIELLO**

Director



**ELENA CARLETTI**

Director



**JAYNE-ANNE GADHIA(\*)**

Director

(\*) Mrs. Jayne-Anne Gadhia resigned from her office with effect from 7 February 2023.



**JEFFREY ALAN HEDBERG**

Director



**BEATRIZ LARA BARTOLOMÉ**

Director



**LUCA MOLINARI**

Director



**MARIA PIERDICCHI**

Director



**FRANCESCA TONDI**

Director



**RENATE WAGNER**

Director



**ALEXANDER WOLFGRING**

Director



**GIANPAOLO ALESSANDRO**

Group Legal Officer -  
Secretary of the Board  
of Directors



## Consolidated accounts

## Notes to the consolidated accounts

It should be noted that 2021 comparative figures have been recasted, when relevant, in order to reflect the impacts arising from the exit of UniCredit Leasing S.p.A. and its controlled company and of UniCredit Leasing GMBH and its controlled companies out of the non-current assets held for sale. These impacts referred in particular to the reallocation to proper items of assets and liabilities, previously classified in Asset and Liabilities held for sale, and the recognition of a positive impact into Profit 2021 for €556 million mainly due to the reversal of impairment booked in the fourth quarter of 2021 following the classification into non-current assets held for sale (IFRS5).

## Consolidated balance sheet

| ASSETS  | AMOUNTS AS AT  |                |
|---|----------------|----------------|
|   | 31.12.2022     | 31.12.2021     |
| 10. Cash and cash balances  | 111,776        | 107,407        |
| 20. Financial assets at fair value through profit or loss:              | 72,959         | 92,247         |
| a) financial assets held for trading                                    | 64,443         | 80,109         |
| b) financial assets designated at fair value                            | 323            | 279            |
| c) other financial assets mandatorily at fair value                     | 8,193          | 11,859         |
| 30. Financial assets at fair value through other comprehensive income   | 54,887         | 68,586         |
| 40. Financial assets at amortised cost:                                 | 582,661        | 605,063        |
| a) loans and advances to banks  | 57,796         | 91,404         |
| b) loans and advances to customers                                      | 524,865        | 513,659        |
| 50. Hedging derivatives   | 2,851          | 3,065          |
| 60. Changes in fair value of portfolio hedged items (+/-)               | (6,576)        | 1,600          |
| 70. Equity investments  | 3,540          | 4,073          |
| 80. Insurance reserves charged to reinsurers                            | -              | -              |
| 90. Property, plant and equipment                                       | 9,164          | 9,510          |
| 100. Intangible assets  | 2,350          | 2,234          |
| <i>of which: goodwill</i>   | -              | -              |
| 110. Tax assets:  | 13,120         | 13,702         |
| a) current  | 1,272          | 1,976          |
| b) deferred   | 11,848         | 11,726         |
| 120. Non-current assets and disposal groups classified as held for sale | 1,229          | 2,400          |
| 130. Other assets   | 9,812          | 7,340          |
| <b>Total assets</b>   | <b>857,773</b> | <b>917,227</b> |

## Consolidated accounts

| LIABILITIES AND SHAREHOLDERS' EQUITY                               | AMOUNTS AS AT  |                |
|--|----------------|----------------|
|  | 31.12.2022     | 31.12.2021     |
|  |                | (€ million)    |
| 10. Financial liabilities at amortised cost:                       | 727,473        | 762,153        |
| a) deposits from banks   | 131,341        | 163,515        |
| b) deposits from customers   | 511,925        | 502,740        |
| c) debt securities in issue  | 84,207         | 95,898         |
| 20. Financial liabilities held for trading                         | 51,234         | 51,608         |
| 30. Financial liabilities designated at fair value                 | 10,192         | 9,556          |
| 40. Hedging derivatives  | 3,403          | 4,303          |
| 50. Value adjustment of hedged financial liabilities (+/-)         | (21,504)       | 963            |
| 60. Tax liabilities:   | 1,680          | 1,223          |
| a) current   | 1,140          | 627            |
| b) deferred  | 540            | 596            |
| 70. Liabilities associated with assets classified as held for sale | 579            | 619            |
| 80. Other liabilities  | 13,037         | 13,604         |
| 90. Provision for employee severance pay                           | 368            | 520            |
| 100. Provisions for risks and charges:                             | 7,814          | 10,028         |
| a) commitments and guarantees given                                | 1,402          | 1,427          |
| b) post-retirement benefit obligations                             | 2,959          | 4,742          |
| c) other provisions for risks and charges                          | 3,453          | 3,859          |
| 110. Technical reserves  | -              | -              |
| 120. Valuation reserves  | (4,612)        | (4,336)        |
| 130. Redeemable shares   | -              | -              |
| 140. Equity instruments  | 6,100          | 6,595          |
| 150. Reserves  | 31,657         | 31,451         |
| 160. Share premium   | 2,516          | 5,446          |
| 170. Share capital   | 21,220         | 21,133         |
| 180. Treasury shares (-)   | -              | (200)          |
| 190. Minority shareholders' equity (+/-)                           | 158            | 465            |
| 200. Profit (Loss) of the year (+/-)                               | 6,458          | 2,096          |
| <b>Total liabilities and shareholders' equity</b>                  | <b>857,773</b> | <b>917,227</b> |

## Consolidated accounts

## Consolidated income statement

| ITEMS   | YEAR            |                 |
|---|-----------------|-----------------|
|   | 2022            | 2021            |
| 10. Interest income and similar revenues  | 16,339          | 12,703          |
| <i>of which: interest income calculated with the effective interest method</i>                        | 13,426          | 9,846           |
| 20. Interest expenses and similar charges   | (5,715)         | (3,612)         |
| <b>30. Net interest margin</b>  | <b>10,624</b>   | <b>9,091</b>    |
| 40. Fees and commissions income   | 8,105           | 7,963           |
| 50. Fees and commissions expenses   | (1,418)         | (1,260)         |
| <b>60. Net fees and commissions</b>   | <b>6,687</b>    | <b>6,703</b>    |
| 70. Dividend income and similar revenues  | 437             | 351             |
| 80. Net gains (losses) on trading   | 859             | 1,472           |
| 90. Net gains (losses) on hedge accounting  | 367             | 49              |
| 100. Gains (Losses) on disposal and repurchase of:  | 457             | 244             |
| a) financial assets at amortised cost   | 133             | 53              |
| b) financial assets at fair value through other comprehensive income                                  | 133             | 141             |
| c) financial liabilities  | 191             | 50              |
| 110. Net gains (losses) on other financial assets/liabilities at fair value through profit or loss:   | 563             | (469)           |
| a) financial assets/liabilities designated at fair value  | 1,139           | (306)           |
| b) other financial assets mandatorily at fair value   | (576)           | (163)           |
| <b>120. Operating income</b>  | <b>19,994</b>   | <b>17,441</b>   |
| 130. Net losses/recoveries on credit impairment relating to:  | (2,061)         | (1,648)         |
| a) financial assets at amortised cost   | (2,031)         | (1,630)         |
| b) financial assets at fair value through other comprehensive income                                  | (30)            | (18)            |
| 140. Gains/Losses from contractual changes with no cancellations                                      | (3)             | (5)             |
| <b>150. Net profit from financial activities</b>  | <b>17,930</b>   | <b>15,788</b>   |
| 160. Net premiums   | -               | -               |
| 170. Other net insurance income/expenses  | -               | -               |
| <b>180. Net profit from financial and insurance activities</b>  | <b>17,930</b>   | <b>15,788</b>   |
| 190. Administrative expenses:   | (10,302)        | (11,257)        |
| a) staff costs  | (6,208)         | (7,045)         |
| b) other administrative expenses  | (4,094)         | (4,212)         |
| 200. Net provisions for risks and charges:  | 33              | (377)           |
| a) commitments and financial guarantees given   | 42              | (26)            |
| b) other net provisions   | (9)             | (351)           |
| 210. Net value adjustments/write-backs on property, plant and equipment                               | (764)           | (850)           |
| 220. Net value adjustments/write-backs on intangible assets   | (550)           | (621)           |
| 230. Other operating expenses/income  | 601             | 566             |
| <b>240. Operating costs</b>   | <b>(10,982)</b> | <b>(12,539)</b> |
| 250. Gains (Losses) of equity investments   | 297             | (1,462)         |
| 260. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value | 11              | (19)            |
| 270. Goodwill impairment  | -               | -               |
| 280. Gains (Losses) on disposals on investments   | 33              | 11              |
| <b>290. Profit (Loss) before tax from continuing operations</b>                                       | <b>7,289</b>    | <b>1,779</b>    |
| 300. Tax expenses (income) of the year from continuing operations                                     | (819)           | 343             |
| <b>310. Profit (Loss) after tax from continuing operations</b>  | <b>6,470</b>    | <b>2,122</b>    |
| 320. Profit (Loss) after tax from discontinued operations   | 3               | 4               |
| <b>330. Profit (Loss) of the year</b>   | <b>6,473</b>    | <b>2,126</b>    |
| 340. Minority profit (loss) of the year   | (15)            | (30)            |
| <b>350. Parent Company's profit (loss) of the year</b>  | <b>6,458</b>    | <b>2,096</b>    |
| Earnings per share (€)  | 3.085           | 0.930           |
| Diluted earnings per share (€)  | 3.056           | 0.924           |

## Consolidated accounts

## Consolidated statement of other comprehensive income

(€ million)

| ITEMS  | YEAR           |              |
|--|----------------|--------------|
|  | 2022           | 2021         |
| <b>10. Profit (Loss) for the year</b>  | <b>6,473</b>   | <b>2,126</b> |
| <b>Other comprehensive income after tax not reclassified to profit or loss</b>                             | <b>1,597</b>   | <b>650</b>   |
| 20. Equity instruments designated at fair value through other comprehensive income                         | 55             | 138          |
| 30. Financial liabilities designated at fair value through profit or loss (own creditworthiness changes)   | 60             | 25           |
| 40. Hedge accounting of equity instruments designated at fair value through other comprehensive income     | -              | -            |
| 50. Property, plant and equipment  | 64             | 251          |
| 60. Intangible assets  | -              | -            |
| 70. Defined-benefit plans  | 1,387          | 210          |
| 80. Non-current assets and disposal groups classified as held for sale                                     | 2              | 7            |
| 90. Portion of valuation reserves from investments valued at equity method                                 | 29             | 19           |
| <b>Other comprehensive income after tax reclassified to profit or loss</b>                                 | <b>(1,894)</b> | <b>1,173</b> |
| 100. Foreign investments hedging   | (148)          | -            |
| 110. Foreign exchange differences  | 225            | 287          |
| 120. Cash flow hedging   | (292)          | (314)        |
| 130. Hedging instruments (non-designated items)  | -              | -            |
| 140. Financial assets (different from equity instruments) at fair value through other comprehensive income | (1,374)        | (378)        |
| 150. Non-current assets and disposal groups classified as held for sale                                    | 27             | 1,589        |
| 160. Part of valuation reserves from investments valued at equity method                                   | (332)          | (11)         |
| <b>170. Total other comprehensive income after tax</b>   | <b>(297)</b>   | <b>1,823</b> |
| <b>180. Other comprehensive income (Item 10+170)</b>   | <b>6,176</b>   | <b>3,949</b> |
| 190. Minority consolidated other comprehensive income  | (9)            | (30)         |
| <b>200. Parent Company's consolidated other comprehensive income</b>                                       | <b>6,167</b>   | <b>3,919</b> |



## Consolidated accounts

## Statement of changes in the consolidated shareholders' equity as at 31 December 2022

(€ million)

|                                   | BALANCE AS AT 31.12.2021 | CHANGE IN OPENING BALANCE | BALANCE AS AT 01.01.2022 | PREVIOUS YEAR PROFIT (LOSS) ALLOCATION |                                 | CHANGES IN THE YEAR |                                   |                             |                    |                                      |                              |                             |               |                               |                                 | TOTAL SHAREHOLDERS' EQUITY AS AT 31.12.2022 | GROUP SHAREHOLDERS' EQUITY AS AT 31.12.2022 | MINORITY SHAREHOLDERS' EQUITY AS AT 31.12.2022 |      |
|-----------------------------------|--------------------------|---------------------------|--------------------------|--|---------------------------------|---------------------|-----------------------------------|-----------------------------|--------------------|--------------------------------------|------------------------------|-----------------------------|---------------|-------------------------------|---------------------------------|---|---|--|------|
|                                   |                          |                           |                          | RESERVES                               | DIVIDENDS AND OTHER ALLOCATIONS | CHANGES IN RESERVES | SHAREHOLDERS' EQUITY TRANSACTIONS |                             |                    |                                      |                              |                             |               |                               |                                 |   |   |  |      |
|                                   |                          |                           |                          |  |                                 |                     | ISSUE OF NEW SHARES               | PURCHASE OF TREASURY SHARES | ADVANCED DIVIDENDS | DIVIDENDS EXTRAORDINARY DISTRIBUTION | CHANGE IN EQUITY INSTRUMENTS | TREASURY SHARES DERIVATIVES | STOCK OPTIONS | CHANGES IN EQUITY INVESTMENTS | OTHER COMPREHENSIVE INCOME 2022 |   |   |  |      |
| Share capital:                    | 21,300                   | -                         | 21,300                   | -                                      | -                               | (114)               | 87                                | -                           | -                  | -                                    | -                            | -                           | -             | -                             | -                               | -   | 21,273                                      | 21,220   | 53   |
| - ordinary shares                 | 21,300                   | -                         | 21,300                   | -                                      | -                               | (114)               | 87                                | -                           | -                  | -                                    | -                            | -                           | -             | -                             | -                               | -   | 21,273                                      | 21,220   | 53   |
| - other shares                    | -                        | -                         | -                        | -                                      | -                               | -                   | -                                 | -                           | -                  | -                                    | -                            | -                           | -             | -                             | -                               | -   | -   | -  | -    |
| Share premium                     | 5,542                    | -                         | 5,542                    | -                                      | -                               | (2,998)             | -                                 | -                           | -                  | -                                    | -                            | -                           | -             | -                             | -                               | -   | 2,544                                       | 2,516  | 28   |
| Reserves:                         | 31,621                   | -                         | 31,621                   | 909                                    | -                               | (772)               | (87)                              | -                           | -                  | -                                    | -                            | -                           | 55            | -                             | -                               | -   | 31,726                                      | 31,657   | 69   |
| - from profits                    | 22,958                   | -                         | 22,958                   | 909                                    | -                               | (116)               | (87)                              | -                           | -                  | -                                    | -                            | -                           | -             | -                             | -                               | -   | 23,664                                      | 23,722   | (58) |
| - other                           | 8,663                    | -                         | 8,663                    | -                                      | -                               | (656)               | -                                 | -                           | -                  | -                                    | -                            | -                           | 55            | -                             | -                               | -   | 8,062                                       | 7,935  | 127  |
| Valuation reserves                | (4,334)                  | -                         | (4,334)                  | -                                      | -                               | 12                  | -                                 | -                           | -                  | -                                    | -                            | -                           | -             | (297)                         | -                               | -   | (4,619)                                     | (4,612)  | (7)  |
| Advanced dividends                | -                        | -                         | -                        | -                                      | -                               | -                   | -                                 | -                           | -                  | -                                    | -                            | -                           | -             | -                             | -                               | -   | -   | -  | -    |
| Equity instruments                | 6,595                    | -                         | 6,595                    | -                                      | -                               | -                   | -                                 | -                           | -                  | -                                    | (495)                        | -                           | -             | -                             | -                               | -   | 6,100                                       | 6,100  | -    |
| Treasury shares                   | (200)                    | -                         | (200)                    | -                                      | -                               | -                   | 3,232                             | (3,032)                     | -                  | -                                    | -                            | -                           | -             | -                             | -                               | -   | -   | -  | -    |
| Profit (Loss) for the year        | 2,126                    | -                         | 2,126                    | (909)                                  | (1,217)                         | -                   | -                                 | -                           | -                  | -                                    | -                            | -                           | -             | -                             | 6,473                           | 6,473                                       | 6,458                                       | 15   |      |
| <b>Total shareholders' equity</b> | <b>62,650</b>            | <b>-</b>                  | <b>62,650</b>            | <b>-</b>                               | <b>(1,217)</b>                  | <b>(3,872)</b>      | <b>3,232</b>                      | <b>(3,032)</b>              | <b>-</b>           | <b>-</b>                             | <b>(495)</b>                 | <b>-</b>                    | <b>55</b>     | <b>-</b>                      | <b>6,176</b>                    | <b>63,497</b>                               | <b>63,339</b>                               | <b>158</b>                                     |      |
| Group shareholders' equity        | 62,185                   | -                         | 62,185                   | -                                      | (1,174)                         | (3,599)             | 3,232                             | (3,032)                     | -                  | -                                    | (495)                        | -                           | 55            | -                             | 6,167                           | 63,339                                      |   |  |      |
| Minority shareholders' equity     | 465                      | -                         | 465                      | -                                      | (43)                            | (273)               | -                                 | -                           | -                  | -                                    | -                            | -                           | -             | 9                             | 158                             |   |   |  |      |

The amounts disclosed in column "Stock Options" represent the effects of the delivery of shares connected with Group Executive Incentive Plans. The cumulated change of valuation reserves, for -€285 million, mainly includes the effect of the variation for:

- +€1,392 million of defined-benefit plans related to pensions and other post-retirement benefits obligations and provision for employees severance pay. The positive variation is mainly due to the increase in discount rate induced by the reduction in prices of High Quality Corporate Bonds, partially offset by (i) plan assets performance and (ii) salary and pension trend increases to reflect outstanding macroeconomic scenario, characterised by a significant inflation pressure driven by energy and commodities prices;
- +€225 million of exchange differences, mainly related to effect of Russian Ruble for +€206 million;
- +€64 million of property, plant and equipment related to the properties used in business, ruled by IAS16 "Property, plant and equipment";
- -€148 million of hedges of foreign investments mainly referred to hedges of Ruble investment expired in May 2022;
- -€269 million of investments valued at net equity;
- -€292 million of cash-flow hedges;
- -€1,259 million of financial asset and liabilities at fair value.

The change in Group share capital refers to the increase for +€87 million following the resolution of the Board of Directors of 15 February 2022 of UniCredit S.p.A. executed through a withdrawal from the specifically constituted reserve, for the issue of the shares connected to the medium-term incentive plan for Group personnel.

Following the resolutions of the Shareholders' Meeting of UniCredit S.p.A. of 8 April 2022 occurred:

- the allocation of the net profit of the year 2021 to the Reserve for the issue of the shares connected to the medium term incentive plan for Group personnel (€65 million) and to the Statutory reserve (€9,127 million);
- coverage of the negative reserves totaling €380 million, partly by use of Share premium reserve to eliminate the negative components related to the payment of AT1 coupons (€350 million) and partly by use of the Statutory reserve to cover the negative reserve emerged from the cash-out of usufruct contract signed with Mediobanca S.p.A. on UniCredit shares supporting the issuance of convertible securities denominated "Cashes" (€30 million).

## Consolidated accounts

Following the resolutions of the Shareholders' Meeting of UniCredit S.p.A. of 8 April 2022 and 14 September 2022 authorizing the purchase of treasury shares aimed at the remuneration of the shareholders ("Buy-Back Programme 2021") occurred:

- (i) the allocation of a portion of the Share Premium Reserve to set up the specific unavailable reserve for the purchase of treasury shares for the maximum amount authorised (€2,580 million); the purchase transactions were executed in two tranches ("First Tranche of the Buy-Back Programme 2021" and "Second Tranche of the Buy-Back Programme 2021") completed respectively on 14 July 2022 and 30 November 2022 with the purchase of a total of No.249,134,870 shares for a total consideration of €2,580 million recorded under the item Treasury shares;
- (ii) the unavailable reserve was consequently used to offset the negative item Treasury shares following the cancellation of the treasury shares in portfolio registered on 19 July 2022 and 14 December 2022.

The change of the other reserves includes the payment of coupons on AT1 equity instruments for -€298 million.

Moreover, the negative changes in the year of the item "Treasury shares" for -€3,032 million refer to: (i) -€452 million to the purchase of UniCredit S.p.A. ordinary shares started in 2021 and concluded on 28 February 2022 upon completion of the "Second Buy-Back Programme 2021" related to the distribution of 2020; these purchased shares, together with the treasury shares purchased in 2021 (€199 million), were cancelled without reducing the share capital on 2 March 2022 for the overall amount of €651 million corresponding to the maximum expenditure authorised; (ii) -€2,580 million represent the purchase of ordinary shares under execution of "First and Second Tranche of the Buy-Back Programme 2021" related to the distribution of 2021 and the consequent cancellation respectively on 19 July 2022 and 14 December 2022 without reduction of "Share capital". The cancellation of own shares is conventionally disclosed in the column "Issue of new shares".

The change in the period in the item "Equity instruments" refers to early redemption of the Additional Tier 1 instruments issued in 2016 in accordance with the relevant terms and conditions of the securities.

The decrease in the item "Minority shareholders' equity" is mainly due to corporate transaction executed in the third quarter 2022 increasing the Group percent stake on Zagrebacka Banka D.D. (for the further details refer to Consolidated report on operations - Other information - Group activities development operations and other corporate transactions).

For further details about the Shareholders' equity changes refer to Notes to the consolidated accounts, Part B - Consolidated balance sheet - Liabilities, Section 13.

## Consolidated accounts

## Statement of changes in the consolidated shareholders' equity as at 31 December 2021

(€ million)

|                                   | BALANCE AS AT 31.12.2020 | CHANGE IN OPENING BALANCE | BALANCE AS AT 01.01.2021 | PREVIOUS YEAR PROFIT (LOSS) ALLOCATION |                                 | CHANGES IN THE YEAR |                                   |                             |                    |                                      |                              |                             |               |                               |                                 | TOTAL SHAREHOLDERS' EQUITY AS AT 31.12.2021 | GROUP SHAREHOLDERS' EQUITY AS AT 31.12.2021 | MINORITY SHAREHOLDERS' EQUITY AS AT 31.12.2021 |            |          |
|-----------------------------------|--------------------------|---------------------------|--------------------------|--|---------------------------------|---------------------|-----------------------------------|-----------------------------|--------------------|--------------------------------------|------------------------------|-----------------------------|---------------|-------------------------------|---------------------------------|---|---|--|------------|----------|
|                                   |                          |                           |                          | RESERVES                               | DIVIDENDS AND OTHER ALLOCATIONS | CHANGES IN RESERVES | SHAREHOLDERS' EQUITY TRANSACTIONS |                             |                    |                                      |                              |                             |               |                               |                                 |   |   |  |            |          |
|                                   |                          |                           |                          |  |                                 |                     | ISSUE OF NEW SHARES               | PURCHASE OF TREASURY SHARES | ADVANCED DIVIDENDS | DIVIDENDS EXTRAORDINARY DISTRIBUTION | CHANGE IN EQUITY INSTRUMENTS | TREASURY SHARES DERIVATIVES | STOCK OPTIONS | CHANGES IN EQUITY INVESTMENTS | OTHER COMPREHENSIVE INCOME 2021 |   |   |  |            |          |
| Share capital:                    | 21,229                   | -                         | 21,229                   | -                                      | -                               | (2)                 | 73                                | -                           | -                  | -                                    | -                            | -                           | -             | -                             | -                               | -   | -   | 21,300   | 21,133     | 167      |
| - ordinary shares                 | 21,229                   | -                         | 21,229                   | -                                      | -                               | (2)                 | 73                                | -                           | -                  | -                                    | -                            | -                           | -             | -                             | -                               | -   | -   | 21,300   | 21,133     | 167      |
| - other shares                    | -                        | -                         | -                        | -                                      | -                               | -                   | -                                 | -                           | -                  | -                                    | -                            | -                           | -             | -                             | -                               | -   | -   | -  | -          | -        |
| Share premium                     | 9,476                    | -                         | 9,476                    | (2,732)                                | -                               | (1,202)             | -                                 | -                           | -                  | -                                    | -                            | -                           | -             | -                             | -                               | -   | -   | 5,542  | 5,446      | 96       |
| Reserves:                         | 31,334                   | -                         | 31,334                   | (49)                                   | -                               | 610                 | (73)                              | -                           | -                  | (268)                                | -                            | -                           | 67            | -                             | -                               | -   | -   | 31,621   | 31,451     | 170      |
| - from profits                    | 23,495                   | -                         | 23,495                   | (49)                                   | -                               | (147)               | (73)                              | -                           | -                  | (268)                                | -                            | -                           | -             | -                             | -                               | -   | -   | 22,958   | 22,914     | 44       |
| - other                           | 7,839                    | -                         | 7,839                    | -                                      | -                               | 757                 | -                                 | -                           | -                  | -                                    | -                            | -                           | 67            | -                             | -                               | -   | -   | 8,663  | 8,537      | 126      |
| Valuation reserves                | (6,157)                  | -                         | (6,157)                  | -                                      | -                               | -                   | -                                 | -                           | -                  | -                                    | -                            | -                           | -             | -                             | -                               | 1,823                                       | (4,334)                                     | (4,336)  | -          | 2        |
| Advanced dividends                | -                        | -                         | -                        | -                                      | -                               | -                   | -                                 | -                           | -                  | -                                    | -                            | -                           | -             | -                             | -                               | -   | -   | -  | -          | -        |
| Equity instruments                | 6,841                    | -                         | 6,841                    | -                                      | -                               | -                   | -                                 | -                           | -                  | -                                    | (246)                        | -                           | -             | -                             | -                               | -   | -   | 6,595  | 6,595      | -        |
| Treasury shares                   | (3)                      | -                         | (3)                      | -                                      | -                               | -                   | 181                               | (378)                       | -                  | -                                    | -                            | -                           | -             | -                             | -                               | -   | -   | (200)  | (200)      | -        |
| Profit (Loss) for the year        | (2,778)                  | -                         | (2,778)                  | 2,781                                  | (3)                             | -                   | -                                 | -                           | -                  | -                                    | -                            | -                           | -             | -                             | -                               | 2,126                                       | 2,126                                       | 2,096  | 30         | -        |
| <b>Total shareholders' equity</b> | <b>59,942</b>            | <b>-</b>                  | <b>59,942</b>            | <b>-</b>                               | <b>(3)</b>                      | <b>(594)</b>        | <b>181</b>                        | <b>(378)</b>                | <b>-</b>           | <b>(268)</b>                         | <b>(246)</b>                 | <b>-</b>                    | <b>67</b>     | <b>-</b>                      | <b>3,949</b>                    | <b>62,650</b>                               | <b>62,650</b>                               | <b>62,185</b>                                  | <b>465</b> | <b>-</b> |
| Group shareholders' equity        | 59,507                   | -                         | 59,507                   | -                                      | (2)                             | (595)               | 181                               | (378)                       | -                  | (268)                                | (246)                        | -                           | 67            | -                             | 3,919                           | 62,185                                      |   |  |            |          |
| Minority shareholders' equity     | 435                      | -                         | 435                      | -                                      | (1)                             | 1                   | -                                 | -                           | -                  | -                                    | -                            | -                           | -             | -                             | 30                              | 465   |   |  |            |          |

The amounts disclosed in column "Stock Options" represented the effects of the delivery of shares connected with Group Executive Incentive Plans. The cumulated change of valuation reserves, for +€1,823 million, mainly included the effect of the variation for:

- +€1,604 million of investments valued at net equity mainly due to the following transactions related to the 20% stake in Yapi Ve Kredi Bankasi A.S. (YK): (i) the disposal of the 2% in the Market; (ii) the deconsolidation of the 18% following the loss of UniCredit's significant influence over YK (and the consequent recognition of a financial instrument in financial assets measured at fair value through profit or loss); such events implied the recycle, mostly through P&L, of the related reserves, basically referred to exchange rate differences on Turkish Lira (for the further details refer to Part B - Consolidated balance sheet - Assets, Section 7 - Equity investments - Item 70, 7.1 Equity investments: information on shareholders' equity of 2021 Annual Reports and Accounts);
- +€287 million of exchange differences, mainly related to Russian Ruble for +€154 million and Czech Crown for +€147 million;
- +€245 million of property, plant and equipment related to the properties used in business, ruled by IAS16 "Property, plant and equipment" mainly referred to the alignment between tax values of tangible assets and higher accounting values;
- +€214 million of defined-benefit plans related to pensions and other post-retirement benefits obligations and provision for employee severance pay. The positive variation was mainly due to increase in discount rate induced by the reduction in prices of High Quality Corporate Bonds partially offset by plan assets performance;
- -€209 million of financial asset and liabilities at fair value;
- -€314 million of cash-flow hedges.

The change in Group share capital referred to the increase for +€73 million following the resolution of the Board of Directors of 10 February 2021 of UniCredit S.p.A. executed through a withdrawal from the specifically constituted reserve, for the issue of the shares connected to the medium-term incentive plan for Group personnel.

## Consolidated accounts

Following the resolutions of the Shareholders' Meeting of UniCredit S.p.A. of 15 April 2021 occurred:

- (i) coverage of the entire loss from the 2020 financial year through the use of the Share Premium Reserve (€2,732 million);
- (ii) increase of the Legal reserve (€55 million) withdrawn from Share Premium Reserve;
- (iii) coverage of the negative reserves totaling €449 million, partly by use of Share premium reserve to eliminate the negative components related to the payment of AT1 coupons (€322 million) and partly by use of the Statutory reserve to cover the negative reserve emerged from cash-out, made during 2020, of usufruct contract signed with Mediobanca S.p.A. on UniCredit shares supporting the issuance of convertible securities denominated "Cashes" (€127 million);
- (iv) the allocation of portion of the Share Premium Reserve (€179 million) to specific unavailable reserve for the execution of the "First Buy-Back Programme 2021" related to the distribution of 2020 (which was concluded on 23 June 2021 with the purchase of No.17,416,128 shares recorded under the item Treasury shares);
- (v) the unavailable reserve was consequently used to offset the negative item Treasury shares (€181 million) following the cancellation of the shares registered on 4 October 2021, including treasury shares already held in portfolio before the start of the buy-back;
- (vi) for the execution of the "Second Buy-Back Programme" related to the distribution of 2020 launched on 13 December 2021, an additional portion of the Share Premium Reserve (€652 million) was allocated to the specific unavailable reserve for the maximum amount of authorised purchases. The change in the period in the item "Purchase of treasury shares" included also -€199 million for the purchase of No.15,048,642 shares performed till 31 December 2021 in execution of the "Second Buy-Back Programme 2021" related to the distribution of 2020.

Moreover, the change of the other reserves included the payment of coupons on AT1 equity instruments for -€343 million.

Furthermore, the change in the period in the item "Equity instruments" equal to -€246 million referred to: (i) -€990 million anticipated redemption of AT1 equity instruments issued in 2014; (ii) +€744 million issue of AT1 equity instruments, both net of fees.

## Consolidated accounts

## Consolidated cash flow statement (indirect method)

|  | YEAR            |                 |
|--|-----------------|-----------------|
|  | 2022            | 2021            |
|  | (€ million)     |                 |
| <b>A. OPERATING ACTIVITIES</b>   |                 |                 |
| <b>1. Operations:</b>  | <b>8,780</b>    | <b>7,421</b>    |
| - profit (loss) for the year (+/-)   | 6,473           | 2,126           |
| - gains/losses on financial assets held for trading and on other financial assets/liabilities at fair value through profit or loss (-/+) | (4,522)         | (2,818)         |
| - gains (losses) on hedge accounting (-/+)   | (367)           | (49)            |
| - net impairment losses/writebacks on impairment for credit risk (+/-)   | 4,672           | 3,715           |
| - net value adjustments/write-backs on property, plant and equipment and intangible assets (+/-)   | 1,303           | 1,490           |
| - net provisions for risks and charges and other expenses/income (+/-)   | (532)           | 1,476           |
| - uncollected net premiums (-)   | -               | -               |
| - other uncollected insurance income/expenses (-/+)  | -               | -               |
| - unpaid duties, taxes and tax credits (+/-)   | 587             | (440)           |
| - impairment/write-backs after tax on discontinued operations (+/-)  | -               | -               |
| - other adjustments (+/-)  | 1,166           | 1,921           |
| <b>2. Liquidity generated/absorbed by financial assets:</b>  | <b>40,221</b>   | <b>(1,164)</b>  |
| - financial assets held for trading  | 22,291          | (2,665)         |
| - financial assets designated at fair value  | (130)           | (68)            |
| - other financial assets mandatorily at fair value   | 3,106           | 2,859           |
| - financial assets at fair value through other comprehensive income  | 12,153          | 3,826           |
| - financial assets at amortised cost   | 20,600          | 628             |
| - other assets   | (17,799)        | (5,744)         |
| <b>3. Liquidity generated/absorbed by financial liabilities:</b>   | <b>(38,737)</b> | <b>(13,778)</b> |
| - financial liabilities at amortised cost  | (35,680)        | (15,196)        |
| - financial liabilities held for trading   | (3,064)         | 2,367           |
| - financial liabilities designated at fair value   | 1,973           | (1,254)         |
| - other liabilities  | (1,966)         | 305             |
| <b>Net liquidity generated/absorbed by operating activities</b>  | <b>10,264</b>   | <b>(7,521)</b>  |
| <b>B. INVESTMENT ACTIVITIES</b>  |                 |                 |
| <b>1. Liquidity generated by:</b>  | <b>1,057</b>    | <b>638</b>      |
| - sales of equity investments  | 504             | 67              |
| - collected dividends on equity investments  | 136             | 150             |
| - sales of property, plant and equipment   | 393             | 392             |
| - sales of intangible assets   | -               | -               |
| - sales of subsidiaries and business units   | 24              | 29              |
| <b>2. Liquidity absorbed by:</b>   | <b>(1,294)</b>  | <b>(1,337)</b>  |
| - purchases of equity investments  | (124)           | (1)             |
| - purchases of property, plant and equipment   | (517)           | (522)           |
| - purchases of intangible assets   | (653)           | (715)           |
| - purchases of subsidiaries and business units   | -               | (99)            |
| <b>Net liquidity generated/absorbed by investment activities</b>   | <b>(237)</b>    | <b>(699)</b>    |
| <b>C. FUNDING ACTIVITIES</b>   |                 |                 |
| - issue/purchase of treasury shares  | (3,043)         | (378)           |
| - issue/purchase of equity instruments   | (500)           | (256)           |
| - dividend distribution and other  | (1,702)         | (774)           |
| - sale/purchase of minority control  | (306)           | -               |
| <b>Net liquidity generated/absorbed by funding activities</b>  | <b>(5,551)</b>  | <b>(1,408)</b>  |
| <b>NET LIQUIDITY GENERATED/ABSORBED IN THE YEAR</b>  | <b>4,476</b>    | <b>(9,628)</b>  |

Key:  
 (+) generated;  
 (-) absorbed.

## Consolidated accounts

## Reconciliation

| ITEMS  | YEAR           |                |
|--|----------------|----------------|
|  | 2022           | 2021           |
| <b>Cash and cash balances at the beginning of the year</b> | <b>107,407</b> | <b>117,003</b> |
| Net liquidity generated/absorbed in the year               | 4,476          | (9,628)        |
| Cash and cash balances: foreign exchange effect            | (107)          | 32             |
| <b>Cash and cash balances at the end of the year</b>       | <b>111,776</b> | <b>107,407</b> |

(€ million)

The item "Cash and cash balances" refers to the definition according to Banca d'Italia (Circular No.262 of 22 December 2005 and subsequent amendments). For further details on item's composition refer to Part B - Consolidated balance sheet - Assets, Section 1 - Cash and cash balances - Item 10 of the Notes to the consolidated accounts.

The information related to the significant restrictions are provided in Part A - Accounting Policies, A.1 - General, Section 3 - Consolidation scope and methods.







## Part A - Accounting policies

### A.1 - General

#### Section 1 - Statement of compliance with IFRS

These Consolidated financial statements have been prepared in accordance with the IFRS issued by the International Accounting Standards Board (IASB), including the interpretation documents issued by the SIC and the IFRIC, and endorsed by the European Commission up to 31 December 2022, pursuant to EU Regulation No.1606/2002 which was incorporated into Italian legislation through Legislative Decree No.38 of 28 February 2005 (see Section 5 - Other matters).

These financial statements are an integral part of the Annual financial statements as required by Art.154-ter, par.1 of the Single Finance Act (Consolidated Law on Finance - "TUF", Legislative Decree No.58 of 24 February 1998).

In Circular No.262 of 22 December 2005 of Banca d'Italia (and subsequent amendments), with regard to the banks and financial institutions subject to supervision, Banca d'Italia has established the formats for the financial statements and Notes to the accounts used to prepare these Consolidated financial statements.

## Part A - Accounting policies

### Section 2 - General preparation criteria

As mentioned above, these “Consolidated financial statements as at 31 December 2022” have been prepared in accordance with the international accounting standards endorsed by the European Commission.

The following documents have been used to interpret and support the application of IAS/IFRS, even though they have not all been endorsed by the European Commission:

- The Conceptual Framework for Financial Reporting;
- Implementation Guidance, Basis for Conclusions, IFRICs and the documents prepared by either the IASB (including the IFRS Foundation communication of 27 March 2020 concerning “IFRS9 and Covid-19”) or the International Financial Reporting Interpretations Committee (IFRIC) supplementing the IFRS;
- Interpretative documents on the application of the IAS/IFRS in Italy prepared by the Organismo Italiano di Contabilità (the Italian Standard Setter; OIC) and Associazione Bancaria Italiana (Italian Banking Association, that is the trade association of Italian banks; ABI);
- Coordination Table between Banca d’Italia, Consob ed Ivass with regard to the application of IAS/IFRS, in particular the Document n.9, dated 5 January 2021, Accounting Treatment of tax credits connected with the “Cura Italia” and “Rilancio” Law Decrees purchased following the sale without recourse by the direct beneficiaries or previous buyers (“Trattamento contabile dei crediti d’imposta connessi con i Decreti Legge “Cura Italia” e “Rilancio” acquistati a seguito di cessione da parte dei beneficiari diretti o di precedenti acquirenti”);
- ESMA (European Securities and Markets Authority), European Banking Authority, European Central Bank and Consob documents on the application of specific IAS/IFRS provisions also with specific reference to the presentation of the effects arising from Covid-19 pandemic and geopolitical tensions and their effects on the evaluation processes. In particular, it shall be made reference to the ESMA statements dated 28 October 2020, 29 October 2021, 14 March 2022, 13 May 2022 and 28 October 2022, to the European Central Bank statement dated 4 December 2020, to the European Banking Authority statements dated 2 December 2020, and to Consob “Call for attention” dated 16 February 2021, 18 March 2022 and 19 May 2022. The content of such communications, when relevant, has been reported in “Section 5. Other matters” of Notes to the consolidated accounts, Part A - Accounting policies, A.1 General, in the context of valuation choices performed by the Group as of 31 December 2022.

The Consolidated financial statements include the Balance sheet, the Income statement, the Statement of other comprehensive income, the Statement of changes in shareholders’ equity, the Cash flow statement (compiled using the “indirect method”) and the Notes to the consolidated accounts, together with the Consolidated report on operations and Annexes. The schemes and Notes of the “Consolidated financial statement as at 31 December 2022” are in line with Banca d’Italia templates as prescribed by Circular 262 dated 22 December 2005 (and subsequent amendments) as well as 21 December 2021 communication on impacts of Covid-19 and measures to support the economy, and they present comparative figures, as at 31 December 2021. More specifically, 2021 comparative figures have been recasted, when relevant, in order to reflect the impacts arising from the “back in use” of subsidiaries previously classified as “Held for Sale”.

Figures in the consolidated accounts and Notes to the consolidated accounts are given in millions of euros, unless otherwise specified.

#### Risks and uncertainty relating to the use of estimates

Under the IFRS, management must make judgments, estimates and assumptions that affect the application of accounting principles and the amounts of assets/liabilities and income and expenses reported in the accounts, as well as the disclosure concerning contingent assets and liabilities.

Estimates and related assumptions are based on previous experience and on the available information framework with reference to the current and expected context and have been used to estimate the carrying values of assets and liabilities not readily available from other sources.

Estimates and assumptions are regularly reviewed. Any change resulting from these reviews is recognised in the period in which the review was carried out, provided the change only concerns that period. If the review concerns both current and future periods, it is recognised accordingly in both current and future periods.

In particular, estimated figures have been used for the recognition and measurement of some of the main items in the Consolidated financial statements as at 31 December 2022, as required by the accounting policies, statements and regulations described above.

The current market environment continues to be affected by high levels of uncertainty for both the short and the medium-term outlook. The economic consequences stemming from the geopolitical tension are continuing to unfold and darken the outlook for the euro area economy, pushing up inflationary pressures. In this respect, according to ECB macroeconomic projections updated in December 2022<sup>11</sup>, the outlook for the euro area foresees weak growth, high and persistent inflation, high interest rates, and an appreciation of the euro. The negative economic repercussions are expected to be partially mitigated by the energy-related fiscal measures that will support economic growth in 2023, but this is offset by the withdrawal of previous Covid-19-related fiscal support. In addition, high levels of natural gas inventories and ongoing efforts to reduce demand and replace Russian gas with alternative sources imply that the euro area is expected to avoid the need for mandated energy-related production cuts over the projection horizon, although risks of energy supply disruptions remain elevated (for winter 2023-2024) with some negative economic impact. Over the medium term, as the energy market rebalances, it is expected that uncertainty will decline, and economic growth will rebound. Headline inflation is expected to remain extremely high in the short term and to decline steadily throughout 2023.

<sup>11</sup> ECB staff macroeconomic projections for the euro area, December 2022.

## Part A - Accounting policies

Additionally, ESMA issued a public statement ("European common enforcement priorities for 2022 Annual Financial Reports") indicating the most relevant areas for monitoring and assessing the application of the reporting requirements for 2022 Year End financial statements. In particular, ESMA observes the need to assess and reflect on financial statements the effects arising from the current macroeconomic environment (pandemic, inflation, higher interest rates, deterioration of business climate, geopolitical risks and uncertainties regarding future outlook) and reiterates the matters included in its previous Public Statements (i.e., October 2021 and June 2022) with reference to going concern, impairment of assets, estimation uncertainty, significant judgements, and presentation of financial statements.

In the context of persisting uncertainty explained above and considering the aforementioned ESMA communication, UniCredit group has defined different macro-economic scenarios, to be used for the purposes of the evaluation processes of 2022 Consolidated financial statements. In particular, in addition to the "Baseline" scenario (so called "Mild Recession"), which reflects the expectations considered most likely concerning macro-economic trends, a Downturn Scenario (so called "Severe Recession") has been outlined, the latter reflecting a downward forecast of the macroeconomic parameters and consequently in the expected profitability of the business; in light of the persistent level of uncertainty, no positive scenario was included in the approach (thus, the positive scenario was weighted at zero percent). These scenarios are used for the DTA sustainability test and for LLP calculation.

The paragraphs below provide a detailed description of the characteristics associated with the above scenarios.

### Features of the scenarios

- **Baseline scenario:** it is the main reference scenario, underlying the budget for 2023, and the projections for 2024 and 2025. Such scenario assumes - in terms of macro-economic conditions - moderate Gross Domestic Product (i.e., GDP) growth compared with previous scenario, with a downside in 2023 mostly based on evolution of conflict and its direct consequences. Major headwinds to stronger growth continued to be high energy prices, weak global trade and persistent supply shortages, even if no major rationing of gas is expected to be needed. In particular, the baseline scenario embeds the following assumptions: (i) no material gas rationing in most of countries; country's counter actions (high storage level and gas savings) are assumed to be able to compensate a very low (also a shutdown, at a certain moment) gas supply from Russia; (ii) high inflation for the years 2022 -2024, in line with higher energy, food and commodity prices; (iii) ECB monetary policy expected to remain tight up to mid 2024; and (iv) Russia Sovereign Rating at CCC from the last quarter 2022 to 2025. In Italy and Germany, no growth is foreseen in 2023, followed by an increase in Real GDP growth rates in 2024 and 2025; for Central and Eastern Europe (incl. Austria and excluding Russia), the Real GDP is expected to increase in 2023 with a further additional spike in the following 2 years; for Russia a growth shock is assumed in 2023, while growth will resume in 2024 and 2025. With reference to FX rates, the Baseline scenario assumes the Russian ruble depreciation over time, mainly explained by: i) export volumes falling due to embargo; ii) import spending higher than in 2022 as import flows from new trade routes; iii) financial account of the Balance of Payments likely to be characterized by flight of foreign capital also considering the decision of several Multinational Corporations to exit from Russian market. Inflation in Eurozone will start to decrease in 2023, but remaining high on yearly average. Uncertainties/risks of higher inflation in the medium term persist, also considering that ECB expectations for 2024 and 2025 remain higher than medium/term inflation target of 2%. With reference to the interest rate, market futures are priced in a significant hawkish approach from ECB in the coming months. The 10Y BTP-Bund spread is not assumed to have a relevant pressure.
- **Downturn scenario:** this scenario embeds stressed macro-economic conditions, considering the possible implications of further escalation in the geopolitical crisis, and higher inflation in 2023 stemming from intensified supply side disruption and higher energy costs, with erosion of real incomes, low consumptions and investments. In addition, the scenario assumes: (i) ECB rates lower than the Baseline scenario; inflation expected to decline in the medium-term, but higher than ECB target up to 2024 (i.e., 2%); (ii) Russia Sovereign Rating at CCC from the last quarter 2022 to 2025 (but with an increase in Probability of Default, compared to the Baseline scenario, from the last quarter 2023 to 2025). For Italy and Germany, GDP would contract in 2023 more than in Baseline scenario, due to a further escalation of the geopolitical crisis, and lower substitution capability of Gas supply with other sources, generating further disruptions in the supply chain. For Central and Eastern Europe (incl. Austria & excluding Russia), a growth shock is assumed in 2023, with a faster recovery in 2024 and 2025. For Russia, a more significant growth shock is assumed in 2023, while growth will gradually resume in 2024 and 2025. With reference to inflation, expected inflation is higher than in the baseline scenario for Eurozone. BTP credit spread is expected to experience a higher pressure compared to the baseline scenario.

The table below shows the most significant macro-economic data characterizing the "Baseline" and "Downturn" scenarios, to highlight the different assumptions underlying these scenarios.

## Part A - Accounting policies

| INTEREST RATES, INFLATION AND YIELD ENVIRONMENT, EoP% |   | 2022             | 2023  | 2024 | 2025 |
|---|---|------------------|-------|------|------|
| Mild Recession Scenario 2022 (Baseline)               | Euribor 3M (bps)                          | 213              | 260   | 160  | 160  |
|   | Spread BTP - Bund (bps)                   | 213              | 220   | 200  | 180  |
|   | <b>Real GDP growth y/y, %</b>             |                  |       |      |      |
|   | Italy                                     | 3.3              | -     | 1.0  | 1.3  |
|   | Germany                                   | 1.4              | (0.2) | 1.6  | 1.6  |
|   | CE & EE (excl. Russia)                    | 4.5              | 0.5   | 2.7  | 2.9  |
|   | Russia                                    | (5.0)            | (4.0) | 2.5  | 1.5  |
|   | <b>Inflation</b>                          |                  |       |      |      |
|   | Italy                                     | 8.1              | 5.8   | 3.3  | 2.3  |
|   | Germany                                   | 8.0              | 7.0   | 3.9  | 2.7  |
|   | CE & EE (excl. Russia)                    | 12.0             | 9.3   | 4.7  | 3.0  |
|   | Russia                                    | 14.2             | 7.7   | 5.5  | 4.3  |
|   | Severe Recession Scenario 2022 (Downturn) | Euribor 3M (bps) | 213   | 160  | 135  |
| Spread BTP - Bund (bps)                               |   | 213              | 250   | 225  | 225  |
| <b>Real GDP growth y/y, %</b>                         |   |                  |       |      |      |
| Italy   |   | 1.8              | (3.8) | 1.6  | 1.4  |
| Germany   |   | 0.5              | (3.4) | 2.3  | 2.0  |
| CE & EE (excl. Russia)                                |   | 2.4              | (3.8) | 3.2  | 3.0  |
| Russia  |   | (6.1)            | (4.8) | 0.7  | 1.2  |
| <b>Inflation</b>                                      |   |                  |       |      |      |
| Italy   |   | 8.1              | 7.4   | 3.7  | 2.1  |
| Germany   |   | 8.0              | 9.4   | 4.1  | 2.7  |
| CE & EE (excl. Russia)                                |   | 12.0             | 11.3  | 5.9  | 3.6  |
| Russia  |   | 14.2             | 12.5  | 7.5  | 6.5  |

**Deferred tax assets**

With reference to deferred tax assets, the measurement is significantly influenced by assumptions about future cash flows, which in turn incorporate assumptions on the evolution of the macro-economic scenario. As a result, for the measurement purposes, and with the aim to reflect the uncertainty, both the scenarios above outlined were considered, pursuant to requirements of ESMA public statement. In particular, the future cash flows were estimated by weighting the "Baseline" and the "Downturn" scenarios respectively for 60% and 40%.

Moreover, considering that, further to the cash flows, additional parameters are relevant in the calculation approach underlying the DTA sustainability test, the evaluation of (i) volatility of expected profits before tax, and (ii) the confidence level used in the MonteCarlo calculation, were reviewed taking into consideration the ESMA statements on recognition of deferred tax assets arising from the carry-forward of unused tax losses<sup>12</sup>

For further information on the methodology, results and base assumptions used in deferred tax assets, refer to section "Section 11 - Tax assets and tax liabilities - Item 110 (Assets) and Item 60 (Liabilities) of the Notes to the consolidated accounts, Part B - Consolidated balance sheet - Assets.

The results of these evaluations might be subject to changes depending on the evolution of the geopolitical tension, the higher and more persistent inflation and, ultimately, on the degree of the economic recovery. Possible deviations of the actual economic recovery compared with the assumptions which form the basis of the evaluations might require a re-determination of the parameters used for valuation purposes, in particular with regard to the future cash flows, and the consequent change in the valuation.

<sup>12</sup> ESMA Public Statement. Consideration on recognition of deferred tax assets arising from the carry-forward of unused tax losses", issued on 15 July 2019.

## Part A - Accounting policies

### Measurement of Credit Exposures

With reference to the credit exposures as at 31 December 2022, the macroeconomic scenarios used for calculation of credit risk parameters (Probability of Default, Loss Given Default, Exposure at Default) were updated according to the Group policies, on the basis of the scenarios highlighted above. In this regard, the forecast on interest rates was revised upward, in line with the announced monetary policy and market evolution. Specifically, the ECB Refinancing interest rate is assumed to further rise by 30 bps in 2023 (vs end-of-year levels of 250bps), and to gradually reduce afterwards in 2024 and 2025. The same assumptions are kept for the Downturn Scenario.

In light of the persistent level of uncertainty, the overall blended probability was worsened by eliminating the positive scenario (whose weighting was reduced from 5% to 0%), correspondently increasing the Baseline scenario from 55% to 60%; eventually, the Downturn scenario was kept at 40%. In this regard, it must be noted that the amount of loan loss provisions is determined by considering: (i) the classification (current and expected) of credit exposures as non-performing; (ii) the sale prices, for those non-performing exposure whose recovery is expected through sale to external counterparties; and (iii) credit parameters (Probability of Default, Loss Given Default and Exposure at Default) which, in accordance with IFRS9, incorporate - among the other factors - forward looking information and the expected evolution of the macro-economic scenario.

For additional information on the measurement of credit exposures refer to the paragraph "2.1 Credit risk" of the Notes to the consolidated accounts Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter.

As well as for other assets, also in this case the measurement is affected by the mentioned degree of uncertainty on the evolution of the geopolitical tension, the higher and more persistent inflation and, ultimately, the degree of economic recovery.

The evolution of these factors may, indeed, require - in future financial years - the classification of additional credit exposures as non-performing, thus determining the recognition of additional loan loss provisions related to both these exposures, as well as performing exposures, following the update in credit parameters. In addition, adjustments to the loan loss provisions might derive from the occurrence of a macro-economic scenario different from the one estimated for the calculation of the credit risk parameters, or by the prevalence on the market of non-performing exposures of prices different from those used in the measurement.

Eventually, the evolution of the real estate market could impact on the value of properties received as collateral and may require an adjustment to the loan loss provisions.

### Measurement of Real estate portfolio

Always with reference to the valuation of the non-financial assets, the valuation of the real estate portfolio has become relevant following the adoption, starting from 31 December 2019, of the fair value model (assets held for investment) and the revaluation model (assets used in the business). For these assets, on 31 December 2022, the fair value has been determined through external appraisals, following the Group guidelines. In this context it is worth to note that - in the upcoming financial years - fair value of these assets might be different from the fair value observed as at 31 December 2022 as a result of the possible evolution of real estate market.

Further information are reported in the paragraph "Section 9 - Property, plant and equipment - Item 90" of the Notes to the consolidated accounts Part B - Consolidated balance sheet - Assets.

### Other measurements

The following additional Balance sheet items might be significantly affected in their evaluation by risks and uncertainties, even if not directly connected with the slow-down of the economic activity and the associated uncertainty level of the economic recovery:

- fair value of financial instruments not listed in active markets;
- severance pay (in Italy) and other employee's benefits (including defined benefit obligation);
- provisions for risks and charges.

While evaluations have been made on the basis of information deemed to be reasonable and supportable as at 31 December 2022, they might be subject to changes not foreseeable at the moment, as a result of the evolution in the parameters used for the evaluation.

Furthermore, the following factors, in addition to those illustrated above, might influence the future results of the Group and cause outcomes materially different from those deriving from the valuations: (1) general economic and industrial conditions of the regions in which the Group operates or holds significant investments; (2) exposure to various market risks (e.g. foreign exchange risk); (3) political instability in the areas in which the Group operates or holds significant investments; (4) legislative<sup>13</sup>, regulatory and tax changes, including regulatory capital and liquidity requirements, also taking into account increased regulation in response to the financial crisis. Other unknown and unforeseeable factors could determine material deviations between actual and expected results.

It is worth noting that, since 2 March 2022, the ECB stopped the quotation of EUR/RUB exchange rate for the preparation of the Consolidated financial statements. Therefore, as at 31 December 2022 and in coherence with the first nine months of the year, the Group has applied an OTC foreign exchange rate provided by Electronic Broking Service<sup>14</sup> (EBS). Additional information is provided in "Section 5 - Other matters", Notes to the consolidated accounts, Part A - Accounting policies, A.1 General. In this regard it cannot be excluded that, once the ECB will restart listing RUB/EUR FX rate, these quotes might be different from EBS quotes, thus requiring the recognition of an impact in Net Equity and in P&L.

<sup>13</sup> With regard to Bitminer case refer to the paragraph "2.5 Operational risks - B Legal Risks" of the Notes to the consolidated accounts Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter.

<sup>14</sup> EBS is a wholesale electronic trading platform used to trade on the foreign exchange market (FX) with market-making banks. It is part of CME Group (Chicago Mercantile Exchange).

## Part A - Accounting policies

### Statement of going concern

In their joint Document No.4 of 3 March 2010, Banca d'Italia, Consob and ISVAP made observations on the situation of the markets and businesses and requested that information essential for a better understanding of business trends and outlook be disclosed in financial reports. Also following such guideline, the present statement of going concern is released.

The Directors observed the increase in the geopolitical tension between Russian Federation and Ukraine during 2022 and the sanctions imposed by several countries to Russia which replied with countersanctions. Such events determined a relevant uncertainty in the macroeconomic outlook, in terms of GDP, inflation rates and interest rates. Furthermore, the Directors observed the evolution in Covid-19 pandemic and the on-going lifting of the containment restrictions put in place by governments since 2020.

The Directors assessed such circumstances, also evaluating the operations directly held in the Russian market through its subsidiary AO UniCredit Bank (Russia), and concluded, with reasonable certainty, that the Group will be able to operate profitably in the foreseeable future; as a result, in accordance with the provisions of IAS1, the Consolidated Financial Statements of UniCredit group as at 31 December 2022 was prepared on a going concern basis.

Based upon the aforementioned evaluations, the main regulatory ratios have been taken into account at 31 December 2022, in terms of: (i) the actual figures as at 31 December 2022 (CET1 Ratio Transitional equal to 16.68%; TLAC Ratio equal to 26.90% in terms of RWA and 8.76% in terms of Leverage Exposure; Liquidity Coverage Ratio at 161% based on monthly average on 12 months; (ii) the related buffer versus the minimum requirements at the same reference date (CET1 Ratio Transitional: excess of 756 basis points; TLAC Ratio: excess of 527 basis points in terms of RWA and 172 in terms of Leverage Exposure; Liquidity Coverage Ratio: excess of more than 61 percentage points); (iii) the expected evolution of the same ratios during 2023 (in particular, in 2023, it is expected to maintain a significant margin above the capital requirements, consistently with the UniCredit Unlocked CET1 ratio target of 12.5-13 per cent).

Consistently with such evidence, the Directors have proposed to the Shareholders' meeting, which approved, the distribution of a remuneration, in part in cash and in part through shares buyback subject to the ECB's authorisation. In this regard, pursuant to the resolution passed by the Shareholders' Meeting on 8 April 2022, as updated and integrated pursuant to the shareholders' resolution of 14 September 2022, UniCredit announced (i) the completion on 14 July 2022 of the first tranche of the share buy-back programme communicated to the market on 10 May 2022 and initiated on 11 May 2022 following ECB Authorization, in this regard on 19 July 2022 UniCredit communicated the cancellation of No.162,185,721 treasury shares, without reduction of the share capital and (ii) the completion on 30 November 2022 of the second tranche of the share buy-back programme communicated to the market on 21 September 2022 and initiated on the same date, following ECB Authorization, in this regard on 14 December 2022 UniCredit communicated the cancellation of No.86,949,149 treasury shares, without reduction of the share capital. Finally, the Directors have also proposed to the Shareholders' Meeting, in 2023, the distribution of a remuneration, in part in cash and in part through shares buyback subject to the ECB's authorization.

The measurement criteria adopted are therefore consistent with this assumption and with the principles of accrual-based accounting, the relevance and materiality of accounting information, and the prevalence of economic substance over legal form. These criteria have not changed with respect to the previous year.

## Part A - Accounting policies

### Section 3 - Consolidation scope and methods

The consolidation criteria and principles used to prepare the Consolidated financial statements as at 31 December 2022 are described below.

#### Consolidated accounts

For the preparation of the Consolidated financial statements as at 31 December 2022 the following sources have been used:

- the parent company UniCredit S.p.A. accounts as at 31 December 2022;
- the accounts as at 31 December 2022, approved by the competent bodies and functions, of the other fully consolidated subsidiaries duly reclassified and adjusted to take account of consolidation needs and, where necessary, to align them to the Group accounting principles;
- the sub-consolidated Accounts as at 31 December 2022 of Nuova Compagnia di Partecipazioni Group, including Nuova Compagnia di Partecipazioni S.p.A. (formerly Compagnia Italtipetroli S.p.A.) and its direct and indirect subsidiaries.

Amounts in foreign currencies are converted at closing exchange rates in the balance sheet, whereas the average exchange rate for the year is used for the income statement.

The accounts and explanatory notes of the main fully consolidated subsidiaries prepared under IAS/IFRS are audited by leading audit companies.

#### Subsidiaries

Entities, including structured entities, over which the Group has direct or indirect control, are considered subsidiaries.

Control over an entity entails:

- the existence of power over the relevant activities;
- the exposure to the variability of returns;
- the ability to use the power exercised in order to influence the returns to which the Group is exposed.

In order to verify the existence of control, the Group considers the following factors:

- the purpose and establishment of the investee, in order to identify which are the entity's objectives, the activities that determine its returns and how these activities are governed;
- the power, in order to understand whether the Group has contractual rights that attribute the ability to govern the relevant activities; to this end only substantial rights that provide practical ability to govern are considered;
- the exposure held in relation to the investee, in order to assess whether the Group has relations with the investee, the returns of which are subject to changes depending on the investee's performance;
- the existence of potential (principal - agent) relationships.

If the relevant activities are governed through voting rights, the existence of control is verified considering the voting rights held, including the potential ones, and the existence of any shareholders' or other agreements which attribute the right to control the majority of the voting rights, to appoint the majority of the governing body or in any case the power to determine the entity's financial and operating policies.

Subsidiaries may also include any "structured entity" in which the voting rights are not significant for establishing control, including special purpose entities and investment funds.

In the case of structured entities, the existence of control is ascertained considering both the contractual rights that enable governance of the relevant activities of the entity (or those that contribute most to the results) and the Group's exposure to the variability of returns deriving from these activities.

The carrying amount of an equity interest in a fully consolidated entity held by the Parent company or another Group company is eliminated against the recognition of the assets and liabilities of the investee as an offsetting entry to the corresponding portion of net equity of the subsidiary attributable to the Group.

Intragroup balances, the off-balance sheet transactions, the income and expenses, and the gain/losses between consolidated companies are eliminated in full, according to the method of consolidation adopted.

## Part A - Accounting policies

A subsidiary's income and expenses are included in the consolidation from the date the Parent acquires the control. On disposal of a subsidiary, its income and expenses are consolidated up to the date of the disposal, i.e. until the Parent ceases to control the subsidiary. The difference between the consideration received of the subsidiary and the carrying amount of its net assets at the same date is recognised in the Income statement under item "280 Gains (Losses) on disposal of investments" for fully consolidated companies.

The portion attributable to non-controlling interests is presented in the Balance sheet under item "190. Minorities", separately from the liabilities and net equity attributable to the Group. In the Income statement, the portion attributable to minorities is also presented separately under item "340. Minorities".

With respect to companies included in the consolidation scope for the first time, the fair value of the cost paid to obtain control of this equity interest, including ancillary expenses, is measured at the acquisition date.

The difference between the consideration received of an interest held in a subsidiary and the carrying amount of the net assets is recognised in the Net Equity, if the sale does not entail loss of control.

### Joint arrangements

A joint arrangement is a contractual agreement under the terms of which two or more counterparties arrange to jointly control an entity.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when the decisions about the relevant activities require the unanimous consent of the parties sharing control.

According to the standard IFRS11 - Joint Arrangements, such agreements must be classified as Joint Operations or Joint Ventures according to the contractual rights and obligations held by the Group.

A Joint Operation is a joint arrangement in which the parties have rights on the assets and obligations with respect to the liabilities of the arrangement.

A Joint Venture is a joint arrangement in which the parties have rights on the net assets of the arrangement.

The Group has assessed the nature of the joint arrangements and has determined that its jointly controlled equity investments are of the Joint Venture type. These equity investments are recognised using the equity method.

Carrying amount of the Joint Ventures is tested in accordance with IAS36 as a single asset, by comparing it with the corresponding recoverable amount (i.e. higher of value in use (VIU) and fair value (FV) less cost to sell).

### Associates

An associate is an entity over which the investor has significant influence and which are not subsidiaries or joint ventures. Significant influence is presumed when the investor:

- holds, directly or indirectly, at least 20%<sup>15</sup> of the share capital of another entity, or
- is able, also through shareholders' agreements, to exercise significant influence through:
  - representation on the governing body of the company;
  - participation in the policy-making process, including participation in decisions about dividends or other distributions;
  - the existence of significant transactions;
  - interchange of managerial personnel;
  - provision of key technical information.

It is to be pointed out that structured entities, not being governed through voting rights, can not be classified as subject to significant influence.

Investments in associates are recognised using the equity method. Carrying amount of Associates is tested in accordance with IAS36 as a single asset, by comparing it with the corresponding recoverable amount (i.e. higher of VIU and FV less cost to sell).

### Equity method

Equity investments in companies measured using the equity method include the goodwill (less any impairment loss) paid to purchase them.

The investor's share of the profit and loss of the investee after the date of acquisition is recognised in the Income statement under item "250. Profit (Loss) of investments". Any dividends distributed reduce the carrying amount of the equity investment.

If the investor's share of an investee's losses is equal to or greater than its carrying amount, no further losses are recognised, unless the investor has incurred specific obligations or made payments on behalf of the associate.

Gains and losses on transactions with associates or joint arrangements are eliminated according to the percentage interest in the said company.

Any changes in the revaluation reserves of associates or joint arrangements, which are recorded as a contra item to changes in value of the phenomena relevant to this purpose, are reported separately in the Statement of other comprehensive income.

The following table shows the companies included in the scope of consolidation.

<sup>15</sup> 10% for listed companies.



## Part A - Accounting policies

## 1. Investments in Subsidiaries

| COMPANY NAME   | MAIN OFFICE | ADMINISTRATIVE OFFICE | TYPE OF RELATIONSHIP <sup>(1)</sup> | OWNERSHIP RELATIONSHIP  |                        | VOTING RIGHTS % <sup>(2)</sup> |
|--|-------------|-----------------------|-------------------------------------|---|------------------------|--------------------------------|
|  |             |                       |                                     | HELD BY   | HOLDING %              |                                |
| <b>A. LINE BY LINE METHOD</b>  |             |                       |                                     |   |                        |                                |
| 1 UNICREDIT SPA<br>Issued capital EUR 21,220,169,840.48  | MILAN       | MILAN                 |                                     | PARENT COMPANY  |                        |                                |
| 2 ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. STUTTGART KRONPRINZSTRASSE KG<br>Issued capital EUR 26,000 | GRUENWALD   | GRUENWALD             | 1                                   | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG  | 100.00                 | 98.11                          |
| 3 ALLEGRO LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500   | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH  | 0.20<br>99.80          |                                |
| 4 ALLIB LEASING S.R.O.<br>Issued capital CZK 100,000   | PRAGUE      | PRAGUE                | 1                                   | UNICREDIT LEASING CZ, A.S.  | 100.00                 |                                |
| 5 ALMS LEASING GMBH.<br>Issued capital EUR 36,000  | VIENNA      | VIENNA                | 1                                   | UNICREDIT LEASING (AUSTRIA) GMBH  | 100.00                 |                                |
| 6 ALPHA RENT DOO BEOGRAD<br>Issued capital RSD 3,285,948,900   | BELGRADE    | BELGRADE              | 1                                   | UNIVERSALE INTERNATIONAL REALITAETEN GMBH   | 100.00                 |                                |
| 7 ALTUS ALPHA PLC  | DUBLIN      | DUBLIN                | 4                                   | UNICREDIT BANK AG   | ..                     | <sup>(3)</sup>                 |
| 8 ANTARES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                                    | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH  | 0.20<br>99.80          |                                |
| 9 ANTHEMIS EVO LLP   | LONDON      | LONDON                | 4                                   | UNICREDIT SPA   | ..                     | <sup>(3)</sup>                 |
| 10 AO UNICREDIT BANK <sup>(4)</sup><br>Issued capital RUB 41,787,805,174   | MOSCOW      | MOSCOW                | 1                                   | UNICREDIT SPA   | 100.00                 |                                |
| 11 ARABELLA FINANCE DAC  | DUBLIN      | DUBLIN                | 4                                   | UNICREDIT BANK AG   | ..                     | <sup>(3)</sup>                 |
| 12 ARENA NPL ONE S.R.L. (CARTOLARIZZAZIONE 2014)   | VERONA      | VERONA                | 4                                   | UNICREDIT SPA   | ..                     | <sup>(3)</sup>                 |
| 13 ARGENTATUS IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH<br>Issued capital EUR 511,300                         | MUNICH      | MUNICH                | 1                                   | HVB PROJEKT GMBH  | 100.00                 |                                |
| 14 ARNO GRUNDSTUECKSVERWALTUNGS GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,337                                 | VIENNA      | VIENNA                | 1                                   | GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG  | 99.80<br>0.20          |                                |
| 15 AUSTRIA LEASING GMBH<br>Issued capital EUR 36,336   | VIENNA      | VIENNA                | 1                                   | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH<br>GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG | 0.40<br>99.40<br>0.20  |                                |
| 16 BA CA SECUND LEASING GMBH<br>Issued capital EUR 36,500  | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH  | 0.20<br>99.80          |                                |
| 17 BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.<br>Issued capital EUR 363,364                                    | VIENNA      | VIENNA                | 1                                   | UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H.  | 100.00                 |                                |
| 18 BA GEBAEUVERMIETUNGSGMBH<br>Issued capital EUR 36,336   | VIENNA      | VIENNA                | 1                                   | BA GVG-HOLDING GMBH<br>BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.<br>PAYTRIA UNTERNEHMENS BETEILIGUNGEN GMBH   | 89.00<br>10.00<br>1.00 |                                |
| 19 BA GVG-HOLDING GMBH<br>Issued capital EUR 18,168  | VIENNA      | VIENNA                | 1                                   | UNICREDIT BANK AUSTRIA AG   | 100.00                 |                                |
| 20 BA-CA ANDANTE LEASING GMBH<br>Issued capital EUR 36,500   | VIENNA      | VIENNA                | 1                                   | UNICREDIT LEASING (AUSTRIA) GMBH  | 100.00                 |                                |
| 21 BA-CA LEASING DREI GARAGEN GMBH<br>Issued capital EUR 35,000  | VIENNA      | VIENNA                | 1                                   | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG   | 99.80<br>0.20          |                                |
| 22 BA-CA LEASING MAR IMMOBILIEN LEASING GMBH<br>Issued capital EUR 36,500  | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH  | 0.20<br>99.80          |                                |
| 23 BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.<br>Issued capital EUR 127,177                               | VIENNA      | VIENNA                | 1                                   | UNICREDIT BANK AUSTRIA AG   | 100.00                 |                                |
| 24 BA-CA PRESTO LEASING GMBH<br>Issued capital EUR 36,500  | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH  | 0.20<br>99.80          |                                |

## Part A - Accounting policies

| COMPANY NAME  | MAIN OFFICE | ADMINISTRATIVE OFFICE | TYPE OF RELATIONSHIP <sup>(1)</sup> | OWNERSHIP RELATIONSHIP   |                       | VOTING RIGHTS % <sup>(2)</sup> |
|---|-------------|-----------------------|-------------------------------------|--|-----------------------|--------------------------------|
|   |             |                       |                                     | HELD BY  | HOLDING %             |                                |
| 25 BACA-LEASING BETEILIGUNGEN GMBH<br>Issued capital EUR 454,000  | VIENNA      | VIENNA                | 1                                   | CALG DELTA GRUNDSTUECKVERWALTUNG GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                            | 99.80<br>0.20         |                                |
| 26 BACA HYDRA LEASING GMBH<br>Issued capital EUR 36,500   | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH                                 | 0.20<br>99.80         |                                |
| 27 BACA KOMMUNALLEASING GMBH<br>Issued capital EUR 36,500   | VIENNA      | VIENNA                | 1                                   | UNICREDIT LEASING (AUSTRIA) GMBH   | 100.00                |                                |
| 28 BACA LEASING UND BETEILIGUNGSMANAGEMENT GMBH<br>Issued capital EUR 18,287  | VIENNA      | VIENNA                | 1                                   | CALG IMMOBILIEN LEASING GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH | 98.80<br>0.20<br>1.00 |                                |
| 29 BAH-OMEGA ZRT.'V.A.'<br>Issued capital HUF 70,000,000  | BUDAPEST    | BUDAPEST              | 1                                   | UNIVERSALE INTERNATIONAL REALITAETEN GMBH  | 100.00                |                                |
| 30 BAHBETA INGATLANHASZNOSITO KFT.<br>Issued capital HUF 30,000,000   | BUDAPEST    | BUDAPEST              | 1                                   | UNIVERSALE INTERNATIONAL REALITAETEN GMBH  | 100.00                |                                |
| 31 BAL HESTIA IMMOBILIEN LEASING GMBH<br>Issued capital EUR 36,500  | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH                                 | 0.20<br>99.80         |                                |
| 32 BAL HORUS IMMOBILIEN LEASING GMBH<br>Issued capital EUR 36,500   | VIENNA      | VIENNA                | 1                                   | CALG DELTA GRUNDSTUECKVERWALTUNG GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                            | 99.80<br>0.20         |                                |
| 33 BAL HYPNOS IMMOBILIEN LEASING GMBH<br>Issued capital EUR 36,500  | VIENNA      | VIENNA                | 1                                   | CALG DELTA GRUNDSTUECKVERWALTUNG GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                            | 99.80<br>0.20         |                                |
| 34 BAL LETO IMMOBILIEN LEASING GMBH<br>Issued capital EUR 36,500  | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH                 | 0.20<br>99.80         |                                |
| 35 BAL OSIRIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500   | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH                                 | 0.20<br>99.80         |                                |
| 36 BAL SOBEK IMMOBILIEN LEASING GMBH<br>Issued capital EUR 36,500   | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H.                       | 0.20<br>99.80         |                                |
| 37 BANK AUSTRIA CREDITANSTALT LEASING IMMOBILIENANLAGEN GMBH<br>Issued capital EUR 36,500   | VIENNA      | VIENNA                | 1                                   | GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                   | 99.80<br>0.20         |                                |
| 38 BANK AUSTRIA FINANZSERVICE GMBH<br>Issued capital EUR 490,542  | VIENNA      | VIENNA                | 1                                   | UNICREDIT BANK AUSTRIA AG  | 100.00                |                                |
| 39 BANK AUSTRIA LEASING ARGO IMMOBILIEN LEASING GMBH<br>Issued capital EUR 36,500   | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>WOEM GRUNDSTUECKSVORWALTUNGS-GESELLSCHAFT M.B.H.                 | 0.20<br>99.80         |                                |
| 40 BANK AUSTRIA LEASING IKARUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                                | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH                                 | 0.20<br>99.80         |                                |
| 41 BANK AUSTRIA LEASING MEDEA IMMOBILIEN LEASING GMBH<br>Issued capital EUR 36,500  | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH                                 | 0.20<br>99.80         |                                |
| 42 BANK AUSTRIA REAL INVEST IMMOBILIEN-KAPITALANLAGE GMBH<br>Issued capital EUR 5,000,000   | VIENNA      | VIENNA                | 1                                   | BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH  | 100.00                |                                |
| 43 BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH<br>Issued capital EUR 10,900,500   | VIENNA      | VIENNA                | 1                                   | UNICREDIT BANK AUSTRIA AG  | 94.95                 |                                |
| 44 BANK AUSTRIA WOHNBAUBANK AG<br>Issued capital EUR 18,765,944   | VIENNA      | VIENNA                | 1                                   | UNICREDIT BANK AUSTRIA AG  | 100.00                |                                |
| 45 BARD ENGINEERING GMBH  | EMDEN       | EMDEN                 | 4                                   | BARD HOLDING GMBH  | ..                    | (3)                            |
| 46 BARD HOLDING GMBH  | EMDEN       | EMDEN                 | 4                                   | UNICREDIT BANK AG  | ..                    | (3)                            |
| 47 BAULANDENTWICKLUNG GDST 1682/8 GMBH & CO OG<br>Issued capital EUR 0  | VIENNA      | VIENNA                | 1                                   | CALG ANLAGEN LEASING GMBH<br>CALG IMMOBILIEN LEASING GMBH  | 1.00<br>99.00         |                                |
| 48 BAYERISCHE WOHNUNGSGESELLSCHAFT FUER HANDEL UND INDUSTRIE, GESELLSCHAFT MIT BESCHRAENKTER HAFTUNG<br>Issued capital EUR 51,150 | MUNICH      | MUNICH                | 1                                   | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG   | 100.00                |                                |

## Part A - Accounting policies

| COMPANY NAME  | MAIN OFFICE | ADMINISTRATIVE OFFICE | TYPE OF RELATIONSHIP <sup>(1)</sup> | OWNERSHIP RELATIONSHIP  |                        | VOTING RIGHTS % <sup>(2)</sup> |
|---|-------------|-----------------------|-------------------------------------|---|------------------------|--------------------------------|
|   |             |                       |                                     | HELD BY   | HOLDING %              |                                |
| 49 BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH<br>Issued capital EUR 36,500     | VIENNA      | VIENNA                | 1                                   | UNICREDIT LEASING (AUSTRIA) GMBH  | 100.00                 |                                |
| 50 BF NINE HOLDING GMBH<br>Issued capital EUR 35,000  | VIENNA      | VIENNA                | 1                                   | ALLEGRO LEASING GESELLSCHAFT M.B.H.   | 100.00                 |                                |
| 51 BIL LEASING-FONDS VERWALTUNGS-GMBH<br>Issued capital EUR 26,000  | GRUENWALD   | GRUENWALD             | 1                                   | WEALTHCAP PEIA MANAGEMENT GMBH  | 100.00                 |                                |
| 52 BREWO GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,337                                   | VIENNA      | VIENNA                | 1                                   | UNICREDIT PEGASUS LEASING GMBH  | 100.00                 |                                |
| 53 CA-LEASING OVUS S.R.O.<br>Issued capital CZK 100,000   | PRAGUE      | PRAGUE                | 1                                   | UNICREDIT LEASING CZ, A.S.  | 100.00                 |                                |
| 54 CA-LEASING SENIOREN PARK GMBH<br>Issued capital EUR 36,500   | VIENNA      | VIENNA                | 1                                   | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                 | 99.80<br>0.20          |                                |
| 55 CA-ZETA REAL ESTATE DEVELOPMENT LIMITED LIABILITY COMPANY<br>Issued capital HUF 3,000,000                        | BUDAPEST    | BUDAPEST              | 1                                   | UNIVERSALE INTERNATIONAL REALITAETEN GMBH   | 100.00                 |                                |
| 56 CABET-HOLDING GMBH<br>Issued capital EUR 290,909   | VIENNA      | VIENNA                | 1                                   | UNICREDIT BANK AUSTRIA AG   | 100.00                 |                                |
| 57 CABO BETEILIGUNGSGESELLSCHAFT M.B.H.<br>Issued capital EUR 35,000  | VIENNA      | VIENNA                | 1                                   | CABET-HOLDING GMBH  | 100.00                 |                                |
| 58 CALG 307 MOBILIEN LEASING GMBH<br>Issued capital EUR 36,500  | VIENNA      | VIENNA                | 1                                   | UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H.  | 100.00                 |                                |
| 59 CALG 443 GRUNDSTUECKVERWALTUNG GMBH<br>Issued capital EUR 36,336   | VIENNA      | VIENNA                | 1                                   | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH<br>CALG IMMOBILIEN LEASING GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG | 98.80<br>1.00<br>0.20  |                                |
| 60 CALG 445 GRUNDSTUECKVERWALTUNG GMBH<br>Issued capital EUR 18,168   | VIENNA      | VIENNA                | 1                                   | CALG IMMOBILIEN LEASING GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG  | 99.60<br>0.40          |                                |
| 61 CALG ALPHA GRUNDSTUECKVERWALTUNG GMBH<br>Issued capital EUR 36,500   | VIENNA      | VIENNA                | 1                                   | CALG DELTA GRUNDSTUECKVERWALTUNG GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG   | 99.80<br>0.20          |                                |
| 62 CALG ANLAGEN LEASING GMBH<br>Issued capital EUR 36,500   | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH  | 0.20<br>99.80          |                                |
| 63 CALG ANLAGEN LEASING GMBH, WIEN & CO. GRUNDSTUECKSVERMIETUNG UND - VERWALTUNG KG<br>Issued capital EUR 2,326,378 | MUNICH      | MUNICH                | 1                                   | CALG ANLAGEN LEASING GMBH   | 99.90                  |                                |
| 64 CALG DELTA GRUNDSTUECKVERWALTUNG GMBH<br>Issued capital EUR 36,336   | VIENNA      | VIENNA                | 1                                   | CALG ANLAGEN LEASING GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG   | 99.80<br>0.20          |                                |
| 65 CALG GAMMA GRUNDSTUECKVERWALTUNG GMBH<br>Issued capital EUR 36,337   | VIENNA      | VIENNA                | 1                                   | CALG IMMOBILIEN LEASING GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG  | 99.80<br>0.20          |                                |
| 66 CALG GRUNDSTUECKVERWALTUNG GMBH<br>Issued capital EUR 36,500   | VIENNA      | VIENNA                | 1                                   | CALG IMMOBILIEN LEASING GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH  | 74.80<br>0.20<br>25.00 |                                |
| 67 CALG IMMOBILIEN LEASING GMBH<br>Issued capital EUR 254,355   | VIENNA      | VIENNA                | 1                                   | CALG ANLAGEN LEASING GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG   | 99.80<br>0.20          |                                |
| 68 CALG MINAL GRUNDSTUECKVERWALTUNG GMBH<br>Issued capital EUR 18,286   | VIENNA      | VIENNA                | 1                                   | CALG ANLAGEN LEASING GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG   | 99.80<br>0.20          |                                |
| 69 CAPITAL MORTGAGE SRL (CARTOLARIZZAZIONE: VERONA CAPITAL MORTGAGE 2007 - 1)                                       |             | VERONA                | 4                                   | UNICREDIT SPA   | ...                    | <sup>(3)</sup>                 |
| 70 CARD COMPLETE SERVICE BANK AG<br>Issued capital EUR 6,000,000  | VIENNA      | VIENNA                | 1                                   | UNICREDIT BANK AUSTRIA AG   | 50.10                  |                                |
| 71 CASTELLANI LEASING GMBH<br>Issued capital EUR 1,800,000  | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H.  | 10.00<br>90.00         |                                |

## Part A - Accounting policies

| COMPANY NAME   | MAIN OFFICE | ADMINISTRATIVE OFFICE | TYPE OF RELATIONSHIP <sup>(1)</sup> | OWNERSHIP RELATIONSHIP  |           | VOTING RIGHTS % <sup>(2)</sup> |
|--|-------------|-----------------------|-------------------------------------|---|-----------|--------------------------------|
|  |             |                       |                                     | HELD BY   | HOLDING % |                                |
| 72 CHARADE LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                                | VIENNA      | VIENNA                | 1                                   | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 74.80     |                                |
|  |             |                       |                                     | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
|  |             |                       |                                     | UNICREDIT LEASING (AUSTRIA) GMBH  | 25.00     |                                |
| 73 CHEFREN LEASING GMBH<br>Issued capital EUR 36,500   | VIENNA      | VIENNA                | 1                                   | UNICREDIT LEASING (AUSTRIA) GMBH  | 100.00    |                                |
| 74 CIVITAS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                     | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
|  |             |                       |                                     | UNICREDIT LEASING (AUSTRIA) GMBH  | 99.80     |                                |
| 75 COMMUNA - LEASING GRUNDSTUECKSVERWALTUNGSGESELLSCHAFT M.B.H.<br>Issued capital EUR 36,337       | VIENNA      | VIENNA                | 1                                   | REAL-LEASE GRUNDSTUECKSVERWALTUNGSGESELLSCHAFT M.B.H.                           | 99.80     |                                |
|  |             |                       |                                     | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
| 76 COMPAGNIA FONDIARIA ROMANA - SOCIETA' A RESPONSABILITA' LIMITATA<br>Issued capital EUR 103,400  | ROME        | ROME                  | 1                                   | NUOVA COMPAGNIA DI PARTECIPAZIONI SPA   | 100.00    |                                |
| 77 CONSUMER THREE SRL (CARTOLARIZZAZIONE: CONSUMER THREE)  | VERONA      | VERONA                | 4                                   | UNICREDIT SPA   | ..        | <sup>(3)</sup>                 |
| 78 CONTRA LEASING-GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                                 | VIENNA      | VIENNA                | 1                                   | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 74.80     |                                |
|  |             |                       |                                     | JAUSERN-LEASING GESELLSCHAFT M.B.H.   | 25.00     |                                |
|  |             |                       |                                     | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
| 79 CORDUSIO RMBS SECURITISATION SRL (CARTOLARIZZAZIONE: CORDUSIO RMBS SECURITISATION - SERIE 2007) | VERONA      | VERONA                | 4                                   | UNICREDIT SPA   | ..        | <sup>(3)</sup>                 |
| 80 CORDUSIO SOCIETA' FIDUCIARIA PER AZIONI<br>Issued capital EUR 520,000                           | MILAN       | MILAN                 | 1                                   | UNICREDIT SPA   | 100.00    |                                |
| 81 DIRANA LIEGENSCHAFTSVERWERTUNGSGESELLSCHAFT M.B.H.<br>Issued capital EUR 17,500                 | VIENNA      | VIENNA                | 1                                   | UNIVERSALE INTERNATIONAL REALITAETEN GMBH                                       | 100.00    |                                |
| 82 DLV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                         | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 10.00     |                                |
|  |             |                       |                                     | UNICREDIT LEASING (AUSTRIA) GMBH  | 90.00     |                                |
| 83 DUODEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                    | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
|  |             |                       |                                     | UNICREDIT LEASING (AUSTRIA) GMBH  | 99.80     |                                |
| 84 EBS FINANCE S.R.L.<br>Issued capital EUR 10,000   | MILAN       | MILAN                 | 1                                   | UNICREDIT SPA   | 100.00    |                                |
| 85 EBS FINANCE S.R.L. (PATR.SEPARATO)  | MILAN       | MILAN                 | 4                                   | UNICREDIT SPA   | ..        | <sup>(3)</sup>                 |
| 86 ELEKTRA PURCHASE NO. 28 DAC   | DUBLIN      | DUBLIN                | 4                                   | UNICREDIT BANK AG   | ..        | <sup>(3)</sup>                 |
| 87 ELEKTRA PURCHASE NO. 31 DAC   | DUBLIN      | DUBLIN                | 4                                   | UNICREDIT BANK AG   | ..        | <sup>(3)</sup>                 |
| 88 ELEKTRA PURCHASE NO. 32 S.A. - COMPARTMENT 1  | LUXEMBOURG  | LUXEMBOURG            | 4                                   | UNICREDIT BANK AG   | ..        | <sup>(3)</sup>                 |
| 89 ELEKTRA PURCHASE NO. 33 DAC   | DUBLIN      | DUBLIN                | 4                                   | UNICREDIT BANK AG   | ..        | <sup>(3)</sup>                 |
| 90 ELEKTRA PURCHASE NO. 36 DAC   | DUBLIN      | DUBLIN                | 4                                   | UNICREDIT BANK AG   | ..        | <sup>(3)</sup>                 |
| 91 ELEKTRA PURCHASE NO. 37 DAC   | DUBLIN      | DUBLIN                | 4                                   | UNICREDIT BANK AG   | ..        | <sup>(3)</sup>                 |
| 92 ELEKTRA PURCHASE NO. 38 DAC   | DUBLIN      | DUBLIN                | 4                                   | UNICREDIT BANK AG   | ..        | <sup>(3)</sup>                 |
| 93 ELEKTRA PURCHASE NO. 43 DAC   | DUBLIN      | DUBLIN                | 4                                   | UNICREDIT BANK AG   | ..        | <sup>(3)</sup>                 |
| 94 ELEKTRA PURCHASE NO. 46 DAC   | DUBLIN      | DUBLIN                | 4                                   | UNICREDIT BANK AG   | ..        | <sup>(3)</sup>                 |
| 95 ELEKTRA PURCHASE NO. 54 DAC   | DUBLIN      | DUBLIN                | 4                                   | UNICREDIT BANK AG   | ..        | <sup>(3)</sup>                 |
| 96 ELEKTRA PURCHASE NO. 56 DAC   | DUBLIN      | DUBLIN                | 4                                   | UNICREDIT BANK AG   | ..        | <sup>(3)</sup>                 |
| 97 ELEKTRA PURCHASE NO. 57 DAC   | DUBLIN      | DUBLIN                | 4                                   | UNICREDIT BANK AG   | ..        | <sup>(3)</sup>                 |
| 98 ELEKTRA PURCHASE NO. 64 DAC   | DUBLIN      | DUBLIN                | 4                                   | UNICREDIT BANK AG   | ..        | <sup>(3)</sup>                 |
| 99 ELEKTRA PURCHASE NO. 69 DAC   | DUBLIN      | DUBLIN                | 4                                   | UNICREDIT BANK AG   | ..        | <sup>(3)</sup>                 |
| 100 ELEKTRA PURCHASE NO. 71 DAC  | DUBLIN      | DUBLIN                | 4                                   | UNICREDIT BANK AG   | ..        | <sup>(3)</sup>                 |
| 101 ELEKTRA PURCHASE NO. 74 DAC  | DUBLIN      | DUBLIN                | 4                                   | UNICREDIT BANK AG   | ..        | <sup>(3)</sup>                 |
| 102 ELEKTRA PURCHASE NO. 350 DAC   | DUBLIN      | DUBLIN                | 4                                   | UNICREDIT BANK AG   | ..        | <sup>(3)</sup>                 |
| 103 ELEKTRA PURCHASE NO. 911 DAC   | DUBLIN      | DUBLIN                | 4                                   | UNICREDIT BANK AG   | ..        | <sup>(3)</sup>                 |
| 104 EUROLEASE ANUBIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500           | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
|  |             |                       |                                     | UNICREDIT LEASING (AUSTRIA) GMBH  | 99.80     |                                |
| 105 EUROLEASE ISIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500             | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
|  |             |                       |                                     | UNICREDIT LEASING (AUSTRIA) GMBH  | 99.80     |                                |

## Part A - Accounting policies

| COMPANY NAME  | MAIN OFFICE | ADMINISTRATIVE OFFICE | TYPE OF RELATIONSHIP <sup>(1)</sup> | OWNERSHIP RELATIONSHIP  |                                 | VOTING RIGHTS % <sup>(2)</sup> |
|---|-------------|-----------------------|-------------------------------------|---|---------------------------------|--------------------------------|
|   |             |                       |                                     | HELD BY   | HOLDING %                       |                                |
| 106 EUROLEASE MARDUK IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                          | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH  | 0.20<br>99.80                   |                                |
| 107 EUROLEASE RA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                              | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH  | 0.20<br>99.80                   |                                |
| 108 EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,336                          | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH  | 0.20<br>99.80                   |                                |
| 109 EUROPA BEFEKTETESI ALAPKEZELOE ZRT (EUROPA INVESTMENT FUND MANAGEMENT LTD.)<br>Issued capital HUF 100,000,000 | BUDAPEST    | BUDAPEST              | 1                                   | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH   | 100.00                          |                                |
| 110 EUROPA INGATLANBEFEKTETESI ALAP (EUROPE REAL-ESTATE INVESTMENT FUND)  | BUDAPEST    | BUDAPEST              | 4                                   | UNICREDIT BANK HUNGARY ZRT.   | ..                              | (3)                            |
| 111 F-E MORTGAGES SRL (CARTOLARIZZAZIONE: F-E MORTGAGES 2005)   | VERONA      | VERONA                | 4                                   | UNICREDIT SPA   | ..                              | (3)                            |
| 112 FACTORBANK AKTIENGESELLSCHAFT<br>Issued capital EUR 3,000,000   | VIENNA      | VIENNA                | 1                                   | UNICREDIT BANK AUSTRIA AG   | 100.00                          |                                |
| 113 FINN ARSENAL LEASING GMBH<br>Issued capital EUR 36,500  | VIENNA      | VIENNA                | 1                                   | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH                                 | 99.60<br>0.20<br>0.20           |                                |
| 114 FMZ SAVARIA SZOLGALTATO KORLATOLT FELELOESSEG TARSASAG<br>Issued capital HUF 3,000,000                        | BUDAPEST    | BUDAPEST              | 1                                   | BAHBETA INGATLANHASZNOSITO KFT.   | 75.00                           |                                |
| 115 FOLIA LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,336  | VIENNA      | VIENNA                | 1                                   | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG   | 99.80<br>0.20                   |                                |
| 116 GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.<br>Issued capital EUR 27,434                                   | VIENNA      | VIENNA                | 1                                   | CALG IMMOBILIEN LEASING GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG  | 99.80<br>0.20                   |                                |
| 117 GEBAEUDELEASING GRUNDSTUECKVERWALTUNGSGESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                        | VIENNA      | VIENNA                | 1                                   | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH                                 | 98.80<br>0.20<br>1.00           |                                |
| 118 GEMEINDELEASING GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.<br>Issued capital EUR 18,333                        | VIENNA      | VIENNA                | 1                                   | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH<br>CALG IMMOBILIEN LEASING GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH | 37.30<br>37.50<br>0.20<br>25.00 |                                |
| 119 GEMMA VERWALTUNGSGESELLSCHAFT MBH & CO. VERMIETUNGS KG<br>Issued capital EUR 74,248,181                       | PULLACH     | PULLACH               | 1                                   | ORESTOS IMMOBILIEN-VERWALTUNGS GMBH   | 98.69                           |                                |
| 120 GRUNDSTUECKSGESELLSCHAFT SIMON BESCHRANKT HAFTENDE KOMMANDITGESELLSCHAFT<br>Issued capital EUR 51,500         | MUNICH      | MUNICH                | 1                                   | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG  | 100.00                          |                                |
| 121 GRUNDSTUECKSVERWALTUNG LINZ-MITTE GMBH<br>Issued capital EUR 35,000   | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH  | 0.20<br>99.80                   |                                |
| 122 H.F.S. IMMOBILIENFONDS GMBH<br>Issued capital EUR 25,565  | MUNICH      | MUNICH                | 1                                   | WEALTHCAP INVESTMENT SERVICES GMBH  | 100.00                          |                                |
| 123 H.F.S. LEASINGFONDS DEUTSCHLAND 7 GMBH & CO. KG<br>Issued capital EUR 85,430,630                              | MUNICH      | MUNICH                | 1                                   | HVB IMMOBILIEN AG   | 99.43                           |                                |
| 124 H.F.S. LEASINGFONDS GMBH<br>Issued capital EUR 26,000   | GRUENWALD   | GRUENWALD             | 1                                   | WEALTHCAP INVESTMENT SERVICES GMBH  | 100.00                          |                                |
| 125 H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 10 KG  | EBERSBERG   | EBERSBERG             | 4                                   | WEALTH MANAGEMENT CAPITAL HOLDING GMBH  | ..                              | (3)                            |
| 126 H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 11 KG  | EBERSBERG   | EBERSBERG             | 4                                   | WEALTH MANAGEMENT CAPITAL HOLDING GMBH  | ..                              | (3)                            |
| 127 H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 12 KG  | EBERSBERG   | EBERSBERG             | 4                                   | WEALTH MANAGEMENT CAPITAL HOLDING GMBH  | ..                              | (3)                            |

## Part A - Accounting policies

| COMPANY NAME   | MAIN OFFICE | ADMINISTRATIVE OFFICE | TYPE OF RELATIONSHIP <sup>(1)</sup> | OWNERSHIP RELATIONSHIP  |                        | VOTING RIGHTS % <sup>(2)</sup> |
|--|-------------|-----------------------|-------------------------------------|---|------------------------|--------------------------------|
|  |             |                       |                                     | HELD BY   | HOLDING %              |                                |
| 128 H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 8 KG                                  | EBERSBERG   | EBERSBERG             | 4                                   | WEALTH MANAGEMENT CAPITAL HOLDING GMBH  | ..                     | (3)                            |
| 129 H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 9 KG                                  | EBERSBERG   | EBERSBERG             | 4                                   | WEALTH MANAGEMENT CAPITAL HOLDING GMBH  | ..                     | (3)                            |
| 130 HAWA GRUNDSTUCKS GMBH & CO OHG IMMOBILIENVERWALTUNG<br>Issued capital EUR 54,300 | MUNICH      | MUNICH                | 1                                   | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG<br>TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT   | 99.50<br>0.50          |                                |
| 131 HERKU LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                   | VIENNA      | VIENNA                | 1                                   | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH | 74.80<br>0.20<br>25.00 |                                |
| 132 HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG<br>Issued capital EUR 10,000,000        | MUNICH      | MUNICH                | 1                                   | UNICREDIT BANK AG   | 100.00                 |                                |
| 133 HVB IMMOBILIEN AG<br>Issued capital EUR 520,000                                  | MUNICH      | MUNICH                | 1                                   | UNICREDIT BANK AG   | 100.00                 |                                |
| 134 HVB PROJEKT GMBH<br>Issued capital EUR 24,543,000                                | MUNICH      | MUNICH                | 1                                   | HVB IMMOBILIEN AG<br>UNICREDIT BANK AG  | 94.00<br>6.00          |                                |
| 135 HVB TECTA GMBH<br>Issued capital EUR 1,534,000                                   | MUNICH      | MUNICH                | 1                                   | HVB IMMOBILIEN AG<br>UNICREDIT BANK AG  | 94.00<br>6.00          |                                |
| 136 HVB VERWA 4 GMBH<br>Issued capital EUR 26,000                                    | MUNICH      | MUNICH                | 1                                   | UNICREDIT BANK AG   | 100.00                 |                                |
| 137 HVB VERWA 4.4 GMBH<br>Issued capital EUR 25,000                                  | MUNICH      | MUNICH                | 1                                   | HVB VERWA 4 GMBH  | 100.00                 |                                |
| 138 ICE CREEK POOL NO. 5 DAC   | DUBLIN      | DUBLIN                | 4                                   | UNICREDIT BANK AG   | ..                     | (3)                            |
| 139 ICE CREEK POOL NO.1 DAC  | DUBLIN      | DUBLIN                | 4                                   | UNICREDIT BANK AG   | ..                     | (3)                            |
| 140 ICE CREEK POOL NO.3 DAC  | DUBLIN      | DUBLIN                | 4                                   | UNICREDIT BANK AG   | ..                     | (3)                            |
| 141 IDEA FIMIT SGR FONDO SIGMA IMMOBILIARE<br>Issued capital EUR 180,100,960         | ROME        | ROME                  | 4                                   | UNICREDIT SPA   | ..                     | (3)                            |
| 142 IMPRESA TWO SRL (CARTOLARIZZAZIONE : IMPRESA TWO)                                | CONEGLIANO  | CONEGLIANO            | 4                                   | UNICREDIT SPA   | ..                     | (3)                            |
| 143 INTRO LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,336                   | VIENNA      | VIENNA                | 1                                   | PROJEKT-LEASE GRUNDSTUECKSERWALTUNGS-GESELLSCHAFT M.B.H.  | 100.00                 |                                |
| 144 ISB UNIVERSALE BAU GMBH<br>Issued capital EUR 6,288,890                          | BERLIN      | BERLIN                | 1                                   | UNIVERSALE INTERNATIONAL REALITAETEN GMBH   | 100.00                 |                                |
| 145 JAUSERN-LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,336                 | VIENNA      | VIENNA                | 1                                   | UNICREDIT LEASING (AUSTRIA) GMBH  | 100.00                 |                                |
| 146 KAISERWASSER BAU- UND ERRICHTUNGS GMBH UND CO OG<br>Issued capital EUR 36,336    | VIENNA      | VIENNA                | 1                                   | UNICREDIT BANK AUSTRIA AG   | 99.80                  | 0.00                           |
| 147 KUTRA GRUNDSTUECKSERWALTUNGS-GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,337    | VIENNA      | VIENNA                | 1                                   | CALG DELTA GRUNDSTUECKVERWALTUNG GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG   | 99.80<br>0.20          |                                |
| 148 LAGEV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500        | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH  | 0.20<br>99.80          |                                |
| 149 LARGO LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                   | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH<br>VAPE COMMUNA LEASINGGESELLSCHAFT M.B.H.   | 0.20<br>1.00<br>98.80  |                                |
| 150 LEASFINANZ ALPHA ASSETVERMIETUNG GMBH<br>Issued capital EUR 35,000               | VIENNA      | VIENNA                | 1                                   | LEASFINANZ GMBH   | 100.00                 |                                |
| 151 LEASFINANZ BANK GMBH<br>Issued capital EUR 36,500                                | VIENNA      | VIENNA                | 1                                   | BACA LEASING UND BETEILIGUNGSMANAGEMENT GMBH  | 100.00                 |                                |
| 152 LEASFINANZ GMBH<br>Issued capital EUR 218,019                                    | VIENNA      | VIENNA                | 1                                   | BACA LEASING UND BETEILIGUNGSMANAGEMENT GMBH  | 100.00                 |                                |
| 153 LEGATO LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                  | VIENNA      | VIENNA                | 1                                   | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH | 74.80<br>0.20<br>25.00 |                                |

## Part A - Accounting policies

| COMPANY NAME  | MAIN OFFICE | ADMINISTRATIVE OFFICE | TYPE OF RELATIONSHIP <sup>(1)</sup> | OWNERSHIP RELATIONSHIP  |           | VOTING RIGHTS % <sup>(2)</sup> |
|---|-------------|-----------------------|-------------------------------------|---|-----------|--------------------------------|
|   |             |                       |                                     | HELD BY   | HOLDING % |                                |
| 154 LELEV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                   | VIENNA      | VIENNA                | 1                                   | GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.                                  | 99.80     |                                |
|   |             |                       |                                     | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
| 155 LIPARK LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                             | VIENNA      | VIENNA                | 1                                   | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 74.80     |                                |
|   |             |                       |                                     | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
|   |             |                       |                                     | UNICREDIT LEASING (AUSTRIA) GMBH  | 25.00     |                                |
| 156 LIVA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                    | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
|   |             |                       |                                     | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH                                | 99.80     |                                |
| 157 LOCAT CROATIA DOO<br>Issued capital HRK 39,000,000  | ZAGREB      | ZAGREB                | 1                                   | ZAGREBACKA BANKA D.D.   | 100.00    |                                |
| 158 M. A. V. 7., BANK AUSTRIA LEASING BAUTRAEGER GMBH & CO. OG.<br>Issued capital EUR 3,707     | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 1.96      |                                |
|   |             |                       |                                     | UNICREDIT LUNA LEASING GMBH   | 98.04     |                                |
| 159 MBC IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                     | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
|   |             |                       |                                     | UNICREDIT LEASING (AUSTRIA) GMBH  | 99.80     |                                |
| 160 MENUETT GRUNDSTUECKSVORWALTUNGSGESELLSCHAFT M.B.H.<br>Issued capital EUR 36,337             | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
|   |             |                       |                                     | UNICREDIT LEASING (AUSTRIA) GMBH  | 99.80     |                                |
| 161 MERKURHOF GRUNDSTUECKSGESELLSCHAFT MIT BESCHRANKTER HAFTUNG<br>Issued capital EUR 5,112,919 | MUNICH      | MUNICH                | 1                                   | UNICREDIT BANK AG   | 100.00    |                                |
| 162 MOMENTUM ALLWEATHER STRATEGIES - LONG TERM STRATEG  | HAMILTON    | HAMILTON              | 4                                   | UNICREDIT SPA   | ..        | (3)                            |
| 163 MOMENTUM LONG TERM VALUE FUND   | HAMILTON    | HAMILTON              | 4                                   | UNICREDIT SPA   | ..        | (3)                            |
| 164 NAGE LOKALVERMIETUNGSGESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                       | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
|   |             |                       |                                     | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH                                | 99.80     |                                |
| 165 NF OBJEKT FFM GMBH<br>Issued capital EUR 25,000   | MUNICH      | MUNICH                | 1                                   | HVB IMMOBILIEN AG   | 100.00    |                                |
| 166 NUOVA COMPAGNIA DI PARTECIPAZIONI SPA<br>Issued capital EUR 200,000                         | ROME        | ROME                  | 1                                   | UNICREDIT SPA   | 100.00    |                                |
| 167 OCT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                   | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
|   |             |                       |                                     | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH                                | 99.80     |                                |
| 168 OLG HANDELS- UND BETEILIGUNGSVERWALTUNGSGESELLSCHAFT M.B.H.<br>Issued capital EUR 36,336    | VIENNA      | VIENNA                | 1                                   | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 100.00    |                                |
| 169 OMNIA GRUNDSTUECKSGESELLSCHAFT & CO. OBJEKT HAIDENAUPLATZ KG<br>Issued capital EUR 26,000   | MUNICH      | MUNICH                | 1                                   | HVB IMMOBILIEN AG   | 94.00     |                                |
|   |             |                       |                                     | UNICREDIT BANK AG   | 6.00      |                                |
| 170 OMNIA GRUNDSTUECKSGESELLSCHAFT & CO. OBJEKT PERLACH KG<br>Issued capital EUR 5,125,701      | MUNICH      | MUNICH                | 1                                   | ORESTOS IMMOBILIEN-VERWALTUNGSGMBH  | 94.78     | 93.87                          |
|   |             |                       |                                     | WEALTHCAP LEASING GMBH  | 5.22      | 5.14                           |
| 171 OOO UNICREDIT GARANT <sup>(4)</sup><br>Issued capital RUB 106,998,000                       | MOSCOW      | MOSCOW                | 1                                   | OOO UNICREDIT LEASING   | 100.00    |                                |
| 172 OOO UNICREDIT LEASING <sup>(4)</sup><br>Issued capital RUB 149,160,248                      | MOSCOW      | MOSCOW                | 1                                   | AO UNICREDIT BANK   | 100.00    |                                |
| 173 ORBIT PERFORMANCE STRATEGIES - ORBIT US CLASSE I U  | HAMILTON    | HAMILTON              | 4                                   | UNICREDIT SPA   | ..        | (3)                            |
| 174 ORESTOS IMMOBILIEN-VERWALTUNGSGMBH<br>Issued capital EUR 10,149,150                         | MUNICH      | MUNICH                | 1                                   | HVB PROJEKT GMBH  | 100.00    |                                |
| 175 OTHMARSCHEN PARK HAMBURG GMBH & CO. GEWERBEPARK KG<br>Issued capital EUR 51,129             | MUNICH      | MUNICH                | 1                                   | HVB PROJEKT GMBH  | 10.00     |                                |
|   |             |                       |                                     | T & P FRANKFURT DEVELOPMENT B.V.  | 30.00     |                                |
|   |             |                       |                                     | T & P VASTGOED STUTTGART B.V.   | 60.00     |                                |
| 176 PADEL FINANCE 01 DAC  | DUBLIN      | DUBLIN                | 4                                   | UNICREDIT BANK AG   | ..        | (3)                            |
| 177 PAI (BERMUDA) LIMITED<br>Issued capital USD 12,000  | HAMILTON    | HAMILTON              | 1                                   | UNICREDIT SPA   | 100.00    |                                |
| 178 PAI MANAGEMENT LTD<br>Issued capital EUR 1,032,000  | DUBLIN      | DUBLIN                | 1                                   | UNICREDIT SPA   | 100.00    |                                |

## Part A - Accounting policies

| COMPANY NAME  | MAIN OFFICE | ADMINISTRATIVE OFFICE | TYPE OF RELATIONSHIP <sup>(1)</sup> | OWNERSHIP RELATIONSHIP  |           | VOTING RIGHTS % <sup>(2)</sup> |
|---|-------------|-----------------------|-------------------------------------|---|-----------|--------------------------------|
|   |             |                       |                                     | HELD BY   | HOLDING % |                                |
| 179 PALAIS ROTHSCHILD VERMIETUNGS GMBH & CO OG<br>Issued capital EUR 2,180,185                        | VIENNA      | VIENNA                | 1                                   | SCHOELLERBANK AKTIENGESELLSCHAFT  | 100.00    |                                |
| 180 PAYTRIA UNTERNEHMENS BETEILIGUNGEN GMBH<br>Issued capital EUR 36,336                              | VIENNA      | VIENNA                | 1                                   | UNICREDIT BANK AUSTRIA AG   | 100.00    |                                |
| 181 PELOPS LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,337                                   | VIENNA      | VIENNA                | 1                                   | EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.                         | 99.80     |                                |
|   |             |                       |                                     | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
| 182 PENSIONSKASSE DER HYPO VEREINSBANK VWAG   | MUNICH      | MUNICH                | 4                                   | UNICREDIT BANK AG   | ..        | <sup>(3)</sup>                 |
| 183 PIANA LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                                    | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
|   |             |                       |                                     | UNICREDIT LEASING (AUSTRIA) GMBH  | 99.80     |                                |
| 184 PIRTA VERWALTUNGS GMBH<br>Issued capital EUR 2,067,138  | VIENNA      | VIENNA                | 1                                   | UNICREDIT SPA   | 100.00    |                                |
| 185 POLLUX IMMOBILIEN GMBH<br>Issued capital EUR 36,500   | VIENNA      | VIENNA                | 1                                   | PAYTRIA UNTERNEHMENS BETEILIGUNGEN GMBH   | 0.20      |                                |
|   |             |                       |                                     | UNICREDIT BANK AUSTRIA AG   | 99.80     |                                |
| 186 PORTIA GRUNDSTUECKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG<br>Issued capital EUR 500,013,550 | MUNICH      | MUNICH                | 1                                   | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG  | 100.00    |                                |
| 187 POSATO LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                                   | VIENNA      | VIENNA                | 1                                   | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 74.80     |                                |
|   |             |                       |                                     | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
|   |             |                       |                                     | UNICREDIT LEASING (AUSTRIA) GMBH  | 25.00     |                                |
| 188 PRELUDE GRUNDSTUECKSVERWALTUNGSGESELLSCHAFT M.B.H. IN LIQU.<br>Issued capital EUR 36,500          | VIENNA      | VIENNA                | 1                                   | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 98.80     |                                |
|   |             |                       |                                     | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
|   |             |                       |                                     | UNICREDIT LEASING (AUSTRIA) GMBH  | 1.00      |                                |
| 189 PROJEKT-LEASE GRUNDSTUECKSVERWALTUNGSGESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500             | VIENNA      | VIENNA                | 1                                   | ARNO GRUNDSTUECKSVERWALTUNGSGESELLSCHAFT M.B.H.                                 | 74.80     |                                |
|   |             |                       |                                     | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
|   |             |                       |                                     | UNICREDIT LEASING (AUSTRIA) GMBH  | 25.00     |                                |
| 190 QUADRE Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                      | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
|   |             |                       |                                     | UNICREDIT LEASING (AUSTRIA) GMBH  | 99.80     |                                |
| 191 QUART Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                       | VIENNA      | VIENNA                | 1                                   | CALG ANLAGEN LEASING GMBH   | 99.80     |                                |
|   |             |                       |                                     | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
| 192 QUINT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                       | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
|   |             |                       |                                     | UNICREDIT LEASING (AUSTRIA) GMBH  | 99.80     |                                |
| 193 RANA-LIEGENSCHAFTSVERWERTUNG GMBH<br>Issued capital EUR 72,700                                    | VIENNA      | VIENNA                | 1                                   | UNIVERSALE INTERNATIONAL REALITAETEN GMBH                                       | 99.90     |                                |
| 194 REAL INVEST EUROPE DER BANK AUSTRIA REAL INVEST IMMOBILIEN- KAPI                                  | VIENNA      | VIENNA                | 4                                   | UNICREDIT BANK AUSTRIA AG   | ..        | <sup>(3)</sup>                 |
| 195 REAL-LEASE GRUNDSTUECKSVERWALTUNGSGESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500                | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
|   |             |                       |                                     | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH                                | 99.80     |                                |
| 196 REAL-RENT LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 73,000                                | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
|   |             |                       |                                     | UNICREDIT LEASING (AUSTRIA) GMBH  | 99.80     |                                |
| 197 REGEV REALITAETENVERWERTUNGSGESELLSCHAFT M.B.H. IN LIQU.<br>Issued capital EUR 726,728            | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                      | 0.20      |                                |
|   |             |                       |                                     | UNICREDIT LEASING (AUSTRIA) GMBH  | 99.80     |                                |
| 198 ROLIN GRUNDSTUECKSPANUNGS- UND -VERWALTUNGSGESELLSCHAFT MBH<br>Issued capital EUR 30,677          | MUNICH      | MUNICH                | 1                                   | WEALTHCAP INVESTMENT SERVICES GMBH  | 100.00    |                                |
| 199 ROSENKAVALIER 2008 GMBH   | FRANKFURT   | FRANKFURT             | 4                                   | UNICREDIT BANK AG   | ..        | <sup>(3)</sup>                 |
| 200 ROSENKAVALIER 2015 UG   | FRANKFURT   | FRANKFURT             | 4                                   | UNICREDIT BANK AG   | ..        | <sup>(3)</sup>                 |
| 201 ROSENKAVALIER 2020 UG   | FRANKFURT   | FRANKFURT             | 4                                   | UNICREDIT BANK AG   | ..        | <sup>(3)</sup>                 |
| 202 ROSENKAVALIER 2022 UG   | FRANKFURT   | FRANKFURT             | 4                                   | UNICREDIT BANK AG   | ..        | <sup>(3)</sup>                 |



## Part A - Accounting policies

| COMPANY NAME   | MAIN OFFICE | ADMINISTRATIVE OFFICE | TYPE OF RELATIONSHIP <sup>(1)</sup> | OWNERSHIP RELATIONSHIP  |                        | VOTING RIGHTS % <sup>(2)</sup> |
|--|-------------|-----------------------|-------------------------------------|---|------------------------|--------------------------------|
|  |             |                       |                                     | HELD BY   | HOLDING %              |                                |
| 203 SALVATORPLATZ-GRUNDSTUECKSGESELLSCHAFT MBH & CO. OHG SAARLAND<br>Issued capital EUR 1,533,900                          | MUNICH      | MUNICH                | 1                                   | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG  | 100.00                 |                                |
| 204 SALVATORPLATZ-GRUNDSTUECKSGESELLSCHAFT MBH & CO. OHG VERWALTUNGSZENTRUM<br>Issued capital EUR 2,300,850                | MUNICH      | MUNICH                | 1                                   | PORTIA GRUNDSTUECKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG<br>TIVOLI GRUNDSTUECKS-AKTIENGESELLSCHAFT   | 97.78<br>2.22          |                                |
| 205 SCHOELLERBANK AKTIENGESELLSCHAFT<br>Issued capital EUR 20,000,000  | VIENNA      | VIENNA                | 1                                   | PAYTRIA UNTERNEHMENSBEITELIGUNGEN GMBH<br>UNICREDIT BANK AUSTRIA AG   | 0.01<br>99.99          |                                |
| 206 SCHOELLERBANK INVEST AG<br>Issued capital EUR 2,543,549  | SALZBURG    | SALZBURG              | 1                                   | SCHOELLERBANK AKTIENGESELLSCHAFT  | 100.00                 |                                |
| 207 SECA-LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500  | VIENNA      | VIENNA                | 1                                   | CALG DELTA GRUNDSTUECKVERWALTUNG GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH                                     | 74.80<br>0.20<br>25.00 |                                |
| 208 SEDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500  | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH  | 0.20<br>99.80          |                                |
| 209 SEXT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500   | VIENNA      | VIENNA                | 1                                   | CALG DELTA GRUNDSTUECKVERWALTUNG GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG   | 99.80<br>0.20          |                                |
| 210 SIGMA LEASING GMBH<br>Issued capital EUR 18,286  | VIENNA      | VIENNA                | 1                                   | CALG ANLAGEN LEASING GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH   | 99.40<br>0.20<br>0.40  |                                |
| 211 SOFIGERE SOCIETE PAR ACTIONS SIMPLIFIEE (IN LIQUIDAZIONE)<br>Issued capital EUR 40,000                                 | PARIS       | PARIS                 | 1                                   | UNICREDIT SPA   | 100.00                 |                                |
| 212 SPECTRUM GRUNDSTUECKSVORWALTUNGS-GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,336                                      | VIENNA      | VIENNA                | 1                                   | WOEM GRUNDSTUECKSVORWALTUNGS-GESELLSCHAFT M.B.H.  | 100.00                 |                                |
| 213 STEWE GRUNDSTUECKSVORWALTUNGS-GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,337   | VIENNA      | VIENNA                | 1                                   | PROJEKT-LEASE GRUNDSTUECKSVORWALTUNGS-GESELLSCHAFT M.B.H.<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 24.00<br>0.20<br>75.80 |                                |
| 214 STRUCTURED INVEST SOCIETE ANONYME<br>Issued capital EUR 125,500  | LUXEMBOURG  | LUXEMBOURG            | 1                                   | UNICREDIT BANK AG   | 100.00                 |                                |
| 215 SUCCESS 2015 B.V.  | AMSTERDAM   | AMSTERDAM             | 4                                   | UNICREDIT LEASING (AUSTRIA) GMBH  | ..                     | <sup>(3)</sup>                 |
| 216 T & P FRANKFURT DEVELOPMENT B.V.<br>Issued capital EUR 4,938,271   | AMSTERDAM   | MUNICH                | 1                                   | HVB PROJEKT GMBH  | 100.00                 |                                |
| 217 T & P VASTGOED STUTTGART B.V.<br>Issued capital EUR 10,769,773   | AMSTERDAM   | MUNICH                | 1                                   | HVB PROJEKT GMBH  | 87.50                  |                                |
| 218 TERRENO GRUNDSTUECKSVORWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG<br>Issued capital EUR 920,400 | MUNICH      | MUNICH                | 1                                   | HVB TECTA GMBH  | 75.00                  |                                |
| 219 TERZ Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500   | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH  | 0.20<br>99.80          |                                |
| 220 TIVOLI GRUNDSTUECKS-AKTIENGESELLSCHAFT<br>Issued capital EUR 6,240,000   | MUNICH      | MUNICH                | 1                                   | PORTIA GRUNDSTUECKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG   | 100.00                 |                                |
| 221 TREDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. IN LIQU.<br>Issued capital EUR 36,500                                  | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH  | 0.20<br>99.80          |                                |
| 222 TRICASA GRUNDBESITZ GESELLSCHAFT MBH & CO. 1. VERMIETUNGS KG<br>Issued capital EUR 6,979,476                           | MUNICH      | MUNICH                | 1                                   | ORESTOS IMMOBILIEN-VERWALTUNGS GMBH   | 100.00                 | 99.99                          |
| 223 TRICASA GRUNDBESITZGESELLSCHAFT DES BÜRGERLICHEN RECHTS NR. 1<br>Issued capital EUR 13,687,272                         | MUNICH      | MUNICH                | 1                                   | ORESTOS IMMOBILIEN-VERWALTUNGS GMBH   | 100.00                 |                                |

## Part A - Accounting policies

| COMPANY NAME  | MAIN OFFICE | ADMINISTRATIVE OFFICE | TYPE OF RELATIONSHIP <sup>(1)</sup> | OWNERSHIP RELATIONSHIP   |                | VOTING RIGHTS % <sup>(2)</sup> |
|---|-------------|-----------------------|-------------------------------------|--|----------------|--------------------------------|
|   |             |                       |                                     | HELD BY  | HOLDING %      |                                |
| 224<br>UCLA AM WINTERHAFEN 11 IMMOBILIENLEASING GMBH & CO OG<br>Issued capital EUR 0        | VIENNA      | VIENNA                | 1                                   | UNICREDIT PEGASUS LEASING GMBH<br>UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H.             | 50.00<br>50.00 |                                |
| 225<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>Issued capital EUR 10,000              | VIENNA      | VIENNA                | 1                                   | BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.<br>BA-CA ANDANTE LEASING GMBH               | 90.00<br>10.00 |                                |
| 226<br>UCTAM BALTICS SIA<br>Issued capital EUR 4,265,585                                    | RIGA        | RIGA                  | 1                                   | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH  | 100.00         |                                |
| 227<br>UCTAM BH D.O.O.<br>Issued capital BAM 2,000  | MOSTAR      | MOSTAR                | 1                                   | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH  | 100.00         |                                |
| 228<br>UCTAM BULGARIA EOOD<br>Issued capital BGN 20,000                                     | SOFIA       | SOFIA                 | 1                                   | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH  | 100.00         |                                |
| 229<br>UCTAM CZECH REPUBLIC SRO<br>Issued capital CZK 45,500,000                            | PRAGUE      | PRAGUE                | 1                                   | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH  | 100.00         |                                |
| 230<br>UCTAM D.O.O. BEOGRAD<br>Issued capital RSD 631,564,325                               | BELGRADE    | BELGRADE              | 1                                   | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH  | 100.00         |                                |
| 231<br>UCTAM RU LIMITED LIABILITY COMPANY <sup>(4)</sup><br>Issued capital RUB 4,000,000    | MOSCOW      | MOSCOW                | 1                                   | UCTAM BALTICS SIA<br>UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH                           | ..<br>100.00   |                                |
| 232<br>UFFICIUM IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,337         | VIENNA      | VIENNA                | 1                                   | KUTRA GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.<br>UNICREDIT LEASING (AUSTRIA) GMBH    | 5.00<br>95.00  |                                |
| 233<br>UNICOM IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500           | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH           | 0.20<br>99.80  |                                |
| 234<br>UNICREDIT ACHTERHAUS LEASING GMBH<br>Issued capital EUR 35,000                       | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H. | 10.00<br>90.00 |                                |
| 235<br>UNICREDIT AURORA LEASING GMBH<br>Issued capital EUR 219,000                          | VIENNA      | VIENNA                | 1                                   | UNICREDIT LEASING (AUSTRIA) GMBH   | 100.00         |                                |
| 236<br>UNICREDIT BANK A.D. BANJA LUKA<br>Issued capital BAM 97,055,000                      | BANJA LUKA  | BANJA LUKA            | 1                                   | UNICREDIT SPA  | 99.61          |                                |
| 237<br>UNICREDIT BANK AG<br>Issued capital EUR 2,407,151,016                                | MUNICH      | MUNICH                | 1                                   | UNICREDIT SPA  | 100.00         |                                |
| 238<br>UNICREDIT BANK AUSTRIA AG<br>Issued capital EUR 1,681,033,521                        | VIENNA      | VIENNA                | 1                                   | UNICREDIT SPA  | 100.00         |                                |
| 239<br>UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.<br>Issued capital CZK 8,754,617,898 | PRAGUE      | PRAGUE                | 1                                   | UNICREDIT SPA  | 100.00         |                                |
| 240<br>UNICREDIT BANK D.D.<br>Issued capital BAM 119,195,000                                | MOSTAR      | MOSTAR                | 1                                   | ZAGREBACKA BANKA D.D.  | 99.35          | 99.31                          |
| 241<br>UNICREDIT BANK HUNGARY ZRT.<br>Issued capital HUF 24,118,220,000                     | BUDAPEST    | BUDAPEST              | 1                                   | UNICREDIT SPA  | 100.00         |                                |
| 242<br>UNICREDIT BANK S.A.<br>Issued capital RON 1,177,748,253                              | BUCHAREST   | BUCHAREST             | 1                                   | UNICREDIT SPA  | 98.63          |                                |
| 243<br>UNICREDIT BANK SERBIA JSC<br>Issued capital RSD 23,607,620,000                       | BELGRADE    | BELGRADE              | 1                                   | UNICREDIT SPA  | 100.00         |                                |
| 244<br>UNICREDIT BANKA SLOVENIJA D.D.<br>Issued capital EUR 20,383,698                      | LJUBLJANA   | LJUBLJANA             | 1                                   | UNICREDIT SPA  | 100.00         |                                |
| 245<br>UNICREDIT BETEILIGUNGS GMBH<br>Issued capital EUR 1,000,000                          | MUNICH      | MUNICH                | 1                                   | UNICREDIT BANK AG  | 100.00         |                                |
| 246<br>UNICREDIT BPC MORTGAGE SRL (COVERED BONDS)   | VERONA      | VERONA                | 4                                   | UNICREDIT SPA  | ..             | <sup>(3)</sup>                 |
| 247<br>UNICREDIT BPC MORTGAGE S.R.L.<br>Issued capital EUR 12,000                           | VERONA      | VERONA                | 1                                   | UNICREDIT SPA  | 60.00          |                                |
| 248<br>UNICREDIT BROKER S.R.O.<br>Issued capital EUR 8,266                                  | BRATISLAVA  | BRATISLAVA            | 1                                   | UNICREDIT LEASING SLOVAKIA A.S.  | 100.00         |                                |
| 249<br>UNICREDIT BULBANK AD<br>Issued capital BGN 285,776,674                               | SOFIA       | SOFIA                 | 1                                   | UNICREDIT SPA  | 99.45          |                                |
| 250<br>UNICREDIT CAPITAL MARKETS LLC<br>Issued capital USD 100,100                          | NEW YORK    | NEW YORK              | 1                                   | UNICREDIT U.S. FINANCE LLC   | 100.00         |                                |
| 251<br>UNICREDIT CENTER AM KAISERWASSER GMBH<br>Issued capital EUR 35,000                   | VIENNA      | VIENNA                | 1                                   | UNICREDIT BANK AUSTRIA AG  | 100.00         |                                |
| 252<br>UNICREDIT CONSUMER FINANCING EAD<br>Issued capital BGN 2,800,000                     | SOFIA       | SOFIA                 | 1                                   | UNICREDIT BULBANK AD   | 100.00         |                                |

## Part A - Accounting policies

| COMPANY NAME  | MAIN OFFICE | ADMINISTRATIVE OFFICE | TYPE OF RELATIONSHIP <sup>(1)</sup> | OWNERSHIP RELATIONSHIP  |                        | VOTING RIGHTS % <sup>(2)</sup> |
|---|-------------|-----------------------|-------------------------------------|---|------------------------|--------------------------------|
|   |             |                       |                                     | HELD BY   | HOLDING %              |                                |
| 253 UNICREDIT CONSUMER FINANCING IFN S.A.<br>Issued capital RON 103,269,200                 | BUCHAREST   | BUCHAREST             | 1                                   | UNICREDIT BANK S.A.<br>UNICREDIT SPA  | 50.10<br>49.90         |                                |
| 254 UNICREDIT DIRECT SERVICES GMBH<br>Issued capital EUR 767,000                            | MUNICH      | MUNICH                | 1                                   | UNICREDIT BANK AG   | 100.00                 |                                |
| 255 UNICREDIT FACTORING CZECH REPUBLIC AND SLOVAKIA, A.S.<br>Issued capital CZK 222,600,000 | PRAGUE      | PRAGUE                | 1                                   | UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.  | 100.00                 |                                |
| 256 UNICREDIT FACTORING SPA<br>Issued capital EUR 414,348,000                               | MILAN       | MILAN                 | 1                                   | UNICREDIT SPA   | 100.00                 |                                |
| 257 UNICREDIT FLEET MANAGEMENT EOOD<br>Issued capital BGN 100,000                           | SOFIA       | SOFIA                 | 1                                   | UNICREDIT BULBANK AD  | 100.00                 |                                |
| 258 UNICREDIT FLEET MANAGEMENT S.R.O.<br>Issued capital CZK 5,000,000                       | PRAGUE      | PRAGUE                | 1                                   | UNICREDIT LEASING CZ, A.S.  | 100.00                 |                                |
| 259 UNICREDIT FLEET MANAGEMENT S.R.O.<br>Issued capital EUR 6,639                           | BRATISLAVA  | BRATISLAVA            | 1                                   | UNICREDIT LEASING SLOVAKIA A.S.   | 100.00                 |                                |
| 260 UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH<br>Issued capital EUR 57,000           | VIENNA      | VIENNA                | 1                                   | EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                     | 99.80<br>0.20          |                                |
| 261 UNICREDIT GUSTRA LEASING GMBH<br>Issued capital EUR 35,000                              | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT PEGASUS LEASING GMBH  | 10.00<br>90.00         |                                |
| 262 UNICREDIT HAMRED LEASING GMBH<br>Issued capital EUR 35,000                              | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT PEGASUS LEASING GMBH  | 10.00<br>90.00         |                                |
| 263 UNICREDIT INSURANCE BROKER EOOD<br>Issued capital BGN 5,000                             | SOFIA       | SOFIA                 | 1                                   | UNICREDIT LEASING EAD   | 100.00                 |                                |
| 264 UNICREDIT INSURANCE BROKER SRL<br>Issued capital RON 150,000                            | BUCHAREST   | BUCHAREST             | 1                                   | UNICREDIT LEASING CORPORATION IFN S.A.  | 100.00                 |                                |
| 265 UNICREDIT INSURANCE MANAGEMENT CEE GMBH<br>Issued capital EUR 156,905                   | VIENNA      | VIENNA                | 1                                   | PIRTA VERWALTUNGS GMBH  | 100.00                 |                                |
| 266 UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA<br>Issued capital EUR 13,406,600           | LUXEMBOURG  | LUXEMBOURG            | 1                                   | UNICREDIT SPA   | 100.00                 |                                |
| 267 UNICREDIT JELZALOGBANK ZRT.<br>Issued capital HUF 3,000,000,000                         | BUDAPEST    | BUDAPEST              | 1                                   | UNICREDIT BANK HUNGARY ZRT.   | 100.00                 |                                |
| 268 UNICREDIT KFZ LEASING GMBH<br>Issued capital EUR 648,000                                | VIENNA      | VIENNA                | 1                                   | GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.  | 100.00                 |                                |
| 269 UNICREDIT LEASED ASSET MANAGEMENT SPA<br>Issued capital EUR 1,000,000                   | MILAN       | MILAN                 | 1                                   | UNICREDIT LEASING SPA   | 100.00                 |                                |
| 270 UNICREDIT LEASING (AUSTRIA) GMBH<br>Issued capital EUR 17,296,134                       | VIENNA      | VIENNA                | 1                                   | BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.<br>PAYTRIA UNTERNEHMENS BETEILIGUNGEN GMBH<br>UNICREDIT BANK AUSTRIA AG | 10.00<br>0.02<br>89.98 |                                |
| 271 UNICREDIT LEASING ALPHA ASSETVERMIETUNG GMBH<br>Issued capital EUR 35,000               | VIENNA      | VIENNA                | 1                                   | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH   | 100.00                 |                                |
| 272 UNICREDIT LEASING AVIATION GMBH<br>Issued capital EUR 1,600,000                         | HAMBURG     | HAMBURG               | 1                                   | UNICREDIT LEASING GMBH  | 100.00                 |                                |
| 273 UNICREDIT LEASING CORPORATION IFN S.A.<br>Issued capital RON 90,989,013                 | BUCHAREST   | BUCHAREST             | 1                                   | UNICREDIT BANK S.A.<br>UNICREDIT CONSUMER FINANCING IFN S.A.  | 99.96<br>0.04          |                                |
| 274 UNICREDIT LEASING CROATIA D.O.O. ZA LEASING<br>Issued capital HRK 28,741,800            | ZAGREB      | ZAGREB                | 1                                   | ZAGREBACKA BANKA D.D.   | 100.00                 |                                |
| 275 UNICREDIT LEASING CZ, A.S.<br>Issued capital CZK 981,452,000                            | PRAGUE      | PRAGUE                | 1                                   | UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.  | 100.00                 |                                |
| 276 UNICREDIT LEASING EAD<br>Issued capital BGN 2,605,000                                   | SOFIA       | SOFIA                 | 1                                   | UNICREDIT BULBANK AD  | 100.00                 |                                |
| 277 UNICREDIT LEASING FINANCE GMBH<br>Issued capital EUR 17,580,000                         | HAMBURG     | HAMBURG               | 1                                   | UNICREDIT LEASING GMBH  | 100.00                 |                                |
| 278 UNICREDIT LEASING FLEET MANAGEMENT S.R.L.<br>Issued capital RON 680,000                 | BUCHAREST   | BUCHAREST             | 1                                   | PIRTA VERWALTUNGS GMBH<br>UNICREDIT LEASING CORPORATION IFN S.A.  | 90.02<br>9.98          |                                |
| 279 UNICREDIT LEASING GMBH<br>Issued capital EUR 15,000,000                                 | HAMBURG     | HAMBURG               | 1                                   | UNICREDIT BANK AG   | 100.00                 |                                |

## Part A - Accounting policies

| COMPANY NAME  | MAIN OFFICE | ADMINISTRATIVE OFFICE | TYPE OF RELATIONSHIP <sup>(1)</sup> | OWNERSHIP RELATIONSHIP  |                        | VOTING RIGHTS % <sup>(2)</sup> |
|---|-------------|-----------------------|-------------------------------------|---|------------------------|--------------------------------|
|   |             |                       |                                     | HELD BY   | HOLDING %              |                                |
| 280 UNICREDIT LEASING HUNGARY ZRT<br>Issued capital HUF 50,000,000              | BUDAPEST    | BUDAPEST              | 1                                   | UNICREDIT BANK HUNGARY ZRT.   | 100.00                 |                                |
| 281 UNICREDIT LEASING INSURANCE SERVICES S.R.O.<br>Issued capital EUR 5,000     | BRATISLAVA  | BRATISLAVA            | 1                                   | UNICREDIT LEASING SLOVAKIA A.S.   | 100.00                 |                                |
| 282 UNICREDIT LEASING SLOVAKIA A.S.<br>Issued capital EUR 26,560,000            | BRATISLAVA  | BRATISLAVA            | 1                                   | UNICREDIT LEASING CZ, A.S.  | 100.00                 |                                |
| 283 UNICREDIT LEASING SPA<br>Issued capital EUR 1,106,877,000                   | MILAN       | MILAN                 | 1                                   | UNICREDIT SPA   | 100.00                 |                                |
| 284 UNICREDIT LEASING SRBIJA D.O.O. BEOGRAD<br>Issued capital RSD 1,078,133,000 | BELGRADE    | BELGRADE              | 1                                   | UNICREDIT BANK SERBIA JSC   | 100.00                 |                                |
| 285 UNICREDIT LEASING TECHNIKUM GMBH<br>Issued capital EUR 35,000               | VIENNA      | VIENNA                | 1                                   | LEASFINANZ GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG   | 99.80<br>0.20          |                                |
| 286 UNICREDIT LUNA LEASING GMBH<br>Issued capital EUR 36,500                    | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH  | 0.20<br>99.80          |                                |
| 287 UNICREDIT MOBILIEN UND KFZ LEASING GMBH<br>Issued capital EUR 36,500        | VIENNA      | VIENNA                | 1                                   | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH | 98.80<br>0.20<br>1.00  |                                |
| 288 UNICREDIT OBG S.R.L.<br>Issued capital EUR 10,000                           | VERONA      | VERONA                | 1                                   | UNICREDIT SPA   | 60.00                  |                                |
| 289 UNICREDIT OBG SRL (COVERED BONDS)   | VERONA      | VERONA                | 4                                   | UNICREDIT SPA   | ..                     | <sup>(3)</sup>                 |
| 290 UNICREDIT OK1 LEASING GMBH<br>Issued capital EUR 35,000                     | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H.  | 10.00<br>90.00         |                                |
| 291 UNICREDIT PEGASUS LEASING GMBH<br>Issued capital EUR 36,500                 | VIENNA      | VIENNA                | 1                                   | CALG IMMOBILIEN LEASING GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH  | 74.80<br>0.20<br>25.00 |                                |
| 292 UNICREDIT POJISTOVACI MAKLERSKA SPOL.S R.O.<br>Issued capital CZK 510,000   | PRAGUE      | PRAGUE                | 1                                   | UNICREDIT LEASING CZ, A.S.  | 100.00                 |                                |
| 293 UNICREDIT POLARIS LEASING GMBH<br>Issued capital EUR 36,500                 | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH  | 0.20<br>99.80          |                                |
| 294 UNICREDIT SERVICES GMBH<br>Issued capital EUR 1,200,000                     | VIENNA      | VIENNA                | 1                                   | UNICREDIT SPA   | 100.00                 |                                |
| 295 UNICREDIT STERNECK LEASING GMBH<br>Issued capital EUR 35,000                | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT PEGASUS LEASING GMBH  | 10.00<br>90.00         |                                |
| 296 UNICREDIT SUBITO CASA SPA<br>Issued capital EUR 500,000                     | MILAN       | MILAN                 | 1                                   | UNICREDIT SPA   | 100.00                 |                                |
| 297 UNICREDIT TECHRENT LEASING GMBH<br>Issued capital EUR 36,336                | VIENNA      | VIENNA                | 1                                   | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH<br>UNICREDIT LEASING (AUSTRIA) GMBH   | 99.00<br>1.00          |                                |
| 298 UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH<br>Issued capital EUR 750,000     | VIENNA      | VIENNA                | 1                                   | UNICREDIT SPA   | 100.00                 |                                |
| 299 UNICREDIT U.S. FINANCE LLC<br>Issued capital USD 130                        | WILMINGTON  | NEW YORK              | 1                                   | UNICREDIT BANK AG   | 100.00                 |                                |
| 300 UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500     | VIENNA      | VIENNA                | 1                                   | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                                     | 99.80<br>0.20          |                                |
| 301 UNIVERSALE INTERNATIONAL REALITAETEN GMBH<br>Issued capital EUR 32,715,000  | VIENNA      | VIENNA                | 1                                   | BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.<br>UNICREDIT BANK AUSTRIA AG  | ..<br>100.00           |                                |
| 302 V.M.G. VERMIETUNGSGESELLSCHAFT MBH<br>Issued capital EUR 25,565             | MUNICH      | MUNICH                | 1                                   | WEALTHCAP INVESTMENT SERVICES GMBH  | 100.00                 |                                |
| 303 VAPE COMMUNA LEASINGGESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500        | VIENNA      | VIENNA                | 1                                   | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH | 74.80<br>0.20<br>25.00 |                                |

## Part A - Accounting policies

| COMPANY NAME   | MAIN OFFICE | ADMINISTRATIVE OFFICE | TYPE OF RELATIONSHIP <sup>(1)</sup> | OWNERSHIP RELATIONSHIP                               |           | VOTING RIGHTS % <sup>(2)</sup> |
|--|-------------|-----------------------|-------------------------------------|--|-----------|--------------------------------|
|  |             |                       |                                     | HELD BY  | HOLDING % |                                |
| 304 VERMIETUNGSGESELLSCHAFT MBH & CO<br>OBJEKT MOC KG<br>Issued capital EUR 48,728,161         | MUNICH      | MUNICH                | 1                                   | HVB IMMOBILIEN AG                                    | 89.28     | 89.23                          |
| 305 VISCONTI SRL<br>Issued capital EUR 11,000,000  | MILAN       | MILAN                 | 1                                   | UNICREDIT SPA  | 76.00     |                                |
| 306 WEALTH MANAGEMENT CAPITAL HOLDING<br>GMBH<br>Issued capital EUR 26,000                     | MUNICH      | MUNICH                | 1                                   | UNICREDIT BANK AG                                    | 100.00    |                                |
| 307 WEALTHCAP ENTITY SERVICE GMBH<br>Issued capital EUR 25,000                                 | MUNICH      | MUNICH                | 1                                   | WEALTHCAP REAL ESTATE MANAGEMENT<br>GMBH             | 100.00    |                                |
| 308 WEALTHCAP EQUITY GMBH<br>Issued capital EUR 500,000  | MUNICH      | MUNICH                | 1                                   | WEALTHCAP INITIATOREN GMBH                           | 100.00    |                                |
| 309 WEALTHCAP EQUITY MANAGEMENT GMBH<br>Issued capital EUR 25,000                              | MUNICH      | MUNICH                | 1                                   | WEALTHCAP EQUITY GMBH                                | 100.00    |                                |
| 310 WEALTHCAP FONDS GMBH<br>Issued capital EUR 512,000   | MUNICH      | MUNICH                | 1                                   | WEALTHCAP INITIATOREN GMBH                           | 100.00    |                                |
| 311 WEALTHCAP IMMOBILIEN 1 GMBH & CO. KG<br>Issued capital EUR 5,000                           | MUNICH      | MUNICH                | 1                                   | WEALTHCAP REAL ESTATE MANAGEMENT<br>GMBH             | 100.00    | 50.00                          |
| 312 WEALTHCAP IMMOBILIEN 2 GMBH & CO. KG<br>Issued capital EUR 10,600                          | MUNICH      | MUNICH                | 1                                   | WEALTHCAP VORRATS-2 GMBH                             | ..        | 50.00                          |
| 313 WEALTHCAP IMMOBILIEN 43 KOMPLEMENTAER<br>GMBH<br>Issued capital EUR 25,000                 | MUNICH      | MUNICH                | 1                                   | WEALTHCAP REAL ESTATE MANAGEMENT<br>GMBH             | 94.34     | 50.00                          |
| 314 WEALTHCAP IMMOBILIEN DEUTSCHLAND 46<br>GMBH & CO. KG<br>Issued capital EUR 20,000          | MUNICH      | MUNICH                | 1                                   | WEALTHCAP VORRATS-2 GMBH                             | 5.66      | 50.00                          |
| 315 WEALTHCAP IMMOBILIENANKAUF<br>KOMPLEMENTAER GMBH<br>Issued capital EUR 25,000              | MUNICH      | MUNICH                | 1                                   | WEALTHCAP ENTITY SERVICE GMBH                        | 100.00    |                                |
| 316 WEALTHCAP IMMOBILIENFONDS DEUTSCHLAND<br>36 KOMPLEMENTAR GMBH<br>Issued capital EUR 25,565 | MUNICH      | MUNICH                | 1                                   | WEALTHCAP REAL ESTATE MANAGEMENT<br>GMBH             | 100.00    |                                |
| 317 WEALTHCAP IMMOBILIENFONDS DEUTSCHLAND<br>38 KOMPLEMENTAR GMBH<br>Issued capital EUR 25,000 | MUNICH      | MUNICH                | 1                                   | WEALTHCAP VORRATS-2 GMBH                             | 100.00    |                                |
| 318 WEALTHCAP INITIATOREN GMBH<br>Issued capital EUR 1,533,876                                 | MUNICH      | MUNICH                | 1                                   | WEALTHCAP ENTITY SERVICE GMBH                        | 100.00    |                                |
| 319 WEALTHCAP INVESTMENT SERVICES GMBH<br>Issued capital EUR 4,000,000                         | MUNICH      | MUNICH                | 1                                   | WEALTHCAP REAL ESTATE MANAGEMENT<br>GMBH             | 10.00     |                                |
| 320 WEALTHCAP INVESTMENTS INC.<br>Issued capital USD 312,000                                   | WILMINGTON  | ATLANTA               | 1                                   | WEALTH MANAGEMENT CAPITAL HOLDING<br>GMBH            | 90.00     |                                |
| 321 WEALTHCAP INVESTORENBETREUUNG GMBH<br>Issued capital EUR 60,000                            | MUNICH      | MUNICH                | 1                                   | WEALTHCAP FONDS GMBH                                 | 100.00    |                                |
| 322 WEALTHCAP<br>KAPITALVERWALTUNGSGESELLSCHAFT MBH<br>Issued capital EUR 125,000              | GRUENWALD   | GRUENWALD             | 1                                   | WEALTHCAP INVESTMENT SERVICES GMBH                   | 100.00    |                                |
| 323 WEALTHCAP LEASING GMBH<br>Issued capital EUR 25,000  | GRUENWALD   | GRUENWALD             | 1                                   | WEALTHCAP ENTITY SERVICE GMBH                        | 100.00    |                                |
| 324 WEALTHCAP MANAGEMENT SERVICES GMBH<br>Issued capital EUR 50,000                            | MUNICH      | MUNICH                | 1                                   | WEALTH MANAGEMENT CAPITAL HOLDING<br>GMBH            | 100.00    |                                |
| 325 WEALTHCAP OBJEKT DRESDEN GMBH & CO. KG<br>Issued capital EUR 35,215,857                    | MUNICH      | MUNICH                | 1                                   | WEALTHCAP PEIA MANAGEMENT GMBH                       | 100.00    |                                |
| 326 WEALTHCAP OBJEKT STUTTGART III GMBH & CO.<br>KG<br>Issued capital EUR 10,000               | MUNICH      | MUNICH                | 1                                   | WEALTHCAP IMMOBILIEN 2 GMBH & CO. KG                 | 10.10     |                                |
|  |             |                       |                                     | WEALTHCAP IMMOBILIEN DEUTSCHLAND 46<br>GMBH & CO. KG | 89.89     |                                |
|  |             |                       |                                     | WEALTHCAP<br>KAPITALVERWALTUNGSGESELLSCHAFT MBH      | 0.01      |                                |
|  |             |                       |                                     | WEALTHCAP IMMOBILIEN 1 GMBH & CO. KG                 | 10.10     | 33.33                          |
|  |             |                       |                                     | WEALTHCAP IMMOBILIEN 43 KOMPLEMENTAER<br>GMBH        | ..        | 33.33                          |
|  |             |                       |                                     | WEALTHCAP REAL ESTATE MANAGEMENT<br>GMBH             | 89.90     | 33.33                          |

## Part A - Accounting policies

| COMPANY NAME   | MAIN OFFICE | ADMINISTRATIVE OFFICE | TYPE OF RELATIONSHIP <sup>(1)</sup> | OWNERSHIP RELATIONSHIP                                     |           | VOTING RIGHTS % <sup>(2)</sup> |
|--|-------------|-----------------------|-------------------------------------|--|-----------|--------------------------------|
|  |             |                       |                                     | HELD BY  | HOLDING % |                                |
| 327 WEALTHCAP OBJEKT-VORRAT 35 GMBH & CO. KG<br>Issued capital EUR 10,000                  | MUNICH      | MUNICH                | 1                                   | WEALTHCAP IMMOBILIEN 1 GMBH & CO. KG                       | 10.10     | 25.00                          |
|  |             |                       |                                     | WEALTHCAP IMMOBILIEN 2 GMBH & CO. KG                       | 10.10     | 25.00                          |
|  |             |                       |                                     | WEALTHCAP IMMOBILIENANKAUF KOMPLEMENTAER GMBH              | ..        | 25.00                          |
|  |             |                       |                                     | WEALTHCAP KAPITALVERWALTUNGSGESELLSCHAFT MBH               | 79.80     | 25.00                          |
| 328 WEALTHCAP OBJEKT-VORRAT 37 GMBH & CO. KG<br>Issued capital EUR 10,000                  | MUNICH      | MUNICH                | 1                                   | WEALTHCAP IMMOBILIEN 1 GMBH & CO. KG                       | 10.10     | 25.00                          |
|  |             |                       |                                     | WEALTHCAP IMMOBILIEN 2 GMBH & CO. KG                       | 10.10     | 25.00                          |
|  |             |                       |                                     | WEALTHCAP IMMOBILIENANKAUF KOMPLEMENTAER GMBH              | ..        | 25.00                          |
|  |             |                       |                                     | WEALTHCAP KAPITALVERWALTUNGSGESELLSCHAFT MBH               | 79.80     | 25.00                          |
| 329 WEALTHCAP OBJEKT-VORRAT 39 GMBH & CO. KG<br>Issued capital EUR 10,000                  | MUNICH      | MUNICH                | 1                                   | WEALTHCAP IMMOBILIEN 2 GMBH & CO. KG                       | 10.10     | 33.33                          |
|  |             |                       |                                     | WEALTHCAP IMMOBILIENANKAUF KOMPLEMENTAER GMBH              | ..        | 33.33                          |
|  |             |                       |                                     | WEALTHCAP KAPITALVERWALTUNGSGESELLSCHAFT MBH               | 89.90     | 33.33                          |
|  |             |                       |                                     |  |           |                                |
| 330 WEALTHCAP PEIA KOMPLEMENTAR GMBH<br>Issued capital EUR 26,000                          | GRUENWALD   | GRUENWALD             | 1                                   | WEALTHCAP PEIA MANAGEMENT GMBH                             | 100.00    |                                |
| 331 WEALTHCAP PEIA MANAGEMENT GMBH<br>Issued capital EUR 1,023,000                         | MUNICH      | MUNICH                | 1                                   | UNICREDIT BANK AG  | 6.00      |                                |
|  |             |                       |                                     | WEALTH MANAGEMENT CAPITAL HOLDING GMBH                     | 94.00     |                                |
| 332 WEALTHCAP REAL ESTATE MANAGEMENT GMBH<br>Issued capital EUR 60,000                     | MUNICH      | MUNICH                | 1                                   | WEALTHCAP INVESTMENT SERVICES GMBH                         | 100.00    |                                |
| 333 WEALTHCAP SPEZIAL - AIF-SV BUERO 8   | GRUENWALD   | GRUENWALD             | 4                                   | WEALTH MANAGEMENT CAPITAL HOLDING GMBH                     | ..        | <sup>(3)</sup>                 |
| 334 WEALTHCAP VORRATS-2 GMBH<br>Issued capital EUR 25,000                                  | MUNICH      | MUNICH                | 1                                   | WEALTHCAP FONDS GMBH                                       | 100.00    |                                |
| 335 WEICKER S. A R.L.<br>Issued capital EUR 20,658,840                                     | LUXEMBOURG  | LUXEMBOURG            | 1                                   | UNICREDIT BANK AG  | 100.00    |                                |
| 336 WOEM GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,336          | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                 | 0.20      |                                |
|  |             |                       |                                     | UNICREDIT LEASING (AUSTRIA) GMBH                           | 99.80     |                                |
| 337 Z LEASING ALFA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500     | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                 | 0.20      |                                |
|  |             |                       |                                     | UNICREDIT LEASING (AUSTRIA) GMBH                           | 99.80     |                                |
| 338 Z LEASING ARKTUR IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500   | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                 | 0.20      |                                |
|  |             |                       |                                     | UNICREDIT LEASING (AUSTRIA) GMBH                           | 99.80     |                                |
| 339 Z LEASING AURIGA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500   | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                 | 0.20      |                                |
|  |             |                       |                                     | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH           | 99.80     |                                |
| 340 Z LEASING CORVUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500   | VIENNA      | VIENNA                | 1                                   | BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.               | 99.80     |                                |
|  |             |                       |                                     | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                 | 0.20      |                                |
| 341 Z LEASING DORADO IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500   | VIENNA      | VIENNA                | 1                                   | CALG GRUNDSTUECKVERWALTUNG GMBH                            | 99.80     |                                |
|  |             |                       |                                     | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                 | 0.20      |                                |
| 342 Z LEASING DRACO IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500    | VIENNA      | VIENNA                | 1                                   | GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.             | 99.80     |                                |
|  |             |                       |                                     | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                 | 0.20      |                                |
| 343 Z LEASING GAMA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500     | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                 | 0.20      |                                |
|  |             |                       |                                     | UNICREDIT LEASING (AUSTRIA) GMBH                           | 99.80     |                                |
| 344 Z LEASING GEMINI IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500   | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                 | 0.20      |                                |
|  |             |                       |                                     | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH           | 99.80     |                                |
| 345 Z LEASING HEBE IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500     | VIENNA      | VIENNA                | 1                                   | GEBAEUDELEASING GRUNDSTUECKSVERWALTUNGSGESELLSCHAFT M.B.H. | 99.80     |                                |
|  |             |                       |                                     | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                 | 0.20      |                                |
| 346 Z LEASING HERCULES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500 | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG                 | 0.20      |                                |
|  |             |                       |                                     | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH           | 99.80     |                                |

## Part A - Accounting policies

| COMPANY NAME   | MAIN OFFICE | ADMINISTRATIVE OFFICE | TYPE OF RELATIONSHIP <sup>(1)</sup> | OWNERSHIP RELATIONSHIP   |                | VOTING RIGHTS % <sup>(2)</sup> |
|--|-------------|-----------------------|-------------------------------------|--|----------------|--------------------------------|
|  |             |                       |                                     | HELD BY  | HOLDING %      |                                |
| 347 Z LEASING IPSILON IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500  | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 0.20<br>99.80  |                                |
| 348 Z LEASING ITA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500      | VIENNA      | VIENNA                | 1                                   | GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG   | 99.80<br>0.20  |                                |
| 349 Z LEASING JANUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500    | VIENNA      | VIENNA                | 1                                   | GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG   | 99.80<br>0.20  |                                |
| 350 Z LEASING KALLISTO IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500 | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH                 | 0.20<br>99.80  |                                |
| 351 Z LEASING KAPA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500     | VIENNA      | VIENNA                | 1                                   | GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG   | 99.80<br>0.20  |                                |
| 352 Z LEASING LYRA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500     | VIENNA      | VIENNA                | 1                                   | GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG   | 99.80<br>0.20  |                                |
| 353 Z LEASING NEREIDE IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500  | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH                 | 0.20<br>99.80  |                                |
| 354 Z LEASING OMEGA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500    | VIENNA      | VIENNA                | 1                                   | CALG DELTA GRUNDSTUECKVERWALTUNG GMBH<br>UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG            | 99.80<br>0.20  |                                |
| 355 Z LEASING PERSEUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500  | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H.       | 10.00<br>90.00 |                                |
| 356 Z LEASING VENUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,500    | VIENNA      | VIENNA                | 1                                   | UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG<br>UNICREDIT LEASING (AUSTRIA) GMBH                 | 0.20<br>99.80  |                                |
| 357 ZAGREBACKA BANKA D.D.<br>Issued capital HRK 6,404,839,100                              | ZAGREB      | ZAGREB                | 1                                   | UNICREDIT SPA  | 96.19          |                                |
| 358 ZAPADNI TRGOVACKI CENTAR D.O.O.<br>Issued capital HRK 20,000                           | RIJEKA      | RIJEKA                | 1                                   | UNIVERSALE INTERNATIONAL REALITAETEN GMBH  | 100.00         |                                |

**Notes to the table showing the investments in subsidiaries:**

(1) Type of relationship:

- 1= majority of voting rights at ordinary shareholders' meeting;
- 2= dominant influence at ordinary shareholders' meeting;
- 3= agreements with other shareholders;
- 4= other types of control;
- 5= centralised management pursuant to paragraph 1 of Art.39 of "Legislative decree 136/2015";
- 6= centralised management pursuant to paragraph 2 of Art.39 of "Legislative decree 136/2015";

(2) Voting rights available in general meeting. Voting rights are disclosed only if different from the percentage of ownership.

(3) Companies consolidated line by line under IFRS10 as a result of the simultaneous availability of power to govern the relevant activities and exposures to variability of related returns.

(4) It should be noted that as at 31 December 2022 the voting rights that can be exercised directly or indirectly relating to subsidiaries based in Russia, or companies subject to significant influence by them, are fully enforceable and not being restricted the ability to appoint members of the Management Bodies there are no indications that lead to reconsider the effectiveness of the shareholding relationship with these companies on the same date.

## Part A - Accounting policies

### Changes in the scope of consolidation

Companies consolidated line by line, including the Parent company and those ones classified as non-current assets and asset disposal groups, decreased by 49 entities compared with 31 December 2021 (8 inclusions and 57 exclusions as a result of disposals, changes of the consolidation method and mergers), from 407 as at 31 December 2021 to 358 as at 31 December 2022.

### Wholly-owned subsidiaries

The following table shows the changes in equity investments in wholly-owned subsidiaries.

#### Equity investments in wholly-owned subsidiaries (consolidated line by line): annual changes

|  | NUMBER OF COMPANIES |
|--|---------------------|
| <b>A. Opening balance (from previous year)</b>           | <b>407</b>          |
| <b>B. Increased by</b>                                   | <b>8</b>            |
| B.1 Newly established companies                          | 3                   |
| B.2 Change of the consolidation method                   | 3                   |
| B.3 Entities consolidated for the first time in the year | 2                   |
| <b>C. Reduced by</b>                                     | <b>57</b>           |
| C.1 Disposal/Liquidation                                 | 21                  |
| C.2 Change of the consolidation method                   | 13                  |
| C.3 Absorption by other Group entities                   | 23                  |
| <b>D. Closing balance</b>                                | <b>358</b>          |

The tables below analyse the other increases and decreases occurred during the year by company.

### Increases

#### Newly established companies

| COMPANY NAME          | MAIN OFFICE |
|-----------------------|-------------|
| ROSENKAVALIER 2022 UG | FRANKFURT   |
| PADEL FINANCE 01 DAC  | DUBLIN      |

| COMPANY NAME                 | MAIN OFFICE |
|------------------------------|-------------|
| ELEKTRA PURCHASE NO. 350 DAC | DUBLIN      |

#### Change of the consolidation method

| COMPANY NAME                                      | MAIN OFFICE |
|---|-------------|
| WEALTHCAP OBJEKT-VORRAT 37 GMBH & CO. KG          | MUNICH      |
| WEALTHCAP IMMOBILIEN DEUTSCHLAND 46 GMBH & CO. KG | MUNICH      |

| COMPANY NAME                             | MAIN OFFICE |
|--|-------------|
| WEALTHCAP OBJEKT-VORRAT 35 GMBH & CO. KG | MUNICH      |

#### Entities consolidated for the first time in the year

| COMPANY NAME                      | MAIN OFFICE |
|-----------------------------------|-------------|
| UNICREDIT ACHTERHAUS LEASING GMBH | VIENNA      |

| COMPANY NAME       | MAIN OFFICE |
|--------------------|-------------|
| EBS FINANCE S.R.L. | MILAN       |



## Part A - Accounting policies

## Reductions

The above table refers to disposals and liquidations of inactive companies.

## Disposal/Liquidation

| COMPANY NAME  | MAIN OFFICE |
|---|-------------|
| OT-OPTIMA TELEKOM DD  | ZAGREB      |
| HVB CAPITAL LLC   | WILMINGTON  |
| GELDILUX-TS-2015 S.A.   | LUXEMBOURG  |
| LAGERMAX LEASING GMBH   | VIENNA      |
| UNICREDIT LEASING, LEASING, D.O.O.  | LJUBLJANA   |
| SANITA' - S.R.L. IN LIQUIDAZIONE  | ROME        |
| CORDUSIO RMBS - UCFIN SRL (CARTOLARIZZAZIONE: CORDUSIO RMBS UCFIN - SERIE 2006) | VERONA      |
| IMMOBILIENLEASING GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. IN LIQU.          | VIENNA      |
| Z LEASING VOLANS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. IN LIQU.                | VIENNA      |
| Z LEASING TAURUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. IN LIQU.                | VIENNA      |
| UCTAM SVK S.R.O.  | BRATISLAVA  |

## Change of the consolidation method

| COMPANY NAME  | MAIN OFFICE |
|---|-------------|
| HVB CAPITAL LLC II  | WILMINGTON  |
| HVB FUNDING TRUST   | WILMINGTON  |
| MOC VERWALTUNGS GMBH & CO. IMMOBILIEN KG                                    | MUNICH      |
| SOLOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. SIRIUS BETEILIGUNGS KG | MUNICH      |
| HAWA GRUNDSTUECKS GMBH & CO. OHG HOTELVERWALTUNG                            | MUNICH      |
| WEALTHCAP SPEZIAL WOHNEN 1 KOMPLEMENTAR GMBH                                | MUNICH      |
| EUROPEAN-OFFICE-FONDS   | MUNICH      |

| COMPANY NAME  | MAIN OFFICE     |
|---|-----------------|
| BORGO DI PEROLLA SRL  | MASSA MARITTIMA |
| HVB CAPITAL LLC III   | WILMINGTON      |
| UNICREDIT LEASING VERSICHERUNGSSERVICE GMBH & CO KG                           | VIENNA          |
| ICE CREEK POOL NO.2 DAC   | DUBLIN          |
| F-E MORTGAGES SRL (CARTOLARIZZAZIONE: F-E MORTGAGES SERIES 1 - 2003)          | VERONA          |
| SOCIETA' DI GESTIONI ESATTORIALI IN SICILIA SO.G.E.SI. S.P.A. IN LIQ.         | PALERMO         |
| BACA CENA IMMOBILIEN LEASING GMBH   | VIENNA          |
| NOE HYPO LEASING ASTRICTA GRUNDSTUECKVERMIETUNGS GESELLSCHAFT M.B.H. IN LIQU. | VIENNA          |
| SONATA LEASING-GESELLSCHAFT M.B.H. IN LIQU.                                   | VIENNA          |
| CALG 451 GRUNDSTUECKVERWALTUNG GMBH IN LIQU.                                  | VIENNA          |

| COMPANY NAME                                    | MAIN OFFICE |
|---|-------------|
| HVB FUNDING TRUST II                            | WILMINGTON  |
| HVB FUNDING TRUST III                           | WILMINGTON  |
| SIRIUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | MUNICH      |
| NF OBJEKTE BERLIN GMBH                          | MUNICH      |
| WEALTHCAP OBJEKT BERLIN III GMBH & CO. KG       | MUNICH      |
| WEALTHCAP WOHNEN 1B GMBH & CO. KG               | MUNICH      |

## Part A - Accounting policies

### Absorption by other Group entities

| COMPANY NAME OF THE MERGERED ENTITY                                  | MAIN OFFICE |
|--|-------------|
| UNICREDIT FACTORING EAD  | SOFIA       |
| ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. OBERBAUM CITY KG | GRUENWALD   |
| H.F.S. LEASINGFONDS DEUTSCHLAND 1 GMBH & CO. KG (IMMOBILIENLEASING)  | MUNICH      |
| CORDUSIO SIM SPA   | MILAN       |
| MOEGRA LEASING GESELLSCHAFT M.B.H.                                   | VIENNA      |
| FUGATO LEASING GESELLSCHAFT M.B.H.                                   | VIENNA      |
| HONEU LEASING GESELLSCHAFT M.B.H.                                    | VIENNA      |
| HVB LEASING CZECH REPUBLIC S.R.O.                                    | PRAGUE      |
| MM OMEGA PROJEKTENTWICKLUNGS GMBH                                    | VIENNA      |
| BANK AUSTRIA LEASING HERA IMMOBILIEN LEASING GMBH                    | VIENNA      |
| FMZ SIGMA PROJEKTENTWICKLUNGS GMBH                                   | VIENNA      |
| BAL CARINA IMMOBILIEN LEASING GMBH                                   | VIENNA      |
| ALV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.                           | VIENNA      |
| EXPANDA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.                       | VIENNA      |
| Z LEASING SCORPIUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.            | VIENNA      |
| LINO HOTEL-LEASING GMBH  | VIENNA      |
| BANK AUSTRIA REAL INVEST CLIENT INVESTMENT GMBH                      | VIENNA      |
| DC BANK AG   | VIENNA      |
| UNICREDIT SERVICES S.C.P.A.  | MILAN       |
| FONDIARIA LASA SPA   | ROME        |
| CRIVELLI SRL   | MILAN       |
| HYPO-BANK VERWALTUNGSZENTRUM GMBH & CO. KG OBJEKT ARABELLASTRASSE    | MUNICH      |
| HVZ GMBH & CO. OBJEKT KG   | MUNICH      |

| COMPANY NAME OF THE TAKING IN ENTITY                           | MAIN OFFICE |
|--|-------------|
| UNICREDIT BULBANK AD   | SOFIA       |
| HVB IMMOBILIEN AG  | MUNICH      |
| HVB IMMOBILIEN AG  | MUNICH      |
| UNICREDIT SPA  | MILAN       |
| PRELUDE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. IN LIQU.   | VIENNA      |
| PRELUDE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. IN LIQU.   | VIENNA      |
| PRELUDE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. IN LIQU.   | VIENNA      |
| UNICREDIT LEASING CZ, A.S.                                     | PRAGUE      |
| TREDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. IN LIQU.       | VIENNA      |
| TREDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. IN LIQU.       | VIENNA      |
| TREDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. IN LIQU.       | VIENNA      |
| REGEV REALITAETENVERWERTUNGSGESELLSCHAFT M.B.H. IN LIQU.       | VIENNA      |
| REGEV REALITAETENVERWERTUNGSGESELLSCHAFT M.B.H. IN LIQU.       | VIENNA      |
| REGEV REALITAETENVERWERTUNGSGESELLSCHAFT M.B.H. IN LIQU.       | VIENNA      |
| REGEV REALITAETENVERWERTUNGSGESELLSCHAFT M.B.H. IN LIQU.       | VIENNA      |
| REGEV REALITAETENVERWERTUNGSGESELLSCHAFT M.B.H. IN LIQU.       | VIENNA      |
| REGEV REALITAETENVERWERTUNGSGESELLSCHAFT M.B.H. IN LIQU.       | VIENNA      |
| BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH            | VIENNA      |
| CARD COMPLETE SERVICE BANK AG                                  | VIENNA      |
| UNICREDIT SPA  | MILAN       |
| NUOVA COMPAGNIA DI PARTECIPAZIONI SPA                          | ROME        |
| UNICREDIT SPA  | MILAN       |
| HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG                       | MUNICH      |
| PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG | MUNICH      |

### Entities line by line which changed the company name during the year

| COMPANY NAME   | MAIN OFFICE |
|--|-------------|
| BAULANDENTWICKLUNG GDST 1682/8 GMBH & CO OG (ex BAULANDENTWICKLUNG GDST 1682/8 GMBH & CO OEG)  | VIENNA      |
| CALG ANLAGEN LEASING GMBH, WIEN & CO. GRUNDSTUECKSVERMIEHUNG UND -VERWALTUNG KG (ex CALG ANLAGEN LEASING GMBH & CO GRUNDSTUECKVERMIETUNG UND -VERWALTUNG KG) | MUNICH      |
| REGEV REALITAETENVERWERTUNGSGESELLSCHAFT M.B.H. IN LIQU. (ex REGEV REALITAETENVERWERTUNGSGESELLSCHAFT M.B.H.)  | VIENNA      |
| ELEKTRA PURCHASE NO. 911 DAC (ex ELEKTRA PURCHASE NO. 911 LTD)   | DUBLIN      |

| COMPANY NAME  | MAIN OFFICE |
|---|-------------|
| UNICREDIT ACHTERHAUS LEASING GMBH (ex ACHTERHAUS PROJEKT GMBH)  | VIENNA      |
| PRELUDE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. IN LIQU. (ex PRELUDE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.) | VIENNA      |
| TREDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. IN LIQU. (ex TREDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.)         | VIENNA      |

## Part A - Accounting policies

### 2. Significant assumptions and assessment in determining the consolidation scope

The Group determines the existence of control and, consequently, the consolidation scope, checking, with reference to the entities in which it holds exposures:

- the existence of power over the relevant activities;
- the exposure to the variability of returns;
- the ability to use the power exercised in order to influence the returns to which it is exposed.

The factors that have been considered for the purposes of this assessment depend on the entity's governance methods, purposes and equity structure. On this point, the Group differentiates between entities governed through voting rights, i.e. operating entities, and entities not governed through voting rights, which comprise special purpose entities (SPEs) and investment funds.

In the case of operating entities, the following factors provide evidence of control:

- more than half of the company's voting rights are held directly or indirectly through subsidiaries (also when they act as trustee companies) unless, exceptionally, it can be clearly demonstrated that this ownership does not originate control;
- half, or a lower proportion, of the votes exercisable in the shareholders' meeting are held and it is possible to govern the relevant activities unilaterally through:
  - the control of more than half of the voting rights based on an agreement with other investors;
  - the power to determine the entity's financial and operating policies based on a contract or a statutory clause;
  - the power to appoint or remove the majority of the members of the Board of Directors or the equivalent governing body, and that board or body is responsible for managing the company;
  - the power to exercise the majority of voting rights in meetings of the Board of Directors or the equivalent governing body, and that board or body is responsible for managing the company.

The existence and effect of potential voting rights, including those incorporated in options, way-out clauses, or instruments convertible into shares, are taken into consideration when assessing the existence of control, in case they are substantial.

In particular, potential voting rights are considered substantial if all the following conditions are met:

- they can be exercised either immediately or at least in good time for the company's shareholders' meeting;
- there are no legal or economic barriers to exercise them;
- exercising them is economically convenient.

As at 31 December 2022 the Group holds the majority of the voting rights in all the operating entities subject to consolidation. It should also be noted that there are no cases in which control derives from holding potential voting rights.

Special purpose entities are considered controlled if the Group is, at one and the same time:

- exposed to a significant extent to the variability of returns, as a result of exposures in securities, of disbursing loans or of providing guarantees. In this regard it is assumed as a rebuttable presumption that the exposure to variability of returns is significant if the Group has at least 30% of the most subordinated exposure,
- able to govern the relevant activities, also in a de facto manner. Examples of the power to govern on this point are performing the role of sponsor or servicer appointed to recover underlying receivables, or managing the company's business.

In particular, consolidated special purpose entities include:

- Conduits in which the Group plays the role of sponsor and is exposed to the variability of returns, as a result of subscribing Asset Backed Commercial Paper issued by them and/or of providing guarantees in the form of letters of credit or liquidity lines;
- vehicles used to carry out securitisation transactions in which the Group is the originator as a result of subscribing the subordinated tranches;
- vehicles financed by the Group and established for the sole purpose of performing financial or operating leasing in favor of customers which are financed by the Group;
- vehicles in which, as a result of deteriorating market conditions, the Group has found itself holding the majority of the financial exposure and, at the same time, managing the underlying assets or the related collections.

It should be noted that, in the case of special purpose entities set up as part of securitisation transactions pursuant to Italian Law 130/99, the segregated assets are analysed separately with respect to the analysis of the SPE. For the latter, control is assessed on the basis of possession of the voting rights attributed to the company's shares.

Investment funds managed by Group companies are considered controlled if the Group is significantly exposed to the variability of returns and if the third-party investors have no rights to remove the management company.

In this regard it is assumed as a rebuttable presumption that the exposure to the variability of returns is significant if the Group has at least 30% as a result of subscription of the units and commissions received for the management of the fund's assets.

## Part A - Accounting policies

Funds managed by Group companies that are in seed/warehousing phases are not considered controlled.

In this phase, in fact, the aim of the fund is to invest, in accordance with fund's regulation, in financial and non financial assets with the aim of allotting the quotas to third party investors. Consequently it has been evaluated that the management company is not able to exercise power due to its limited decision power.

Investment funds managed by third-party companies are considered controlled if the Group is significantly exposed to the variability of returns and at the same time, has the unilateral right to remove the management company.

In this regard it is assumed as a rebuttable presumption that the exposure to the variability of returns is significant if the Group has subscribed at least 30% of the fund's units.

With reference to 31 December 2022, it should be noted that 183 controlled entities (of which 26 belonging to the Banking Group) were not consolidated pursuant to IFRS10, of which 181 for materiality threshold and/or liquidation procedures, while the remaining 2 companies relate to one restructuring procedure whose risks are measured coherently as part of the credit exposures. Based on available information, it is believed that their consolidation would not have impacted significantly the Group net equity.

### 3. Equity investments in wholly-owned subsidiaries with significant non-controlling interests

#### 3.1 Non-controlling interests, availability of votes of NCIs and dividends distributed to NCIs

| COMPANY NAME          | MINORITIES EQUITY RATIOS (%) | MINORITIES VOTING RIGHTS (%) | DIVIDENDS TO MINORITIES (€ million) |
|-----------------------|------------------------------|------------------------------|-------------------------------------|
| ZAGREBACKA BANKA D.D. | 3.81                         | 3.81                         | 41                                  |

#### 3.2 Equity investments with significant non-controlling interests: accounting information

| (€ million)           |              |                           |                  |                                |                       |            |                     |
|-----------------------|--------------|---------------------------|------------------|--------------------------------|-----------------------|------------|---------------------|
| COMPANY NAME          | TOTAL ASSETS | CASH AND CASH EQUIVALENTS | FINANCIAL ASSETS | TANGIBLE AND INTANGIBLE ASSETS | FINANCIAL LIABILITIES | NET EQUITY | NET INTEREST MARGIN |
| ZAGREBACKA BANKA D.D. | 19,928       | 6,660                     | 12,961           | 180                            | 17,182                | 2,348      | 314                 |

continued: 3.2 Equity investments with significant non-controlling interests: accounting information

| COMPANY NAME          | OPERATING INCOME | OPERATING COSTS | PROFIT (LOSS)                         |  |  | PROFIT (LOSS) FROM OPERATIONS | OTHER COMPREHENSIVE INCOME AFTER TAX |         | OTHER COMPREHENSIVE INCOME (3) = (1) + (2) |
|-----------------------|------------------|-----------------|---------------------------------------|--|--|-------------------------------|--------------------------------------|---------|--|
|                       |                  |                 | BEFORE TAX FROM CONTINUING OPERATIONS | PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS | PROFIT (LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS |                               | PROFIT (LOSS) (1)                    | TAX (2) |  |
| ZAGREBACKA BANKA D.D. | 573              | (283)           | 286                                   | 241  | -  | 241                           | (111)                                | 130     |  |

The exposures above refer to the amounts of individual accounts of subsidiary as at 31 December 2022.

Please note that during the year UniCredit S.p.A. purchased a stake of 11.72% in Zagrebacka Banka D.D. previously owned by Allianz SE.

## Part A - Accounting policies

### 4. Significant restrictions

Shareholder agreements, regulatory requirements and contractual agreements can limit the ability of the Group to access the assets or settle the liabilities of its subsidiaries or restrict the latter from distribution of capital or dividends.

With reference to shareholder agreements, it should be noted that to the consolidated entities UniCredit BPC Mortgages S.r.l. and UniCredit OBG S.r.l. companies established according to Law 130/99 for the execution of securitisation transactions or the issuance of covered bonds, shareholders' agreements allow the distribution of dividends only when the credit claims of guaranteed lenders and bearer of covered bonds are satisfied.

In the course of the demerger of the CEE Banking Business from UniCredit Bank Austria AG (UCBA) to UniCredit S.p.A. effected in 2016, UniCredit S.p.A. undertook an agreement with UniCredit Bank Austria AG and its minority shareholders that until 30 June 2024, envisaging: (i) the restriction, as shareholder of UniCredit Bank Austria AG, from resolving on any dividend distributions of the latter in case UniCredit Bank Austria AG's consolidated and solo CET1 ratios, as a consequence thereof, fall below (a) 14% or (b) the higher minimum CET1 ratio required at the time by the applicable regulatory framework, plus any required buffers, and (ii) the support to any management decision and board resolution of UCBA aimed at safeguarding such CET1 ratios.

UniCredit group is a banking group subject to the rules provided by Directive (EU) 2019/878 of the European Parliament and of the Council (so-called CRD V), amending Directive 2013/36/EU on "access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms" and by Regulation (EU) 2019/876 of the European Parliament and of the Council (so-called CRR2), amending Regulation (EU) 575/2013 on "prudential requirements for credit institutions and investment firms" and that controls financial institutions subject to the same regulation.

The ability to distribute capital or dividends of the banks and of the other regulated entities controlled may be restricted to the fulfilment of these requirements in terms of both capital ratios and "Maximum Distributable Amount" as well as further eventual regulation applicable at national level and recommendation by competent authorities provided time by time.

With reference to the current geopolitical tensions:

- UniCredit group operates in Russia through its subsidiary AO UniCredit Bank and its controlled companies. In this regard it is worth to note that (i) in March 2022 the President of Russian Federation issued a Decree subordinating the sale of shares to the permission of the Government Commission for the Control of Foreign Investments in Russia and (ii) in August 2022 an additional Decree was issued which banned the sale of shares of Russian credit institutions identified by a specific list to be approved by the President of the Russian Federation on the proposal of the Government of the Russian Federation, agreed with the Central Bank of Russia. Moreover, in March the President of Russian Federation issued a Decree establishing that payments of dividends for an amount exceeding 10 million rubles should be made to a special account whose utilization requires special permission from the Governmental commission for the Control of Foreign Investments in Russia (no procedure of providing such permissions has been established yet); in this regard, it is also worth noting that the Central Bank of Russia in June 2022 recommended credit institutions to withhold from payment of dividends until the end of 2022.
- the decision of the National Security and Defense Council of Ukraine dated January 28, 2023 "On the Application and Amendments to Personal Special Economic and Other Restrictive Measures (Sanctions)", enacted by the Decree of the President of Ukraine of 28 January 2023 No.50/2023 established a series of restrictive measures on the ability of certain Russian companies, also including a Group legal entity, to conduct operations in Ukraine. It should be noted that at the moment the Group subsidiary mentioned by the Decree has no operation in Ukraine.

The capital ratios requested for 2023 to UniCredit group by European Central Bank (ECB), also because of the Supervisory Review and Evaluation Process (SREP) performed in 2022, are higher than the minimum requirements set by the mentioned regulations. For the disclosure on UniCredit group Capital Requirements, refer to the paragraph "Capital ratios" of the chapter "Capital and value management" in the Consolidated report on operations.

With reference to subsidiaries, we note that in some jurisdictions and for some foreign entities of the Group, commitments to maintain local supervisory capital higher than regulatory thresholds may exist also because of SREP performed at local level.

With reference to free flow among entities based in different countries, available liquidity at Group level bears some restrictions related to the Large Exposure prudential limits, according to both CRR definition and decisions adopted by Member States (with reference to cross border intragroup exposures) some of them recently implemented: consequently, a portion of available liquidity may suffer impediments that hinder its transfer among group entities. Further details are reported in paragraph 2.4 Liquidity risk, Consolidated reports and accounts 2022 of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risk of the prudential consolidated perimeter.

With reference to contractual agreements, UniCredit group has issued financial liabilities whose callability, redemption, repurchase or repayment before their contractual maturity date, is subject to the prior permission of the competent authority. The carrying value of these instruments as at 31 December 2022 is equal to €36,057 million and includes capital instruments and TLAC eligible instruments.

## Part A - Accounting policies

### 5. Other information

For information on jointly-controlled companies and companies subject to significant influence that have not been consolidated in accordance with IFRS10 as at 31 December 2022, in addition to the controlled ones disclosed in previous paragraph 2. Significant assumptions and assessment in determining the consolidation scope, reference is made to the paragraph "7.6 Valuation and significant assumptions to establish the existence of joint control or significant influence" of the Notes to the consolidated accounts, Part B - Consolidated balance sheet - Assets, Section 7 - Equity investments - Item 70.

### Section 4 - Subsequent events

No material events have occurred after the balance sheet date that would make it necessary to change any of the information given in the Consolidated financial statements as at 31 December 2022.

For a description of the significant events after year-end refer to the information below.

On 10 January 2023 UniCredit S.p.A. issued a fix-to-floater Senior Preferred Bond for €1 billion with 6 years maturity and a call after year 5, targeted to institutional investors.

The bond will have a one-time issuer call at year 5, as to maximize regulatory efficiency. Should the issuer not call the bond after 5 years, the coupons for the subsequent periods until maturity will reset to a floating rate equal to 3-months Euribor plus the initial spread of 190bps.

On 9 February 2023 UniCredit S.p.A. issued a fix-to-floater Senior Non-Preferred Bond for €1 billion with 6 years maturity and a call after year 5, targeted to institutional investors.

The bond will have a one-time issuer call at year 5, as to maximize regulatory efficiency. Should the issuer not call the bond after 5 years, the coupons for the subsequent periods until maturity will reset to a floating rate equal to 3-months Euribor plus the initial spread of 160bps, paid quarterly.

## Part A - Accounting policies

### Section 5 - Other matters

In 2022 the following standards, amendments or interpretations came into force:

- Amendments to IFRS3 Business Combinations; IAS16 Property, Plant and Equipment; IAS37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020\* (EU Regulation 2021/1080); whose adoption has not determined substantial effects on the amounts recognised in balance sheet or income statement.

As at 31 December 2022, the following documents have been endorsed by the European Commission:

- Amendments to IAS1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (EU Regulation 2022/357) applicable to reporting starting from 1 January 2023;
- Amendments to IAS8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (EU Regulation 2022/357) applicable to reporting starting from 1 January 2023;
- Amendments to IAS12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (EU Regulation 2022/1392) applicable to reporting starting from 1 January 2023;
- Amendments to IFRS17 Insurance contracts: Initial Application of IFRS17 and IFRS9 - Comparative Information (EU Regulation 2022/1491) applicable to reporting starting from 1 January 2023.

The Group does not expect any significant impact due to the entry into force of the amendments to the accounting standards reported above.

As at 31 December 2022 the IASB issued the following accounting standards whose application is subject to completion of the endorsement process by the competent bodies of the European Commission, which is still ongoing:

- Amendments to IAS1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (January 2020 and July 2020 respectively) and Non-current Liabilities with Covenants (issued on 31 October 2022);
- Amendments to IFRS16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022).

#### Risks, uncertainties and impacts of Covid-19 pandemic

Reference is made to "Section 2 - General preparation criteria" for a description of risks and uncertainties relating to Covid-19 pandemic.

#### Contractual modifications and accounting derecognition (IFRS9)

In order to limit the effects of the restriction's measures put in place to contain the Covid-19 pandemic, starting from the first half 2020, the Group has granted to its customers debt moratoria measures. These measures have been granted both following the approval of specific laws by the governments in which the Group operates and as a result of specific initiatives of Group's credit institutions so to complement government initiatives or in those countries in which the local government has not issued specific laws.

These moratoria measures generally allowed clients eligible for such kind of initiatives, to postpone the payment of instalments, either upon request by the customers or, in some countries, automatically for all the loans in scope of local laws, with the consequent increase in the maturity of the loan and the accrual of interests on the capital being postponed.

As at 31 December 2022 loans and advances subject to Covid-19 related forbearance moratoria measures (government ones or offered by the bank) are still present in some countries.

In accordance with ESMA's declaration<sup>16</sup> which clarified that it is unlikely that the contractual changes resulting from these moratoria can be considered as substantial, the Group has not derecognised the related credit exposures<sup>17</sup>. A modification loss is consequently recognised in item "140. Gains/Losses from contractual changes with no cancellations" if the increase in future payments is not sufficient to remunerate the Group for the postponement period also in light of local laws and regulations. As at 31 December 2022 the amount deriving from the modification loss recognised through Profit & Loss was equal to -€4.6 million.

<sup>16</sup> ESMA public statement: "Accounting implications of the Covid-19 outbreak on the calculation of expected credit losses in accordance with IFRS9" of 25 March 2020.

<sup>17</sup> According to IFRS9, the contractual modifications must be accounted for (i) if significant, through the derecognition, (ii) if not significant, through the recalculation of the gross exposure by discounting the contractual cash flows after the modification at the original effective interest rate. The standard does not provide any indication as to whether a change is significant or not. For further information on accounting principles used by the Group on this matter, refer to Part A - Accounting policies, A.2 - Main items of the accounts.

## Part A - Accounting policies

### TLTRO

According to UniCredit group accounting policy, the TLTRO III liabilities are recognised as banking book funding instruments to be subsequently measured at amortised cost according to IFRS9.4.2.1. The prospect for the borrowing bank to be charged of a variable negative interest on “long term refinancing operations”, additional to the average Deposit Facility Rate (“DFR”) or Main Refinancing Operation (“MRO”) rate, is linked to the achievement of specific threshold on cumulative net lending (CNL) toward eligible counterparties<sup>18</sup>.

In particular, the contractual conditions related to the TLTROs instruments originally reflected the ECB monetary policy initiatives to prospectively reduce market “cost of funding” for banking institutions by using “non-conventional” tools and reflected in money market operations.

As a result, accounting analysis rejected that such an interest would have been assimilated to either (i) a government grants (being ECB TLTRO a “limited access & banking specific” market by its own), or (ii) an embedded derivative.

Therefore, the contractual terms were interpreted as clause reflecting one-coupon floating-rate<sup>19</sup> financial liability (the refinancing operation), and considered part of the calculation of the liability’s interests according to IFRS9.

Under the said accounting standard, the interests were calculated by using the “effective interest method”, that allocates interests over the application period of the “effective interest rate” (EIR). The latter is defined as the rate that discounts estimated future cash flows through the expected life of the financial instruments to the net carrying amount.

Accordingly, the changes in the “performance-related” remuneration occurred in the periods from June 2020 to June 2022 have been handled similarly to changes in market-index for floating-rate liabilities. Therefore, referencing EIR rules for “markets-driven” variable remunerations, changes in “market index” (e.g., base rate and spread) have been reflected by adjusting instruments’ carrying amount calculated by reference to the evolution of the “TLTRO index” and limited to the accrued portion till 22 November 2022<sup>20</sup>.

In March 2022<sup>21</sup>, the expected repayment of the TLTRO III.7 allotment (“TLTRO III.7”) was postponed from the first early-termination window (June 2022)<sup>22</sup> to the maximum contractual term (March 2024) and the effective interest rate has been increased from -0.9935% to -0.7075%<sup>23</sup>, coherently with (i) benchmark achievements for CNL in both special<sup>24</sup> & additional special<sup>25</sup> reference periods and (ii) outstanding MRO and DFR levels, leading to a negative impact for -€37 million.

During the third quarter 2022, the ECB increased the Deposit facility rates twice: in July 2022, the DFR was raised from -0.5% to 0%, while in September from 0% to 0.75%. As a result of the application of the accounting policy, the effective interest rate of the TLTRO III was retrospectively recalculated: for TLTRO III.4, the recalculation resulted in an EIR increase from -0.83% to -0.71% while for TLTRO III.7 the recalculation resulted in an EIR increase from -0.51% to -0.32% (overall weighted average EIR increases from -0.82% to -0.67%), leading to a negative impact for -€313 million.

On 27 October 2022 the Governing Council of the ECB decided to recalibrate the conditions of the third series of targeted longer-term refinancing operations (TLTRO III) as part of the monetary policy measures adopted to restore price stability over the medium term aimed to contribute to the normalisation of beneficial bank funding costs.

Indeed, the purpose of the TLTRO changed, from instruments designed to improve the functioning of the monetary policy transmission mechanism by stimulating bank lending to the real economy, to regular funding to banks at markets interest rates<sup>26</sup>. In more details:

- the interest rate calculation based on Average DFR “origin to date” was maintained for the period from the settlement date of each respective TLTRO III operation until 22 November 2022;
- from 23 November 2022 on (i.e., until the maturity date or early repayment date of each respective TLTRO III operation), the interest rate is indexed to the average applicable key ECB interest rates over this period (i.e., the DFR, having UniCredit achieved the CNL threshold).

Against this backdrop, it was assessed whether the change in the TLTRO contractual conditions constitutes a substantial modification of the terms of the financial liability, which, according to IFRS9 par. 3.3.6, shall be accounted for as an extinguishment of the original financial liability and the recognition of a new one.

In this assessment, it was considered that the contractual conditions of the liability were changed, by:

- delinking any anchor point with the “moving average” over the entire life of the instrument;
- transforming its nature into a “plain-vanilla” floating rate instrument at market conditions for periods beyond 23 November 2022; as a result, any decision to retain the position unchanged is managerially equivalent in having reimbursed the former positions to issue the new ones;
- contextually introducing new dates for early redemptions at par with no penalties<sup>27</sup>.

<sup>18</sup> Loans to non-financial corporations & Loans to households, excluding loans for house purchase.

<sup>19</sup> Either for the base rate (Average DFR or Average MRO) and the additional CLN benefit/spread (up to -50bps with a cap/maximum of -1% overall rate for a portion of the liability’s expected duration).

<sup>20</sup> Similarly, to other “market indexed” variable rate notes.

<sup>21</sup> As for the submission to Group Financial Risks Committee.

<sup>22</sup> As for deliberation taken in the internal Committee.

<sup>23</sup> The -1% interest from CNL target achievements limited to the period 24 March 2021 - 23 June 2022.

<sup>24</sup> Special reference period means the period from 1 March 2020 to 31 March 2021.

<sup>25</sup> Additional Special reference period means the period from 1 October 2020 to 31 December 2021.

<sup>26</sup> Also indicated by the circumstance that three additional voluntary early repayment dates were introduced, the first coinciding with the start of the new interest rate calculation method on 23 November 2022.

<sup>27</sup> Plus financially accrued interest.



## Part A - Accounting policies

Consequently, the contractual changes were deemed to be substantial to trigger the derecognition of the underlying liability, as the economic risks underlying the TLTRO III liabilities significantly changed.

Additionally, it was found to be no more appropriate to calculate the amortised cost according to the average effective interest rate calculated since inception of the instrument, and till its maturity<sup>28</sup>.

As a result, the derecognition of the current financial liability and the recognition of the new financial liability performed on 23 November 2022, determined a positive impact through P&L for +€508 million<sup>29</sup> recognised under item "100.Gains (losses) on disposal and repurchases of financial liabilities".

It should be noted that the current IAS/IFRS lacks a specific guidance on accounting for TLTRO instruments<sup>30</sup>.

Therefore, it cannot be excluded that the accounting treatment adopted by the Group, as described above, may be still subject in the future to different interpretations by the competent bodies.

The former TLTRO's fixed rate exposure was partly hedged under a macro fair value hedge relationship of a sub-portfolio composed by 2 financial liabilities (i.e., TLTRO III.4 and TLTRO III.7) according to IAS39.AG114.a<sup>31</sup>.

Based upon the BP01 sensitivity mapping under the former economic conditions, the hedges provided for the recognition of accounting effectiveness since initial designation. However, given the changes announced by the ECB, which transformed the instrument into a 100% floating rate liability, both fair value and interest rate risk of TLTRO materially changed, providing the hedge relationship not being anymore prospectively effective.

As a result, on 27 October 2022, with reference to 26 October close of business<sup>32</sup> economic value, the derivatives contracts hedging the TLTRO interest rate risk under the mentioned fair value hedge relationship, were de-designated and re-designated as hedging derivatives of a portfolio of other financial liabilities in a macro-hedge relationship, determining the recognition of a mark-to-market revaluation equal to +€384 million (debit side; "Changes in fair value of portfolio hedged items").

Following the derecognition of the TLTRO liability, the mentioned revaluation was:

- amortized at Net Interest Income, in coherence with the amortization of the upfront payments embedded in the derivatives, till 23 November (in accordance with IAS39.92);
- recycled through P&L (in accordance with IAS39 par. 89A) on 23 November 2022, determining a negative impact for -€355 million (net of amortization above) presented in item "100.Gains (losses) on disposal and repurchases of financial liabilities".

As at 31 December 2022, following the early repayment for €29 billion by December 2022, UniCredit group still retains €65 billion of TLTRO III.4 (with maturity June 2023) and €13 billion of TLTRO III.7 (with maturity March 2024), for an outstanding total of €78 billion, with an overall 2022 P&L positive contribution for €397 million stemming from the financial liability: (i) the accrual of positive interest from 1 January to 22 November 2022 for +€412 million, (ii) -€168 million of interest cost for the period from 23 November to 31 December 2022, (iii) +€153 million deriving from the derecognition of the financial liabilities and the de-designation/re-designation of the derivatives (i.e. respectively +€508 million and -€355 million as mentioned above).

### Interbank Offered Rates (IBORs) transition

Following the concerns raised about the integrity and reliability of major financial market benchmarks the Financial Stability Board (FSB) started a comprehensive reference rates reform. In order to assess the relevant risks associated with the benchmark reforms and taking appropriate actions to ensure an adequate transition to alternative or reformed benchmark rates ahead of the deadline of the end of 2021 specified in the revised EU Benchmark Regulation (BMR), during 2018 UniCredit group launched a Group wide project in order to manage the IBORs (Interbank Offered Rates) discontinuation with a multiyear roadmap defined based on both Group exposure (mainly focused on Euro) and transition timeline.

It is worth to mention that the "European Working Groups on Euro Risk-Free Rates" issued its recommendations on Euribor fallbacks and cessation triggers, while other international working groups and bodies (e.g., International Swaps and Derivatives Association - ISDA; ICE Benchmark Administration - IBA; London Clearing House - LCH) issued recommendations, focused on LIBOR discontinuation, to be considered while envisaging market practices to consider on transition.

28 From 27 October 2022 till 23 November 2022 (derecognition date), the Net interest income was recognised according to the effective interest rate determined in September 2022 as following the amendment of the liability structure- it was no more possible to apply the previous accounting approach which involved recalculation of the effective interest rate.

29 Being the difference between (i) the contractual financial remuneration (collectible on effective re-payment) and (ii) the accounting accruals so far.

30 Indeed, on 16 February 2021, ESMA informed the Market that a letter requiring an official position by IFRS Interpretation Committee (IFRIC) about the TLTRO III accounting treatment would have been issued. In June 2021, IFRIC replied without providing clear guidance on the topics raised by ESMA; in particular, questions related to the effective interest rate and the consequence of the modification in interest rate were referred to the "Post-Implementation Review of the classification and measurement requirements in IFRS9".

31 IAS39 AG 114.a) states that "the entity may identify two or more portfolios in which case it applies the IAS39 guidance to each portfolio separately".

32 Being the last date in which the hedge was proved effective.

## Part A - Accounting policies

At the same time, the Benchmark Regulation was amended to allow the EU Commission to provide for statutory replacement rates, while the other involved international market authorities (e.g., Financial Conduct Authority and Bank of England in the UK, New York State Department of Financial Services in the US) defined amendments to the applicable laws in order to support a smooth transition.

Specifically, on 5 March 2021<sup>33</sup>, the Financial Conduct Authority (FCA), in its capacity as LIBOR regulator, announced that LIBOR settings process would have not been available (ceased to be provided or no longer representative) according with the following discontinuation path:

- immediately after 31 December 2021, in the case of all Sterling, Euro, Swiss Franc and Japanese Yen settings, and the 1-week and 2-month US Dollar settings; and
- immediately after 30 June 2023, in the case of the remaining US Dollar settings.

With reference to USD Libor, the FCA is discussing about using its powers under the UK Benchmarks Regulation to compel ICE Benchmark Administration (IBA) to continue to publish the 1-, 3- and 6-Months settings under a “synthetic” methodology for a temporary period after the end of June 2023, until the end of September 2024.

With reference to JPY and GBP Libor, in September 2021, the FCA initially deliberated to require IBA until end of 2022 for the publication under a changed methodology basis (also known as 'synthetic') of the 1-, 3- and 6-Months Libor settings made available by IBA for use in legacy contracts other than cleared derivatives. Synthetic settings availability provides some relief on LIBOR contracts repapering effort (in particular for contracts subject to UK law). Afterward, FCA announced:

- to require IBA to continue to publish 1- and 6-Months “synthetic” GBP LIBOR settings until 31 March 2023, after which these settings will permanently cease;
- to require IBA to continue to publish the 3 -Month “synthetic” GBP LIBOR setting for the duration of 2023, and
- that it intends to require IBA to continue to publish this setting until the end of March 2024, after which it would permanently cease.

Publication of the mentioned “synthetic” JPY LIBOR settings ceased after 30 December 2022.

The continuing discussions and consultations, while aimed to bring further stability in the market and reduce conduct risk, still represent source of possible uncertainty, with reference to the timing and/or fallback rules applied to outstanding stock of assets, liability and derivatives linked to other IBOR agreements (yet to be transformed or transitioned).

The European Commission adopted an Implementing Act of the BMR that has been published in the Official Journal of the European Union on 22 October 2021; the Implementing Act provides legal ground for a Statutory Replacement Rate for legacy contracts indexed to CHF LIBOR and EONIA that have not yet been repapered or do not contain adequate fallback rates.

Such a replacement rate operating by law brought further stability in the market and reduced the conduct risk associated with the outstanding stock of assets, liabilities and derivatives transformed or transitioned or yet to be transformed or transitioned.

In order to address potential source of uncertainty on the effect of the IBOR reform on existing accounting hedge relationships the “Amendments to IFRS9, IAS39 and IFRS7 Interest Rate Benchmark Reform” (the Amendment) clarifies that the reform does not require to terminate such hedge relationships, whose volume for UniCredit group as of 31 December 2022 is presented below:

### Hedging contracts: notional amount<sup>(\*)</sup>

(€ million)

| HEDGING RELATIONSHIP | HEDGED ITEMS | INDEX          |                        |          |
|----------------------|--------------|----------------|------------------------|----------|
|                      |              | LIBOR USD      | LIBOR OTHER CURRENCIES | OTHERS   |
| Fair value           | Assets       | 51,527         | -                      | -        |
|                      | Liabilities  | 20,349         | -                      | -        |
| Cash flows           | Assets       | 23,909         | -                      | -        |
|                      | Liabilities  | 5,069          | -                      | -        |
| <b>Total</b>         |              | <b>100,854</b> | <b>-</b>               | <b>-</b> |

**Note:**

(\*) Double-entry method when relevant.

<sup>33</sup> On the same day, ISDA echoed stating that the FCA announcement constituted a trigger event under the ISDA 2020 IBOR Fallbacks Protocol; as a result, the fallback spread adjustment on relevant derivatives (also applicable on cash instrument considering the recommendations of major national working group), would have been fixed starting from the same day for all Euro, Sterling, Swiss Franc, US Dollar and Japanese Yen LIBOR settings.

## Part A - Accounting policies

IASB issued "Interest Rates benchmark Reform - Phase 2; Amendments to IFRS9, IAS39 and IFRS7" including indications to manage changes in financial instruments that are directly required by the Reform and providing for (i) exceptions to standard rules dealing with accounting for changes of the contractual cash flows of assets and liabilities and (ii) reliefs from discontinuing hedge relationships.

As long as contractual terms (i) are amended as a direct consequence of interest rate benchmark reform and (ii) the new basis (to determine the contractual cash flows) is economically equivalent to the previous basis<sup>34</sup>, they will be treated as changes to a floating interest rate arising from movement in the market rate of interest (meaning the EIR will be updated prospectively without adjusting the carrying amount)<sup>35</sup>. Similarly, the Amendments requires an assessment whether a modification of a financial instruments might lead to its derecognition (i.e., when the modification results in a "substantial change" in the expected cash flows) to be applied only to changes beyond those resulting from the market-wide reforms of an interest rate benchmark<sup>36</sup>.

As a result, changes that do qualify for the practical expedient will not be regarded as sufficiently substantial that the instrument would be derecognised and, consequently, IFRS9 classification requirements (to be run at initial recognition of a financial assets, including SPPI test) does not have to be conducted.

The major relief Amendments introduced in respect of hedge relationships is that changes to the documentation neither result in the discontinuation of hedge accounting nor (in) the designation of a new hedge relationship as long as it only refers to:

- designating an alternative benchmark rate as the hedged risk, or
- amending the description (i) of the hedged item/portion of the cashflows or fair value being hedged, (ii) of the hedging instruments or (iii) how the entity will assess hedge effectiveness<sup>37</sup> as a consequence of changes to hedged and hedging instruments induced by the Reform (including the addition of a fixed spread to compensate for the basis difference).

The volume of financial instruments that have yet to evolve to an alternative risk-free rate as at the end of the reporting period are the following:

### Financial instruments subject to IBOR reform: contractual/notional amount<sup>(\*)</sup>

|   | INDEX          |                        |          | Total          |
|---|----------------|------------------------|----------|----------------|
|   | LIBOR USD      | LIBOR OTHER CURRENCIES | OTHERS   |                |
| <b>Non-derivative financial assets</b>      | <b>11,304</b>  | <b>40</b>              | <b>-</b> | <b>11,344</b>  |
| <i>Loans&amp;Advances</i>                   | <i>10,263</i>  | <i>40</i>              | <i>-</i> | <i>10,303</i>  |
| <i>Securities</i>                           | <i>1,041</i>   | <i>-</i>               | <i>-</i> | <i>1,041</i>   |
| <b>Non-derivative financial liabilities</b> | <b>1,096</b>   | <b>1</b>               | <b>-</b> | <b>1,097</b>   |
| <i>Deposits</i>                             | <i>566</i>     | <i>1</i>               | <i>-</i> | <i>567</i>     |
| <i>Issued securities</i>                    | <i>530</i>     | <i>-</i>               | <i>-</i> | <i>530</i>     |
| <b>Derivatives</b>                          | <b>203,935</b> | <b>-</b>               | <b>-</b> | <b>203,935</b> |

Note:

(\*) Figures submitted to KMPs.

In order to closely follow the developments on IBORs and to proper manage the transition and the discontinuation impacts, UniCredit group is continuously monitoring the market, also attending the European working groups, the industry working groups (e.g., International Swaps and Derivatives Association - ISDA) and participating to the relevant public consultations if any.

### Reclassification of UniCredit Leasing S.p.A. and UniCredit Leasing GmbH out of non-current assets held for sale

As at 31 December 2021, following (i) the resolution by the Board of Directors and (ii) the receipt of non-binding offers, UniCredit Leasing S.p.A. and its subsidiary and UniCredit Leasing GmbH and its subsidiaries were classified as non-current assets held for sale, whose disposals were expected to be completed during 2022, also in coherence with the cash flows underlying UniCredit Unlocked multiyear plan.

Such classification and the resulting measurement to fair value less cost to sell, in coherence with the non-binding offers received, led to the recognition of impairment for an overall amount of approx. -€545 million at consolidated level.

<sup>34</sup> Including replacement of the benchmark, addition of a fixed spread to compensate for the "basis difference" among former and new benchmark duration, and changes to the reset period, reset dates or the number of days between coupon payment dates, addition of a fallback provision.

<sup>35</sup> Ref. IFRS9.5.4.7-8.

<sup>36</sup> Ref. IFRS9.5.4.9.

<sup>37</sup> Ref. IFRS9.6.9.1, IAS39.102P.

## Part A - Accounting policies

In the first half of 2022, the binding offers received for the companies were not coherent with the Board of Directors conditions, as well as the expectations in terms of perimeter to be disposed, conditions and/or price. In light of this circumstance, as at 30 June 2022, the disposal process was discontinued for both the subsidiaries.

Thus, as at 30 June 2022, the IFRS5 requirements for classifying the companies as “held for sale” were no longer met; indeed, the decision to discontinue the selling process indicated that: (i) the intention to dispose was no longer in place, (ii) the assets are no more marketed for sale; (iii) it cannot be expected that the sale will qualify as a complete sale by 1 year time according to the original plan.

The reclassification out of “held for sale” implied the restatement of 31 December 2021 comparatives presented in year-end 2022 consolidated financial statements, where assets have been measured at the lower between (i) their recoverable amount (higher between fair value and value in use) and (ii) their carrying value before these net assets were classified as held for sale.

In compliance with IFRS5 par. 28, the resulting adjustments were recognised by restating the 2021 balance sheet figures and consolidated net profit, thus determining an increase of 2022 opening consolidated net equity for €556 million, substantially coherent, in quantitative terms, with the impairment registered as at last quarter of 2021.

### Implications of geopolitical tensions between Russia and Ukraine on Consolidated financial statements

UniCredit group holds assets and liabilities potentially exposed to the consequences of the geopolitical tensions between Russia and Ukraine, specifically: (i) the Russian Subsidiaries included in the accounting scope of consolidation; (ii) the financial assets held by UniCredit S.p.A. and its non-Russian subsidiaries towards Russian counterparties.

With reference to the Russian subsidiaries, the geopolitical tensions determined:

- the recognition of write downs following: (i) the update of the macroeconomic scenario for IFRS9 purposes; (ii) the downgrades of Russia Sovereign; (iii) the overlays to cope with persisting uncertainties stemming from the potential evolution of the crisis;
- the adoption of a mark-to-model approach (from the previous mark-to-market) for the fair value measurement of Russian government bonds, to reflect the perspective of UniCredit group (i.e., a western based financial institution) for which the Russian market is not immediately accessible and therefore its quoted prices cannot be representative of fair value for consolidated purposes;
- the recognition of effects relating to the measurement of derivatives, following sanctions and restrictions;
- the adoption of specific XVA methodologies to reflect the offshore risk.

With reference to financial assets held by UniCredit S.p.A. and its non-Russian subsidiaries toward Russian counterparties, the geopolitical crisis determined write-downs stemming from:

- the update of the macroeconomic scenario for IFRS9 purposes;
- the downgrade of Russia Sovereign, impacting the credit risk assessment of the financial assets held towards Russian Multinational counterparties, banks and financial institutions;
- the recognition of overlays to cope with: (i) the potential additional losses in asset valuation for Russian financial instruments, being the non-Russian entities of the Group qualifiable as offshore investors towards these assets and, as such, penalised when compared to onshore ones (i.e. Russian domestic); (ii) the spill-over effects of geopolitical crisis on non-Russian financial instruments, with specific reference to specific categories of customers deemed particularly vulnerable in case of severe evolution of the crisis.

The following sections outline, with further details, the above-mentioned effects, specifically for Russian Subsidiaries (section 1.) and for UniCredit S.p.A. and its non-Russian subsidiaries (section 2).

#### 1. Assets and liabilities of Russian subsidiaries

The Group has invested in Russia through AO UniCredit Bank, its subsidiaries OOO UniCredit Garant, OOO UniCredit Leasing and its associate Barn BV.

The line-by-line consolidation determined the recognition of net assets for €625 million including revaluation reserves (of which foreign exchange revaluation reserve for -€2,146 million arising from the conversion of their assets and liabilities in EUR using the spot rate as at December 2022<sup>38</sup>).

<sup>38</sup> Refer to paragraph “FX rate used as at 31 December for the conversion of exposures denominated in Rubles” for additional information about the exchange rate applied.

## Part A - Accounting policies

The following tables present the balance sheet of such entities, together with their incidence over the corresponding consolidated (UniCredit group level) Balance sheet line item<sup>39</sup>.

| ASSETS  | AMOUNTS AS AT |             | % OVER CONSOLIDATED ITEM |
|---|---------------|-------------|--------------------------|
|   | 31.12.2022    |             |                          |
| 10. Cash and cash balances  | 2,076         | 1.9%        |                          |
| 20. Financial assets at fair value through profit or loss:              | 220           | 0.3%        |                          |
| a) financial assets held for trading                                    | 220           | 0.3%        |                          |
| b) financial assets designated at fair value                            | -             | 0.0%        |                          |
| c) other financial assets mandatorily at fair value                     | -             | 0.0%        |                          |
| 30. Financial assets at fair value through other comprehensive income   | 32            | 0.1%        |                          |
| 40. Financial assets at amortised cost:                                 | 7,579         | 1.3%        |                          |
| a) loans and advances to banks  | 1,134         | 2.0%        |                          |
| b) loans and advances to customers                                      | 6,445         | 1.2%        |                          |
| 50. Hedging derivatives   | 22            | 0.8%        |                          |
| 60. Changes in fair value of portfolio hedged items (+/-)               | (113)         | 1.7%        |                          |
| 70. Equity investments  | 39            | 1.1%        |                          |
| 80. Insurance reserves charged to reinsurers                            | -             | 0.0%        |                          |
| 90. Property, plant and equipment                                       | 152           | 1.7%        |                          |
| 100. Intangible assets  | 83            | 3.5%        |                          |
| of which: goodwill  | -             | 0.0%        |                          |
| 110. Tax assets:  | 67            | 0.5%        |                          |
| a) current  | 1             | 0.1%        |                          |
| b) deferred   | 66            | 0.6%        |                          |
| 120. Non-current assets and disposal groups classified as held for sale | 5             | 0.4%        |                          |
| 130. Other assets   | -             | 0.0%        |                          |
| <b>Total assets</b>   | <b>10,162</b> | <b>1.2%</b> |                          |

| LIABILITIES AND SHAREHOLDERS' EQUITY                               | AMOUNTS AS AT |             | % OVER CONSOLIDATED ITEM |
|--|---------------|-------------|--------------------------|
|  | 31.12.2022    |             |                          |
| 10. Financial liabilities at amortised cost:                       | 8,921         | 1.2%        |                          |
| a) deposits from banks   | 233           | 0.2%        |                          |
| b) deposits from customers   | 8,688         | 1.7%        |                          |
| c) debt securities in issue  | -             | 0.0%        |                          |
| 20. Financial liabilities held for trading                         | 73            | 0.1%        |                          |
| 30. Financial liabilities designated at fair value                 | -             | 0.0%        |                          |
| 40. Hedging derivatives  | 7             | 0.2%        |                          |
| 50. Value adjustment of hedged financial liabilities (+/-)         | (23)          | 0.1%        |                          |
| 60. Tax liabilities:   | 20            | 1.2%        |                          |
| a) current   | 6             | 0.1%        |                          |
| b) deferred  | 14            | 2.6%        |                          |
| 70. Liabilities associated with assets classified as held for sale | -             | 0.0%        |                          |
| 80. Other liabilities  | 334           | 2.6%        |                          |
| 90. Provision for employee severance pay                           | -             | 0.0%        |                          |
| 100. Provisions for risks and charges:                             | 205           | 2.6%        |                          |
| a) commitments and guarantees given                                | 167           | 11.9%       |                          |
| b) post-retirement benefit obligations                             | 27            | 0.9%        |                          |
| c) other provisions for risks and charges                          | 11            | 0.3%        |                          |
| 110. Technical reserves  | -             | 0.0%        |                          |
| Equity   | 625           |             |                          |
| <b>Total liabilities and shareholders' equity</b>                  | <b>10,162</b> | <b>1.2%</b> |                          |

<sup>39</sup> The reported amounts provide the contribution of the mentioned subsidiaries to the consolidated financial statements thus net of intercompany assets and liabilities.

## Part A - Accounting policies

### 1.1 IFRS9 macroeconomic scenario

After the update as of 30 June 2022, the IFRS9 macroeconomic scenario was again updated as at 31 December 2022 by adopting a multi-scenario approach, also following the ESMA recommendations given the persistent level of uncertainty; specifically, the following scenarios were considered:

- the Baseline scenario (namely, "Mild Recession") weighted at 60%, reflecting the most likely expectations in the macroeconomic trends;
- the Downturn Scenario (namely, "Severe Recession") weighted at 40%, that embeds a downward forecast of the macroeconomic parameters and consequently in the expected profitability of the business.

The update of the IFRS9 macroeconomic scenario for the Russian subsidiaries led to recognize, for the full year 2022, total LLPs for approx. -€90 million.

### 1.2 Classification and re-rating of loans exposure

In line with IFRS9<sup>40</sup>, the significant increase in credit risk - requiring the classification into Stage 2 - was triggered by macro-economic circumstances, given the geopolitical crisis and the expected decrease in Russian GDP for the period 2022-2024, observed starting from the first quarter 2022. On this basis, starting from 31 March 2022 and throughout the full year 2022, the AO UniCredit Bank exposures were entirely classified in Stage 2 (for the residual part not already allocated in Stage 2 following the quantitative staging based on PD deterioration, as a result of Russian Sovereign internal rating downgrade). It should be noted that since the beginning of the crisis, the Russia Sovereign creditworthiness has been continuously assessed with specific Unlikely-to-Pay (UTP) assessment, in the end confirming the performing status of Russia. Indeed: (i) AO UniCredit Bank and Cross Border<sup>41</sup> portfolio were regularly paying, on overall basis, while Russian Sovereign Ruble denominated bonds regularly served; (ii) the Russian Treasury executed payments on time, although in Russian Ruble as currency, confirming the willingness to pay; (iii) the Russian Ruble payments represented a breach of the contractual conditions only for bonds issued before 2014, while the Bonds issued after this date have been paid according to the contractual terms.

Regarding the Russian Sovereign exposures (resulting from IRB Groupwide Sovereign PD Model), the internal ratings were reviewed throughout the year; initially, they were downgraded in March 2022 to timely embed the worsening of Russia creditworthiness, triggered by the severity of Western countries' sanctions, the Russian authorities' response (ban on transfer of FX abroad) and the economic effects of the war. The downgrade of the Sovereign internal ratings triggered the downgrades of Groupwide Multinationals (i.e., MNC) and Banks (the bulk of downgrades), which had Russia as country of risk. These downgrades determined an increase in the Expected Credit Losses (resulting from the combination of PD, LGD and EAD parameters) and Loan Loss Provisions. As of 31 December 2022, in light of the continuing deterioration of the economic and geopolitical scenario, the internal ratings for Russian Sovereign exposures were further downgraded. The combination of Stage 2 classification and internal ratings downgrade determined the recognition - for the full year 2022 - of total LLPs for approx. -€217 million on the Loans portfolio<sup>42</sup>.

### 1.3 Classification and re-rating of Russian government bonds

In addition to loans, since 31 March 2022 also Russian Debt securities belonging to the Amortized cost and FVtOCI portfolios were classified in Stage 2 and downgraded, given the increase in credit risk according to the internal models, in coherence with the loan exposures<sup>43</sup>. As well, always coherently with loan exposures, the Bonds portfolio was also affected by the further downgrade occurred in the fourth quarter 2022. The combination of Stage 2 classification and internal ratings downgrade determined the recognition, for the full year 2022, of total LLPs for approx. -€209 million on the Bonds portfolio<sup>44</sup>.

With specific reference to the Russian Debt securities belonging to the FVtOCI portfolios, a negative effect for -€66 million was recognised in OCI reserve during 2022, as a result of the adjustment of the carrying value of FVtOCI Russian Government debt securities to their fair value as at 31 December 2022.

Indeed, starting from 28 February 2022, the Moscow Stock Exchange (MOEX) closed, and RUB bonds quotes became rare, disperse and actually not executable. Despite the MOEX progressively resumed trading starting from 21 March 2022, the bonds quotes was deemed to be not suitable for valuation purposes at consolidated level: as a matter of fact, from the perspective of UniCredit group (i.e. a western based financial institution), the Russian market is not accessible and it cannot be representative of the fair value for consolidated purposes' evaluation; as a consequence, the fair value of the Russian Government debt securities was determined by applying a mark-to-model approach, instead of a mark-to-market approach.

In more detail, the Russian Federation USD debt implied spreads were used by the Group to evaluate Russian Federation RUB bonds, preserving an offshore standpoint while capturing ongoing market trends. In this regard, since the third quarter 2022, the exchanges observed on the Russian Federation RUB bonds were in line with the Russian Federation USD debt implied spreads, whose market activities cautiously increased following a revision of U.S. Treasury guidelines<sup>45</sup>.

During the fourth quarter 2022, considering the increase in the effective trades observed since the third quarter 2022, the methodology to reflect the price uncertainty was updated. As a result, instead of fair value adjustment, a correction was introduced according to the effective trades' prices observable on the offshore Market within 90 days' time-horizon rolling, leading to an extra spread, added flat on L1 curve used to compute the Mark-to-Model prices.

<sup>40</sup> IFRS9 par. B5.5.17.

<sup>41</sup> Financial assets held by UniCredit S.p.A. and its non-Russian subsidiaries toward Russian counterparties.

<sup>42</sup> The reported amount shows the increase in LLP occurred at the moment of reclassification in Stage 2 and rating downgrade.

<sup>43</sup> For the sake of completeness, it should be noted that further Russian Government bonds are held by other Group legal entities in the held for trading portfolio for a not material carrying value.

<sup>44</sup> The reported amount shows the increase in LLP occurred at the moment of reclassification in Stage 2 and rating downgrade.

<sup>45</sup> Such guidelines allowed U.S. holders to enter the market to wind down their positions (in the first half of 2022 US Treasury forbade US investors from trading in these bonds).

## Part A - Accounting policies

### 1.4 Overlays

Given the uncertainties over the evolution of the crisis and the related effects on AO UniCredit Bank loan portfolio, additional actions were taken to cope with potential future default migrations, as well as with the following two elements:

- corporate portfolio re-rating stemming from the update of the 2021 financial information; indeed, the latter did not incorporate the consequences of the Russia-Ukraine crisis yet, whose effects were embedded in 2022 financials;
- pure temporary benefits on behavioural payment trends that may stem from adherence to legislative moratoria programs launched both on Corporate and Retail by Governments/Central Bank to sustain clients in potential difficulty due to Western countries sanctions.

Thus, the overlays applied starting from second quarter of 2022 led to recognize, for the full year 2022, total LLPs for approx. -€48 million; such overlays aimed to: (i) fix the LLPs to the level of 31 March 2022 (i.e., after application of LLPs aimed at covering Russia direct risk); (ii) re-scale the LLPs with respect to the Loan-to-Customer portfolio evolution factoring-in repayment and exposure reduction if any, in order to ensure a minimum coverage representative of the situation after Russian-Ukraine crisis. The reduction compared with the amount published in June 2022 (-€65 million) mainly arises from the increase in LLP arising from the application of credit risk models that have consequently decreased the incidence of these overlays.

### 1.5 Asset quality

The following table provides the breakdown of financial assets held by Russian subsidiaries broken down by accounting portfolio and Credit quality. As mentioned above, the Performing assets were entirely classified in Stage 2.

| PORTFOLIOS/QUALITY   | NON-PERFORMING ASSETS                 |                    |              |                            | PERFORMING ASSETS |                    |              | TOTAL (NET EXPOSURE) |
|--|---------------------------------------|--------------------|--------------|----------------------------|-------------------|--------------------|--------------|----------------------|
|  | GROSS EXPOSURE                        | OVERALL WRITEDOWNS | NET EXPOSURE | OVERALL PARTIAL WRITE-OFFS | GROSS EXPOSURE    | OVERALL WRITEDOWNS | NET EXPOSURE |                      |
|  | 1. Financial assets at amortised cost | 553                | 339          | 214                        | -                 | 7,774              | 409          |                      |
| 2. Financial assets at fair value through other comprehensive income | -                                     | -                  | -            | -                          | 52                | 21                 | 31           | 31                   |
| 3. Financial assets designated at fair value                         | -                                     | -                  | -            | -                          | X                 | X                  | -            | -                    |
| 4. Other financial assets mandatorily at fair value                  | -                                     | -                  | -            | -                          | X                 | X                  | -            | -                    |
| 5. Financial instruments classified as held for sale                 | 9                                     | 4                  | 5            | -                          | -                 | -                  | -            | 5                    |
| <b>Total 31/12/2022</b>  | <b>562</b>                            | <b>343</b>         | <b>219</b>   | <b>-</b>                   | <b>7,826</b>      | <b>430</b>         | <b>7,396</b> | <b>7,615</b>         |

### 1.6 Derivative exposures

The sanctions and restrictions led the derivatives' counterparties to interrupt servicing (stopping settlement and disregarding margin call), thus resulting in the activation of close-out process according to ISDA Master Derivatives Agreements/Credit Support Annex. Such circumstance determined the recognition - for the full year 2022 - of Trading Profit/Losses for -€94 million and LLPs for -€21 million (the latter refer to the write-downs recognised in "excess" of collaterals posted by counterparties and measured in Group Balance sheet at amortized cost).

With reference to the Fair value calculation, an update of XVA methodologies - in particular regarding calibration of risk inputs - was introduced since 31 March 2022, to reflect offshore risk (i.e., Russian risk assessment outside Russia). Indeed, till February 2022, CVA risk mapping assimilated the country risk "Russia" to the average risks of Eastern Europe counterparties; then, since March 2022, a new CVA risk mapping was introduced to assess Russian counterparty credit risk, by referencing the Russian Sovereign Credit Default Swap (CDS), separated from the Eastern Europe counterparties in light of the changed geopolitical framework. For the full year 2022, the overall impact stemming from XVA, also including the update in methodology, was equal to -€34 million.

### 1.7 Real Estate portfolio

The real estate portfolio of Russian subsidiaries (mainly composed by owned instrumental assets located in Moscow and Saint Petersburg Commercial Business District) was subject to external independent appraisals right before 31 December 2022; the evaluation, aimed to update the fair value of the assets, led to recognise not-material effects.

## Part A - Accounting policies

### 1.8 Sensitivity of Expected Credit Losses (ECL) to macroeconomic scenario for AO UniCredit Bank

The sensitivity of IFRS9 ECL to scenarios change is estimated by weighting at 100% (instead of 40%) the ECL stemming from the adverse scenario. In details, when compared to the baseline, the ECL of AO UniCredit Bank would increase by about +8% equivalent to around +€52 million additional LLPs.

Moreover, the sensitivity<sup>46</sup> of ECL to GDP variations embedded in the different scenarios was also estimated as the ratio of:

- the difference between ECL estimated under the alternative and the baseline scenario;
- the GDP points deviations (on 3 years cumulative basis) between alternative and baseline scenarios respectively.

The implied assumptions are:

- GDP forecast (over 3 years) is assumed to be the most relevant economic factor as indicator of scenario severity;
- for AO UniCredit Bank, the Russian GDP is considered for the calculation of the respective sensitivity.

The results considering the current IFRS9 scenarios and portfolio show that for -1 point of GDP drop (cumulated over 3 years) the ECL of AO UniCredit Bank is estimated to increase by +2.8%.

### 2. Financial assets held by UniCredit S.p.A. and its non-Russian subsidiaries toward Russian counterparties

The present section provides information about the credit exposures subject to Russian risk held by UniCredit S.p.A. and its non-Russian subsidiaries (i.e., such exposures include neither the positions held by the Russian Legal Entities belonging to UniCredit group, nor Letters of Credit).

The overall Gross Book Value for €2.4 billion is composed as follows:

- €1.5 billion attributable to the credit exposures of the Russia operating segment, having the following features:
  - approx. €1.5 billion on-balance, and an amount lower than €0.05 billion off-balance;
  - with an overall coverage for approx. 35%;
- €0.9 billion related to the exposures basically held by the Group Entities not belonging to the Russian Operating Segment, having the following features:
  - approx. €0.5 billion on-balance (benefitting from ECA guaranteed for €0.5 billion), and €0.4 billion off-balance;
  - whose coverage substantially reflects the presence of ECA guarantees for most of the exposures.

|                                    | PERFORMING ASSETS <sup>(*)</sup> |                    |               |
|------------------------------------|----------------------------------|--------------------|---------------|
|                                    | GROSS EXPOSURE                   | OVERALL WRITEDOWNS | NET EXPOSURES |
| Deposits                           | -                                | -                  | -             |
| Financial assets held for trading  | -                                | -                  | -             |
| Financial assets at FV through OCI | -                                | -                  | -             |
| Financial assets at amortized cost | 1,987                            | 533                | 1,455         |
| <b>Totale on balance exposures</b> | <b>1,987</b>                     | <b>533</b>         | <b>1,455</b>  |
| Off Balance                        | 431                              | 27                 | 404           |
| <b>Total</b>                       | <b>2,418</b>                     | <b>559</b>         | <b>1,859</b>  |

**Note:**

(\*) Non-performing assets substantially immaterial having a net exposure of €1 million.

### 2.1 Classification and re-rating of loans toward Russian counterparties held by UniCredit S.p.A. and its non-Russian subsidiaries

The assessment reported in the previous paragraph (i.e., reclassification into Stage 2 and rating downgrade) was also applied to exposures held by UniCredit S.p.A. and its non-Russian subsidiaries toward Russian counterparties.

Furthermore, in the course of 2022, a series of events occurred:

- several Multinational Corporations decided to exit from Russian market and, among them, certain financial groups disposed their activities in Russia or announced their intention to do so even incurring significant losses resulting from significant impairment and write-downs due to the reduced recoverable value of their assets in such country together with difficulties in disposing it;
- certain Russian counterparties, including Russia, entered in technical default because of sanctions imposed against Russia which impeded them to repay their debt toward foreign counterparty in accordance with the original terms of the contract subscribed.

<sup>46</sup> The sensitivity of AO UniCredit Bank (Russia) is significantly affected by the mentioned Stage 2 classification of the entire portfolio.



## Part A - Accounting policies

These events pointed to a clear differentiation in asset valuation between onshore and offshore investors, where the latter are penalized in their ability to recover the claims against investments in Russia. Furthermore, such events were considered indicative of the circumstance that the cash flows expected to be received as offshore investor would be lower cash flows underlying by Stage 2 (with ordinary rating downgrade) and - as such - worth to be embedded in the evaluation of these credit exposures as at 31 December 2022.

Indeed, in the perspective of an offshore investor exposed towards obligors with direct risk on Russia, such exposures are expected to suffer from higher risk of missed fulfilment of credit obligation. In order to incorporate the mentioned events in the measurements of Loan Loss provision, it is worth reminding that, as per IFRS9 requirements, credit models used for LLP calculation shall apply historical information, adjusted to reflect the effects of the current conditions and forecasts of future conditions that did not affect the period on which the historical data are based.

To this regard, the credit models used by UniCredit are based on historical experience, adjusted to reflect the current and forecasted conditions assuming ordinary credit recovery process; however, such models do not reflect the differentiation between on and offshore investors, also in light of the Groupwide nature of these clients, primarily Multinational assessed with credit models, that - in line with prudential regulation requirement and the nature of the underlying models - shall provide unique rating independently from the booking Legal Entities.

Considering such circumstances, and complying with the mentioned IFRS9 requirements, overlay measures were recognised as at 31 December 2022 to reflect the widening effect from the perspective of UniCredit group as offshore investor. The overlays were quantified by assuming a coverage ratio comparable with the proactive classification of these exposures as unlikely to pay; as a result, as at 31 December 2022 the stock of loan loss provisions on such exposures is equal to €559 million.

### 2.2 Geopolitical overlay resulting from Russia-Ukraine crisis

During 2022, the uncertainties on the economic activities arising from Covid-19 pandemics progressively faded away as demonstrated by the lifting of the restrictive measures put in place by the governments to counteract the pandemic. On the contrary, the geopolitical uncertainties significantly increased throughout the year: indeed, the start of the Russian-Ukraine conflict acted as a headwind to the economic growth as the spill-over effects of Russian and Ukraine crises continued leading to revise the outlook for the euro area economy, also pushing up inflationary pressures and interest rates.

In order to consider, when calculating the Loan Loss Provision, the sharp rise in energy costs, inflation and interest rates for both Corporate and private individuals, UniCredit adopted geopolitical overlay. To this regard, the adoption of overlay is a complementary measure to the IFRS9 models that, by its structure, has been already properly and directly proving to recognize the effect of geopolitical crises. In this context, while IFRS 9 models - and in particular satellite models - are able to capture the effect of macro-economic scenario at portfolio level, the geopolitical overlays act on specific sub-portfolios considered particularly vulnerable in case contingent situations may evolve to severe stressed conditions.

As of 31 December 2022, the geopolitical overlays amount to €1.8 billion (of which €0.5 billion recognised in the fourth quarter 2022 on a net basis in light of the new risk assessment of €0.9 billion of overlays as mentioned below), broken-down according to the following components:

- Corporate energy-intensive industry sectors prone to be more affected by spill-over effects linked to Russia - Ukraine crisis, specifically impacting the energy supply and related price soaring.
- Retail clients, for: (i) floating rate mortgages (not having overdue instalments), given the sensitiveness in this context of increasing interest rate/inflation, and (ii) at least 1 unpaid instalment on their exposures, the latter indicative of counterparties with already difficulties in payments and as such particularly vulnerable in this specific contingency.

The geopolitical overlays also include the cluster of credits related to Italian corporate counterparties previously belonging to the former moratoria overlay. Indeed, such cluster of clients - that explicitly asked for additional moratoria prolongation (opt-in) in mid-2021 - still embed a potentially higher level of credit risk compared with the remaining population, considering that a sufficient observation period since the end of the moratoria has not yet elapsed (opt-in moratoria extension has expired in December 2021). Therefore, it was assessed that the consequences of the geo-political crisis might still affect the ability of these customers to repay their credit exposures since their reimbursement capacity may be already weakened by the consequences of the Covid 19 pandemics.

As far as the calculation is concerned, the credit exposures belonging to the above categories are identified according to their specific features. Starting from this, satellite models are run by applying, as macro-economic conditions, the Multi Year Plan recessive scenario (i.e., Downturn) to determine the adjustment to be applied to the default rate. Such adjusted default rate is then applied to the relevant categories to estimate the expected new inflows of defaulted exposure, whose LLPs are then calculated according to the average coverage rate applied to Unlikely to Pay. On the other hand, the overlays recognised in the past periods, following the previous extraordinary circumstances (e.g., Covid-19), have been subject to new risk assessment (for a total amount of €0.9 billion), considering the following circumstances: (i) reallocation of the supply-chain overlay within the overall concept of geopolitical overlay; (ii) reallocation of the overlay connected to the additional moratoria prolongation (i.e., opt-in component, as above outlined) within the overall concept of geopolitical overlay; (iii) actual update of the IFRS9 macro-economic scenario, whose LLP calculation incorporated the previous overlay related to the uncertainty stemming from the macro-economic situation.

## Part A - Accounting policies

### 3. FX rate used as at 31 December for the conversion of exposures denominated in Rubles

As a result of the geopolitical tension, the ECB suspended the EUR/RUB listing since 2 March 2022 (last fixing on 1 March 2022), while Central Bank of Russia ("CBR") continued to provide a fixing versus other currencies. Despite such suspension, the availability of RUB FX rate is needed for preparing the Consolidated financial statements for the conversion into EUR of:

- RUB denominated exposures held by UniCredit S.p.A. and subsidiaries having a presentation currency different from EUR;
- Russian subsidiaries' net assets (and related FX reserve) in the consolidated financial results of UniCredit group.

In light of the IAS21 requirements (which establish that when several exchange rates are available, the rate used is the one at which the future cash flows represented by the transaction could have been settled if those cash flows had occurred at the measurement date), the Group decided to adopt the RUB quotes listed by the Electronic Broking Service ("EBS") in substitution of the lacking EUR/RUB quote. The choice of the provider was executed following qualitative and quantitative assessment, which reported the following outcome: (i) the RUB quotes published by the platform are representative of effective transactions between participants to the market; (ii) the FX quotes are liquid; (iii) the EBS RUB quotes resulted from actual transactions by non-Russian based operators, thus granting that such quote effectively represents a market participant assessment of the value of the RUB and therefore of the economic conditions of Russia<sup>47</sup>. In more detail, the mentioned EBS rate was used both for converting RUB denominated exposures held by entities having EUR as presentation currency, as well as for consolidating the net assets of AO UniCredit Bank (Russia) and determining the related FX reserve.

In addition to the above, it is worth reminding those exposures held by Russian subsidiaries and denominated into currencies different from RUB shall be first converted into RUB for the purpose of consolidated financial statements preparation. In this regard, while the adoption of EBS RUB quote would be appropriate, the conversion into RUB of exposures denominated in foreign currencies held by Russian Subsidiaries was executed considering the rate provided by CBR considering that difference between CBR and EBS quotes was not significant.

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The Company financial statements of UniCredit S.p.A. and the Consolidated financial statements of UniCredit group as at 31 December 2022 are audited by KPMG S.p.A. pursuant to Legislative Decree No.39 of 27 January 2010 and to the resolution passed by the Shareholder's Meeting on 9 April 2020.

UniCredit group prepared and published within the time limits set by law and in manner required by Consob, the Consolidated first half financial Report as at 30 June 2022, subject to limited scope audit, as well as the Consolidated interim reports as at 31 March and 30 September 2022, both as press releases.

The financial statements of UniCredit S.p.A. and the Consolidated financial statements of UniCredit group as at 31 December 2021 have been approved by the Board of Directors' meeting of 16 February 2023, which authorised its disclosure to the public also pursuant to IAS10.

Directive 2004/109/EC (the "Transparency Directive") and Delegated Regulation (EU) 2019/815 introduced the obligation for issuers of securities listed on regulated markets of the European Union to draw up the annual financial report in the language XHTML, based on the European Single Electronic Format (ESEF), approved by ESMA. For the year 2022 the consolidated financial statements have been "marked" with the ESEF taxonomy, using an integrated computer language (iXBRL).

The whole document is filed in the competent offices and entities as required by law.

<sup>47</sup> Such conclusions are also corroborated by the meeting held by ECB - Foreign Exchange Contact Group during May 2022 in which EBS representative reported that EBS EUR/RUB Market continue to function, and that liquidity in the Russian ruble is below pre-invasion levels, with activity concentrated mostly among larger banks in offshore markets.

## Part A - Accounting policies

### A.2 - Main items of the accounts

It should be noted that the descriptions of the main items of the accounts reported below are also valid for the Company financial statements of UniCredit S.p.A., unless differently stated.

#### 1 - Financial assets at fair value through profit or loss

##### a) Financial assets held for trading

A financial asset is classified as held for trading if it is:

- acquired or incurred principally for the purpose of selling or repurchasing it in the short term;
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- a derivative contract not designated under hedge accounting, including derivatives with positive fair value embedded in financial liabilities other than those valued at fair value with recognition of income effects through profit or loss.

Like other financial instruments, on initial recognition, at settlement date, a held-for-trading financial asset is measured at its fair value, usually equal to the amount paid, excluding transaction costs and income, which are recognised in profit and loss even when directly attributable to the financial assets. Held for Trading derivatives are recognised at trade date.

After initial recognition these financial assets are measured at their fair value through profit or loss.

A gain or loss arising from sale or redemption or a change in the fair value of a held for trading financial asset is recognised in income statement in item "80. Net gains (losses) on trading", including gains or losses related to derivative contracts that are linked to assets and/or liabilities designated at fair value and other financial assets mandatorily at fair value. If the fair value of a financial instrument falls below zero, which may happen with derivative contracts, it is recognised in item "20. Financial liabilities held for trading".

A derivative is a financial instrument or other contract that has all three of the following characteristics:

- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (usually called the "underlying") provided that in case of non-financial variable, this is not specific of one of the parties to the contract;
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- it is settled at a future date.

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract, with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

An embedded derivative is separated from financial liabilities other than those measured at fair value through profit or loss and from non-financial instruments, and is recognised as a derivative, if:

- the economic characteristics and risks of the embedded derivative are not closely relating to those of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and;
- the hybrid (combined) instrument is not measured entirely at fair value through profit or loss.

When an embedded derivative is separated, the host contract is accounted for according to its accounting classification.

##### b) Financial assets designated at fair value through profit or loss

A non-derivative financial asset can be designated at fair value if the abovementioned designation avoids accounting mismatches that arise from measuring assets and associated liabilities according to different measurement criteria.

These assets are accounted for alike "Financial assets held for trading" however gains and losses, whether realised or unrealised, are recognised in item "110. Net gains (losses) on other financial assets/liabilities at fair value through profit or loss: a) financial assets/liabilities designated at fair value"; such item also includes changes in fair value on "financial liabilities designated at fair value" linked to own credit risk, if such a designation creates or increases an accounting mismatch in income statement according to IFRS9.

## Part A - Accounting policies

### c) Other financial assets mandatorily at fair value

A financial asset is classified as financial asset mandatorily at fair value if it does not meet the conditions, in terms of business model or cash flow characteristics, for being measured at amortised cost or at fair value through other comprehensive income.

Specifically, the following assets have been classified in this portfolio:

- debt instruments, securities and loans for which the business model is neither held to collect nor held to collect and sell but which are not part of the Trading book;
- debt instruments, securities and loans with cash flows that are not solely payment of principal and interest;
- units in investment funds;
- equity instruments not held for trading for which the Group does not apply the option granted by the standard of valuing these instruments at fair value through other comprehensive income.

These assets are accounted for alike "Financial assets held for trading", however gains and losses, whether realised or unrealised, are recognised in item "110. Net gains (losses) on other financial assets/liabilities at fair value through profit or loss: b) Other financial assets mandatorily at fair value".

## 2 - Financial assets at fair value through other comprehensive income

A financial asset is classified at fair value through other comprehensive income if:

- its business model is held to collect and sell;
- its cash flows are solely the payment of principal and interest.

This category also includes equity instruments not held for trading for which the Group applies the option granted by the standard of valuing the instruments at fair value through other comprehensive income.

On initial recognition, at settlement date, a financial asset is measured at fair value, which is usually equal to the consideration paid, plus transaction costs and revenues directly attributable to the instrument.

After initial recognition, the interests accrued on interest-bearing instruments are recorded in the income statement according to the amortised cost criterion in item "10. Interest income and similar revenues" if positive, or in item "20. Interest expenses and similar charges" if negative.

The gains and losses arising from changes in fair value are recognised in the Statement of other comprehensive income and reported under item "120. Valuation reserves" in shareholders' equity (item "110. Valuation reserves" in the Company financial statements).

These instruments are tested for impairment as illustrated in the specific section 16 - Other Information - Impairment.

Impairment losses are recorded in the income statement in item "130. Net losses/recoveries on credit impairment relating to: b) financial assets at fair value through other comprehensive income" with contra-entry in the statement of other comprehensive income and also reported under item "120. Valuation reserves" in shareholders' equity (item "110. Valuation reserves" in the Company financial statements).

In the event of disposal, the accumulated profits and losses are recorded in the income statement in item "100. Gains (Losses) on disposal and repurchase of: b) financial assets at fair value through other comprehensive income".

Amounts deriving from financial assets carrying amount adjustment, gross of cumulated write-downs, in order to reflect modifications on contractual cash flows that do not give rise to accounting derecognition, are recognised in Income statement in item "140. Gains/Losses from contractual changes with no cancellations"; such line does not include the impact of contractual modifications on the amount of expected loss recognised in item "130. Net losses/recoveries on credit impairment relating to: b) financial assets at fair value through other comprehensive income".

Such item can also include on-balance credit exposures which are already non-performing on initial recognition. These exposures are qualified as "Purchased Originated Credit Impaired - POCI".

The amortised cost and the interest income generated by these assets are calculated by considering, in the estimate of future cash flows, the expected credit losses over the entire residual duration of the asset.

This expected credit loss is subject to periodic review thus determining the recognition of impairment or write-backs.

For further information on "Purchased Originated Credit Impaired" assets refer to the paragraph "2.1 Credit risk" of the Notes to the consolidated accounts Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter with reference to the Consolidated financial Statements and the paragraph "Section 1 - Credit risk" of the Company financial statements of UniCredit S.p.A., Notes to the accounts Part E - Information on risks and related hedging policies with reference to the Company's financial statements

## Part A - Accounting policies

With regard to equity instruments, the gains and losses arising from changes in fair value are recognised in the Statement of other comprehensive income and reported under item “120. Valuation reserves” (item “110. Valuation reserves” in the Company financial statements).

In the event of disposal, the accumulated profits and losses are recorded in item “150. Reserves” (item “140. Reserves” in the Company financial statements).

In accordance with the provisions of IFRS9, no impairment losses on equity instruments are recognised in the income statement. Only dividends are recognised in Income statement within item “70. Dividend income and similar revenues”.

### 3 - Financial assets at amortised cost

A financial asset, loan or debt securities, is classified as financial asset measured at amortised cost if:

- its business model is held to collect;
- its cash flows are solely the payment of principal and interest.

These items also include the net value of finance leases of assets under construction or awaiting lease, provided the leases have the characteristics of contracts entailing the transfer of risk.

On initial recognition, at settlement date, financial assets at amortised cost are measured at fair value, which is usually equal to the consideration paid, plus transaction costs and income directly attributable to the instrument.

After initial recognition at fair value, these assets are measured at amortised cost which requires the recognition of interest on an accrual basis by using the effective interest rate method over the term of the loan. Such interest is recognised in item “10. Interest income and similar revenues” if positive or in item “20. Interest expenses and similar charges” if negative.

The amount of financial assets at amortised cost is adjusted in order to take into account impairment losses arising from valuation process as illustrated in the specific section 16 - Other information - Impairment.

Impairment losses are recorded in the income statement, in item “130. Net losses/recoveries on credit impairment relating to: a) financial assets at amortised cost”.

In the event of disposal, the accumulated profits and losses are recorded in the income statement in item “100. Gains (Losses) on disposal and repurchase of: a) financial assets at amortised cost”. It is worth to note that, in light of the fact that the business model is aimed at collecting contractual cash flows, disposals might happen when (i) caused by an increase in the assets’ credit risk, (ii) performed close to maturity (iii) infrequent or (iv) not significant. In this regard, the Group has adopted policies to assess that these requirements are met, in particular through internal thresholds set for verifying that sales are not significant.

Amounts deriving from financial assets carrying amount adjustment, gross of cumulated write-downs, in order to reflect modifications on contractual cash flows that do not give rise to accounting derecognition, are recognised in Income statement in item “140. Gains/Losses from contractual changes with no cancellations”; such line does not include the impact of contractual modifications on the amount of expected loss recognised in item “130. Net losses/recoveries on credit impairment relating to: a) financial assets at amortised cost”.

Such item can also include on-balance credit exposures which are already non-performing on initial recognition. These exposures are qualified as “Purchased Originated Credit Impaired - POCI”.

The amortised cost and the interest income generated by these assets are calculated by considering, in the estimate of future cash flows, the expected credit losses over the entire residual duration of the asset.

This expected credit loss is subject to periodic review thus determining the recognition of impairment or write-backs.

For further information refer to the paragraph “2.1 Credit risk” of the Notes to the consolidated accounts Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter with reference to the Consolidated financial Statements and the paragraph “Section 1 - Credit risk” of the Company financial statements of UniCredit S.p.A., Notes to the accounts Part E - Information on risks and related hedging policies with reference to the Company’s financial statements

### 4 - Hedge accounting

Hedging instruments are created to hedge market (interest-rate, currency and price) and/or credit risk to which the hedged positions are exposed. They may be described as follows:

- fair value hedge: a hedge of the exposure to changes in fair value of a recognised asset or liability, or an identifiable portion of such an asset or liability;
- cash flow hedge: a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction which could affect profit or loss in future periods;
- hedge of a net investment in a foreign entity, whose operations are based or conducted in a currency other than euro.

It should be noted that the Group has exercised the option to continue applying the existing IAS39 hedge accounting requirements for all its hedging relationships until the IASB completes the project on accounting for macro-hedging.

Hedging derivatives are initially recognised on trade date and are valued at their fair value.

## Part A - Accounting policies

A hedging relationship qualifies for hedge accounting if there is formal designation and documentation of the hedging relationship including the risk management objective, the strategy for undertaking the hedge, and how the hedging instrument's prospective and retrospective effectiveness will be assessed. It is necessary to assess the hedge's effectiveness, at inception and in subsequent periods, in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Generally, a hedge is regarded as highly effective if, at the inception of the hedge and in subsequent periods, it is determined prospectively to remain highly effective, and retrospectively verified that the hedge ratio (i.e. the changes in fair value of hedged items and hedging instruments) is within a range of 80-125%. The hedge is assessed on an ongoing basis and thus must prospectively remain highly effective throughout the financial reporting periods for which the hedge has been designated.

The assessment of effectiveness is made at each balance-sheet date or other reporting date.

If the assessment does not confirm the effectiveness of the hedge, from that time on hedge accounting is discontinued in respect of the hedge and the hedging derivative is reclassified as a held-for-trading instrument.

In addition, the hedging relationship ceases when (i) the hedging instrument expires or is sold, terminated or exercised, (ii) the hedged item is sold, expires or is repaid, (iii) it is no longer highly probable that the forecast transaction will occur.

Hedging instruments are so designated when identifiable with an ultimate counterparty outside the Group.

Hedging derivatives are measured at fair value. Specifically:

- **fair value hedging**, an effective fair value hedge is accounted for as follows: the gain or loss from remeasuring the hedging instrument at fair value is recognised through profit or loss in item "90. Net gains (losses) on hedge accounting"; the gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognised through profit or loss in the same item. Hedging ineffectiveness is represented by the difference between the change in the fair value of hedging instruments and the change in the fair value of hedged item. If the hedging relationship is terminated for reasons other than the sale of the hedged item, the difference between the carrying amount of the hedged item on termination of the hedging and the carrying amount it would have had if the hedge had never existed, is recognised through profit or loss in interest receivable or payable over the residual life of the original hedge, in the case of interest-bearing instruments; if the financial instrument does not bear interest, the difference is recognised in profit or loss under item "90. Net gains (losses) on hedge accounting" at once. If the hedged item is sold or repaid, the portion of fair value which is still unamortised is at once recognised through profit or loss in item "100. Gains (Losses) on disposal and repurchase";
- **cash flow hedging**, hedging instruments are valued at fair value. Change in the fair value of a hedging instrument that is considered effective is recognised in equity item "120. Valuation reserves" (item "110. Valuation reserves" in the Company Financial Statements). The ineffective portion of the gain or loss is recognised through profit or loss in item "90. Net gains (losses) on hedge accounting". If a cash flow hedge is determined to be no longer effective or the hedging relationship is terminated, the cumulative gain or loss on the hedging instrument that remains recognised in item "120. Valuation reserves" (item "110. Valuation reserves" in the Company financial statements) from the period when the hedge was effective remains separately recognised in revaluation reserves until the forecast hedged transaction occurs or is determined to be no longer possible; in the latter case gains or losses are transferred through profit or loss to item "80. Net gains (losses) on trading". The fair value changes are recorded in the Statement of other comprehensive income and disclosed in item "120. Valuation reserves" (item "110. Valuation reserves" in the Company financial statements);
- **hedging a net investment in a foreign entity**, hedges of a net investment in a foreign entity whose activities are based or conducted in a country or currency other than those of the reporting entity are accounted for similarly to cash flow hedges. The gain or loss on the hedging instrument relating to the effective portion of the hedge that has been recognised directly in equity is recognised through profit or loss on disposal of the foreign entity. The fair value changes are recorded in the Statement of comprehensive income and disclosed in item "120. Valuation reserves (item "110. Valuation reserves" in the Company Financial Statements)"; the ineffective portion of the gain or loss is recognised through profit or loss in item "90. Net gains (losses) on hedge accounting";
- **macro-hedges of financial assets (liabilities)** - IAS39 allows a fair-value item hedged against interest rate fluctuations to be not only a single asset or liability but also a monetary position contained in a number of financial assets or liabilities (or parts of them); accordingly, a group of derivatives can be used to offset fair-value fluctuations in hedged items due to changes in market rates. Macro-hedging may not be used for net positions resulting from the offsetting of assets and liabilities. As for fair value micro-hedging, macrohedging is considered highly effective if, at the inception of the hedge and in subsequent periods, changes in the fair value attributable to the hedged position are offset by changes in fair value of the hedging instrument and if the hedge ratio is retrospectively assessed falling within the range of 80-125%. Net changes, gains or losses, in the fair value of the macro-hedged assets and liabilities attributable to the hedged risk are recognised in asset item "60. Changes in fair value of portfolio hedged items (+/-)" or liability item "50. Value adjustment of hedged financial liabilities (+/-)", respectively and offset the profit and loss item "90. Net gains (losses) on hedge accounting".

The ineffectiveness of the hedging arises to the extent that the change in the fair value of the hedging item differs from the change in the fair value of the hedged monetary position. The extent of hedge ineffectiveness is in any case recognised in profit and loss item "90. Net gains (losses) on hedge accounting".

## Part A - Accounting policies

If the hedging relationship is terminated, for reasons other than the sale of the hedged items, cumulative gain or loss in items "60. Changes in fair value of portfolio hedged items (+/-)" or liability item "50. Value adjustment of hedged financial liabilities (+/-)" is recognised through profit or loss in items "10. Interest income and similar revenues" or "20. Interest expenses and similar charges", along the residual life of the hedged financial assets or liabilities.

If the latter are sold or repaid, unamortised fair value is at once recognised through profit and loss in item "100. Gains (Losses) on disposal and repurchase".

### 5 - Equity investments

The principles governing the recognition and measurement of equity investments under IFRS10 Consolidated financial statements, IAS27 Company financial statements, IAS28 Investments in associates and joint ventures and IFRS11 Joint Arrangements are provided in detail in the paragraph "Section 3 - Consolidation scope and methods" of the Notes to the consolidated accounts Part A - Accounting policies, A.1 - General, where disclosure on the evaluation processes and key assumptions used to assess the existence of control, joint control or significant influence in accordance with IFRS12 (paragraphs 7-9) is provided.

The remaining interests other than subsidiaries, associates and joint ventures, and interests recognised in items "120. Non-current assets and disposal groups classified as held for sale" and "70. Liabilities associated with assets classified as held for sale" are classified as financial assets at fair value through other comprehensive income or other financial assets mandatorily at fair value and accordingly accounted.

### 6 - Property, plant and equipment (Tangible assets)

The item includes:

- land;
- buildings;
- furniture and fixtures;
- plant and machinery;
- other machinery and equipment;

and is divided between:

- assets used in the business;
- assets held as investments;
- inventories in the scope of IAS2 standard.

This item also includes tangible assets arising from collection of collaterals.

#### Assets used in the business and Assets held as investments

Assets used in the business are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used for more than one period. This category also conventionally includes assets to be let or under construction and to be leased under a finance lease, only for those finance leases which provide for retention of risk by the lessor until the acceptance of the asset by the lessee and the start of rentals under the finance lease.

The item "Property, plant and equipment" includes assets used by the Group as lessee under a lease contract (right of use) or let/hired out by the Group as lessor under an operating lease.

Property, plant and equipment also include leasehold improvements relating to assets which can be separately identified. They are classified according to the specific sub-items relating to the asset type (e.g., plants).

Leasehold improvements are usually borne in order to make leased premises fit for the expected use.

Improvements and additional expenses relating to property, plant and equipment identifiable but not separable are recognised in item "130. Other assets" (item "120. Other assets" in the Company financial statements).

Assets held for investment purposes are properties covered by IAS40, i.e., properties held (owned or under a lease contract) in order to derive rentals and/or a capital gain.

Property, plant and equipment are initially recognised at cost including all costs directly attributable to bringing the asset into use (transaction costs, professional fees, direct transport costs incurred in bringing the asset to the desired location, installation costs and dismantling costs).

## Part A - Accounting policies

Subsequent costs are added to the carrying amount or recognised as a separate asset only when it is probable that there will be future economic benefits in excess of those initially foreseen and the cost can be reliably measured. Other expenses borne at a later time (e.g., normal maintenance costs) are recognised in the year they are incurred in profit and loss items:

- “190. Administrative expenses: b) other administrative expenses” (item “160. Administrative expenses: b) other administrative expenses of the Company financial statements), if they refer to assets used in the business; or
- “230. Other operating expenses/income” (item “200. Other operating expenses/income” of the Company financial statements) if they refer to property held for investment.

After being recognised as an asset:

- buildings and lands used in the business are measured according to revaluation model;
- tangible assets used in the business, different from lands and buildings, are measured according to cost model;
- buildings and lands held as investments are measured according to fair value model.

Revaluation model requires tangible assets to be exposed in Balance sheet at a value not significantly different from fair value. In this respect, UniCredit group requests such assets to be revalued on a half year basis through “desktop” or “on site” appraisals, based on the asset relevance, performed by external appraisers.

Positive changes in fair value are booked in Other comprehensive income statement, item “50. Property, plant and equipment” and, cumulated, in item “120. Valuation reserves” (item “110. Valuation reserves” in the Company financial statements), unless they offset previous negative changes accounted for in income statement in item “260. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value” (item “230. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value” in the Company financial statements). Negative changes in fair value are booked in income statement in item “260. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value” (item “230. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value” in the Company financial statements), unless they offset previous positive changes accounted for in Other comprehensive income statement, item “50. Property, plant and equipment” and, cumulated, in item “120. Valuation reserves” (item “110. Valuation reserves” in the Company financial statements).

When the tangible asset is revalued at its fair value it is required to adjust both gross carrying amount and cumulated depreciation on the basis of the net carrying amount revaluation.

Cost model requires the gross carrying amount to be depreciated across its useful life.

Both tangible assets measured according to revaluation model and cost model are subject to straight-line depreciation over their useful life to the extent they have a finite useful life.

Residual useful life is usually assessed, for the Group and UniCredit S.p.A. as follows:

| TYPOLOGY               | GROUP          | UniCredit S.p.A. |
|------------------------|----------------|------------------|
| Buildings              | up to 50 years | up to 33 years   |
| Furniture and fixtures | up to 25 years | up to 7 years    |
| Electronic equipment   | up to 15 years | up to 12 years   |
| Other                  | up to 10 years | up to 7 years    |
| Leasehold improvements | up to 25 years | up to 15 years   |

Depreciations are accounted for, period by period, in item “210. Net value adjustments/write-backs on property, plant and equipment” (item “180. Net value adjustments/write-backs on property, plant and equipment” in the Company financial statements).

An item with an indefinite useful life is not depreciated.

Lands and buildings are recognised separately, even if acquired together. Land is not depreciated since it usually has an indefinite useful life. Buildings have instead a finite useful life and are therefore subject to depreciation.

The estimate of the useful life of an asset is reviewed at least at each accounting period-end on the basis inter alia of the conditions of use of the asset, of maintenance conditions and expected obsolescence and, if expectations differ from previous estimates, the depreciation amount for the current and subsequent financial years is adjusted accordingly.

If there is clear evidence that an asset measured according to cost model has been impaired the carrying amount of the asset is compared with its recoverable value, equal to the greater of its fair value less selling cost and its value in use, i.e., the present value of future cash flow expected to originate from the asset. Any value adjustment is recognised in profit and loss item “210. Net value adjustments/write-backs on property, plant and equipment” (item “180. Net value adjustments/write-backs on property, plant and equipment” in the Company financial statements).



## Part A - Accounting policies

If the value of a previously impaired asset is restored, its increased carrying amount cannot exceed the net carrying amount it would have had if there had been no losses recognised on the prior-year impairment.

Buildings and land held as investments, including right of use on land and buildings classified as held for investment, are measured according to fair value model which requires to account for in income statement in item "260. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value" (item "230. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value" in the Company financial statements), changes in fair value. Such assets are not subject to depreciation and impairment test.

An item of property, plant and equipment is derecognised (i) on disposal or (ii) when no future economic benefits are expected from its use or sale in the future and any difference between sale proceeds or recoverable value and carrying value is recognised in profit and loss item "280. Gains (losses) on disposals on investments", "260. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value" or "210. Net value adjustments/write-backs on property, plant and equipment" (item "250. Gains (Losses) on disposals on investments", 230. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value, or 180. Net value adjustments/write-backs on property, plant and equipment" in the Company financial statements). For tangible assets measured according to revalued amount, any gain from disposal, including amounts cumulated in item "120. Valuation reserves", (item "110. Valuation reserves" in the Company financial statements) is reclassified to item "150 Reserves" (item "140. Reserves in the Company financial statements) with no impact in income statement.

### Inventories in the scope of IAS2 standard

Inventories are assets held for sale in the ordinary course of business. They are accounted for at the lower of their carrying amounts and net realizable value.

Any value adjustment arising from the application of the aforementioned criterion is recognised under item "210. Net value adjustments/write-backs on property, plant and equipment" (item "180. Net value adjustments/write-backs on property, plant and equipment" in the Company financial statements).

## 7 - Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance which is expected to be used for more than one period, controlled by the Group and from which future economic benefits are probable.

Intangible assets are principally software, brands and patents.

Intangible assets other than goodwill are recognised at purchase cost, i.e., including cost incurred to bring the asset into use, less accumulated amortisation and impairment losses.

Costs sustained after purchase are:

- added to initial cost, provided they increase future economic benefits arising from the underlying asset (i.e., if they increase its value or productive capacity);
- in other cases (i.e., when they do not increase the asset's original value, but are intended merely to preserve its original functionality) are taken to profit or loss in a single amount in the year in which they have been borne.

In case of internally generated software the expenses incurred to develop the project are recognised under intangible assets only if the following elements are demonstrated: (i) the technical feasibility of the project, (ii) the intention to complete the intangible asset, (iii) its future usefulness, (iv) the availability of adequate technical, financial and other resources to complete the development and (v) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

An intangible asset with a finite life is subject to straight-line amortisation over its estimated useful life.

Residual useful life is usually assessed as follows:

- software up to 7 years;
- other intangible assets up to 20 years.

Intangible assets with an indefinite life are not amortised.

If there is clear evidence that an asset has been impaired, the carrying amount of the asset is compared with its recoverable value, equal to the greater of its fair value less selling costs and its value in use, i.e. the present value of future cash flows expected to originate from the asset. Any impairment loss is recognised in profit and loss item "220. Net value adjustments/write-backs on intangible assets".

For an intangible asset with indefinite life even if there are no indications of impairment, the carrying amount is compared annually with its recoverable value. If the carrying amount is greater than the recoverable value, the difference is recognised in profit and loss item "220. Net value adjustments/write-backs on intangible assets".

## Part A - Accounting policies

If the value of a previously impaired intangible asset, other than goodwill is restored, its increased carrying amount cannot exceed the net carrying amount it would have had if there were no losses recognised on the prior-years impairment.

An intangible asset is derecognised (i) on disposal or (ii) when no further future economic benefits are expected from its use or sale in the future and any difference between sale proceeds or recoverable value and carrying value is recognised in the profit and loss item "280. Gains (Losses) on disposals on investments" or "220. Net value adjustments/write-backs on intangible assets", respectively.

### Goodwill

In accordance with IFRS3 goodwill is the excess of the cost of a business combination over the interest acquired in the net fair value of the assets and liabilities acquired at the acquisition date.

Goodwill arising from the acquisitions of subsidiaries is recognised as an intangible asset, whereas goodwill arising from the acquisition of associates is included in the carrying amount of the investments in associates.

At a subsequent financial reporting date, goodwill is recognised net of any cumulative impairment losses and is not amortised. Goodwill is tested for impairment annually, as for other intangible assets with an indefinite useful life. To this end it is allocated to the Group's business areas identified as the Cash Generating Units (CGUs). Goodwill is monitored by the CGUs at the lowest level in the Group in line with its business model.

Impairment losses on goodwill are recognised in profit and loss item "270. Goodwill impairment". In respect of goodwill, no write-backs are allowed.

Note that no Goodwill is recognised in the financial statement of the Group at the date of reporting.

## 8 - Non-current assets and disposal groups classified as held for sale

These categories include individual assets held for disposal (tangible, intangible and financial assets) or groups of assets held for sale, with the related liabilities, as required by IFRS5.

Individual assets (or groups of assets held for sale) are recognised in item "120. Non-current assets and disposal groups classified as held for sale" and item "70. Liabilities associated with assets classified as held for sale" (item "110. Non-current assets and disposal groups classified as held for sale" and "70. Liabilities associated with assets classified as held for sale" in the Company financial statements) respectively, at the lower of their carrying amounts and fair values less costs to sell.

The revaluation reserves relating to non-current assets classified as held for sale, which are recorded as a contra item to changes in value relevant for this purpose, are reported separately in the Statement of other comprehensive income (refer to "Part D - Consolidated other comprehensive income" of the of the Consolidated financial statements of UniCredit group).

The net balance of profits (dividends, interest income, etc.) and losses (interest expense, etc.) attributable to discontinued operations are recognised in the income statement under item "320. Profit (Loss) after tax from discontinued operations" (item "290. Profit (Loss) after tax from discontinued operations" in the Company financial statements). Profits and losses attributable to individual assets or disposal groups, that do not constitute discontinued operations, held for disposal are recognised in the income statement under the appropriate item.

## Part A - Accounting policies

### 9 - Current and deferred tax

Tax assets and tax liabilities are recognised in the Consolidated balance sheet respectively in item "110. Tax assets" and item "60. Tax liabilities" (item "100. Tax assets" and "60. Tax liabilities" in the Company financial statements).

In compliance with the "balance sheet method", current and deferred tax items are:

- current tax assets, i.e. amount of tax paid in excess of income tax due in accordance with local tax regulations;
- current tax liabilities, i.e. amount of corporate tax due in accordance with local tax regulations;
- deferred tax assets, i.e. amounts of income tax recoverable in future fiscal years and attributable to:
  - deductible temporary differences;
  - the carryforward of unused tax losses; and
  - the carryforward of unused tax credits;
- deferred tax liabilities, i.e. the amounts of income tax due in future fiscal years in respect of taxable temporary differences.

Current and deferred tax assets and tax liabilities are calculated in accordance with local tax regulations and are recognised in profit or loss on an accrual basis.

In general, deferred tax assets and liabilities arise when there is a difference between the accounting treatment and the tax treatment of the carrying amount of an asset or liability.

Deferred tax assets and liabilities are recognised applying tax rates that at the balance sheet date are expected to apply in the period when the carrying amount of the asset will be recovered or the liability will be settled on the basis of tax regulations in force and are periodically reviewed in order to reflect any changes in regulations.

In addition, under the tax consolidation system adopted, deferred tax assets are recognised only to the extent that it is probable that sufficient taxable profit will be generated by the entity. In accordance with the provisions of IAS12, the probability that sufficient future taxable profit against which the deferred tax assets can be utilised will be available is reviewed periodically. The carrying amount of deferred tax assets should be reduced to the extent that it is not probable that sufficient taxable profit will be available.

Current and deferred taxes are recognised in profit and loss item "300. Tax expense (income) for the period from continuing operations" (item "270. Tax expenses (income) for the year from continuing operations" in the Company financial statements), except for tax referred to items that in the same or in another fiscal year are credited or charged directly to equity, such as those relating to gains or losses on financial assets at fair value through other comprehensive income and those relating to changes in the fair value of cash flow hedging instruments, whose changes in value are recognised, net of tax, directly in the Statement of other comprehensive income among Revaluation reserves.

Current tax assets and liabilities are presented on the Balance sheet net of the related current tax liabilities if the following requirements are met:

- existence of a legally enforceable right to offset the amounts recognised; and
- the intention to extinguish for the remaining net or realise the asset and at the same time extinguish the liability.

Deferred tax assets are presented on the Balance sheet net of the related deferred tax liabilities if the following requirements are met:

- existence of an enforceable right to offset current tax assets with current tax liabilities; and
- the deferred tax assets and liabilities must relate to income taxes applied to the same tax authority on the same taxable entity or on different taxable entities that intend to settle the current tax liabilities and assets on a net basis (normally in presence of a tax consolidation contract).

## Part A - Accounting policies

### 10 - Provisions for risks and charges

#### Commitments and guarantees given

Provisions for risks and charges for commitments and guarantees given are recognised against all revocable and irrevocable commitments and guarantees whether they are in scope of IFRS9 or IAS37.

The item hosts the estimates of expected loss calculated on these instruments resulting from valuation process as described in Section 16 - Other Information - Impairment.

The provision of the period is accounted under item "200. Net provisions for risks and charges: a) commitments and financial guarantees given" (item "170. Net provisions for risks and charges a) commitments and financial guarantees given" in the Company financial statements).

Note that all contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument are considered financial guarantees.

#### Retirement payments and similar obligations

Retirement provisions, i.e. provisions for employee benefits payable after the completion of employment, are defined as **contribution plans** or **defined-benefit plans** according to the nature of the plan.

In detail:

- **Defined-benefit plans** provide a series of benefits depending on factors such as age, years of service and compensation policies. Under this type of plan actuarial and investment risks are borne by the company;
- **Defined-contribution plans** are plans under which the company makes fixed contributions. Benefits are the result of the amount of contributions paid and return on contributions invested. The employer bears no actuarial and/or investment risks connected with this type of plans as it has no legal or implicit obligation to make further contributions, should the plan not be sufficient to provide benefits to all employees.

Defined-benefit plans are present-valued by an external actuary using the "Unit Credit Projection method".

This method distributes the cost of benefits uniformly over the employee's working life. Obligations are the present value of average future benefits pro rata to the ratio of years of service to theoretical seniority at the time of benefit payment.

More specifically, the amount recognised according to IAS19 Revised as a net liability/asset in item "100. Provisions for risks and charges: b) post-retirement benefit obligations" is the present value of the obligation at the balance sheet date, less any pension charges relating to benefits already provided but not yet recognised, less the fair value at the balance sheet date of plan assets other than those due to directly settle the obligations adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. Actuarial gains or losses are recorded in the Statement of other comprehensive income and disclosed in item "120. Valuation reserves" (item "110. Valuation reserves" in the Company financial statements).

The discount rate used to discount obligations (whether financed or not) relating to benefits to be provided after retirement varies according to the currency of denomination and country where the liabilities are allocated and is determined on the basis of market yield at the balance sheet date of prime issuers' bonds (High Quality Corporate Bonds - "HQCB") with an average life in keeping with that of the relevant liability.

#### Other provisions

Provisions for risks and charges are recognised when:

- the entity has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

The amounts recognised as provisions are the best estimate of the expenditure required to settle the present obligation. The risks and uncertainties that inevitably surround the relevant events and circumstances are taken into account in reaching the best estimate of a provision.

In particular, where the effect of the time value of money is significant, the amount of the provision should be the present value of the best estimate of the cost required to settle the obligation. The discount rate used reflects the current market assessments.

## Part A - Accounting policies

Provisions are reviewed periodically and adjusted to reflect the current best estimate. If it becomes clear that it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Provisions are used only for expenses for which they were originally recognised. Allocations made in the year are recognised in profit and loss item "200. Net provisions for risks and charges: b) other net provisions" (item "170. Net provisions for risks and charges: b) other net provisions" in the Company financial statements) and include increases due to the passage of time; they are also net of any reversals.

"Other provisions" also include obligations relating to benefits due to agents, specifically supplementary customer portfolio payments, merit payments, contractual payments and payments under non-competition agreements, which are measured as per defined benefit plans; accordingly these obligations are calculated using the "Unit Credit Projection method" (refer to previous paragraph "Retirement payments and similar obligations").

### 11 - Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost comprise financial instruments (other than liabilities held for trading or those designated at fair value) representing the various forms of third-party funding.

These financial liabilities are recognised at settlement date initially at fair value, which is normally the consideration received less transaction costs directly attributable to the financial liability. Subsequently these instruments are measured at amortised cost using the effective interest method. Such interest is recognised in item "20. Interest expenses and similar charges" if negative or in item "10. Interest income and similar revenues" if positive.

Instruments indexed to equity instruments, foreign exchange, credit instruments or indexes, are treated as structured instruments. The embedded derivative is separated from the host contract and recognised as a derivative, provided that separation requirements are met, and recognised at fair value. The embedded derivative is recognised at its fair value, classified as financial assets or liabilities held for trading and subsequently measured at fair value through profit or loss with changes in fair value recognised in income statement in item "80. Net gains (losses) on trading".

The difference between the total amount received and the initial fair value of the embedded derivative is attributed to the host contract. Instruments convertible into treasury shares imply recognition, at the issuance date, of a financial liability and of the equity part to be recognised in item "140. Equity instruments" (item "130. Equity instruments" in the Company financial statements), if a physical delivery settles the contract. The equity part is initially measured at the residual value, i.e. the overall value of the instrument less the separately determined value of a financial liability with no conversion clause and the same cash flows.

The resulting financial liability is recognised at amortised cost using the effective interest method.

Financial liabilities are derecognised in case of redemption, prepayment, significant amendments to contractual conditions that determine a change in their present value which exceeds the threshold defined by the accounting standard or in case of re-purchase. When derecognition arises from significant amendments or re-purchase, the difference between the carrying amount of the liability and the amount arising from the amendments or paid for the repurchase is recognised in profit or loss in item "100. Gains (Losses) on disposal and repurchase of: c) financial liabilities". Subsequent disposal by the issuer is considered as a new issue which doesn't produce gains or losses.

## Part A - Accounting policies

### 12 - Financial liabilities held for trading

Financial liabilities held for trading include:

- derivatives that are not designated as hedging instruments;
- obligations to deliver financial assets borrowed by a short seller (i.e., an entity that sells financial assets it does not yet own);
- financial liabilities issued with an intention to repurchase them in the short term;
- financial liabilities that are part of a portfolio of financial instruments considered as a unit and for which there is evidence of a recent pattern of trading.

Financial liabilities held for trading, including derivatives, are measured at fair value on initial recognition and during the life of the transaction.

A gain or loss arising from change in the fair value of a HFT financial liability is recognised in profit or loss in item "80. Net gains (losses) on trading".

Financial liabilities are derecognised in case of redemption, prepayment, significant amendments to contractual conditions that determine a change in their present value which exceeds the threshold defined by the accounting standard or in case of re-purchase. When derecognition arises from significant amendments or re-purchase, the difference between the carrying amount of the liability and the amount arising from the amendments or paid for the repurchase is recognised in profit or loss in item "80. Net gains (losses) on trading", the subsequent disposal by the issuer is considered as a new issue which doesn't produce gains or losses.

### 13 - Financial liabilities designated at fair value

Financial liabilities, like financial assets may also be designated, according to IFRS9, on initial recognition as measured at fair value, provided that:

- this designation eliminates or considerably reduces an accounting or measurement inconsistency that would arise from the application of different methods of measurement to assets and liabilities and related gains or losses; or
- a group of financial assets, financial liabilities or both are managed and measured at fair value under risk management or investment strategy which is internally documented with the entity's key management personnel.

This category may also include financial liabilities represented by hybrid (combined) instruments containing embedded derivatives that otherwise should have been separated from the host contract.

Financial liabilities presented in this category are measured at fair value at initial recognition and for the life of the transaction.

The changes in fair value are recognised in the income statement in item "110. Gains (Losses) on financial assets/liabilities at fair value through profit or loss a) financial assets/liabilities designated at fair value" except for any changes in fair value arising from changes in their creditworthiness, which are shown under item "120. Valuation reserves" of shareholders' equity (item "110. Valuation reserves" in the Company Financial Statements) unless such accounting results in an inconsistency that arises from the application of different methods of measuring assets and liabilities and related gains or losses, in which case also the changes in fair value deriving from changes in creditworthiness are recorded in the income statement.

Financial liabilities are derecognised in case of redemption, prepayment, significant amendments to contractual conditions that determine a change in their present value which exceeds the threshold defined by the accounting standard or in case of re-purchase. When derecognition arises from significant amendments or re-purchase, the difference between the carrying amount of the liability and the amount arising from the amendments or paid for the repurchase is recognised in profit or loss in item "110. Gains (Losses) on financial assets/liabilities at fair value through profit or loss a) financial assets/liabilities designated at fair value" while the balance of cumulated changes in fair value due to own credit risk booked in item "120. Valuation reserves" is reclassified in item "150. Reserves" (item "110. Valuation reserves" and item "140. Reserves" in the Company financial statements), the subsequent disposal by the issuer is considered as a new issue which doesn't produce gains or losses.

## Part A - Accounting policies

### 14 - Foreign currency transactions

A foreign currency transaction is recognised at the spot exchange rate of the transaction date.

Foreign currency monetary assets and liabilities are translated at the closing rate of the period.

Exchange differences arising from settlement of monetary items at rates different from those of the transaction date and unrealised exchange rate differences on foreign currency assets and liabilities not yet settled, other than assets and liabilities designated as measured at fair value and hedging instruments, are recognised in profit and loss item "80. Net gains (losses) on trading".

Exchange rate differences arising on a monetary item that is part of an entity's net investment in a foreign operation whose activities are based or conducted in a country or currency other than those of the reporting entity are initially recognised in the entity's equity and recognised in profit or loss on disposal of the net investment.

Non-monetary assets and liabilities recognised at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated at the closing rate. In this case the exchange differences are recognised:

- in profit and loss if the financial asset is classified in a portfolio measured at fair value through profit or loss; or
- in the Statement of other comprehensive income, and disclosed in the Revaluation reserves, if the financial asset is classified in "Financial assets at fair value through other comprehensive income".

Hedges of a net investment in a foreign operation are recognised similarly to cash flow hedges.

For the purposes of the Consolidated Financial Statements only the assets and liabilities of fully consolidated foreign entities are translated at the closing exchange rate of each period. Gains and losses are translated at the average exchange rate for the period. Differences arising from the use of closing exchange rates and from the average exchange rates and from the remeasurement of the initial net amount of the assets of a foreign company at the closing rate are classified directly in item "120. Valuation reserves".

Any goodwill arising on the acquisition of a foreign operation realised after IAS First Time Adoption (i.e., 1 January 2004) whose assets are located or managed in a currency other than the euro, and any fair value adjustments of the carrying amounts of assets and liabilities are treated as assets and liabilities of the foreign operation, expressed in the functional currency of the foreign operation and translated at the closing rate.

On the disposal of a foreign operation, the cumulative amount of the exchange rate differences, classified in an equity reserve, is reclassified in profit or loss.

All exchange differences recorded under revaluation reserves in Shareholders' equity are also reported in the Statement of other comprehensive income.

### 15 - Insurance assets and liabilities

Note that the Group does not conduct such business.

### 16 - Other information

#### Impairment

Loans and debt securities classified as financial assets at amortised cost, financial assets at fair value through other comprehensive income and relevant off-balance sheet exposures are tested for impairment as required by IFRS9.

In this regard, these instruments are classified in Stage 1, Stage 2 or Stage 3 according to their absolute or relative credit quality with respect to initial disbursement. Specifically:

- Stage 1: includes (i) newly issued or acquired credit exposures, (ii) exposures for which credit risk has not significantly deteriorated since initial recognition, (iii) exposures having low credit risk (low credit risk exemption);
- Stage 2: includes credit exposures that, although performing, have seen their credit risk significantly deteriorating since initial recognition;
- Stage 3: includes impaired credit exposures.

## Part A - Accounting policies

For exposures in Stage 1, impairment is equal to the expected loss calculated over a time horizon of up to one year.

For exposures in Stages 2 or 3, impairment is equal to the expected loss calculated over a time horizon corresponding to the entire life of the exposure.

The allocation of credit exposures in one of the abovementioned stages is done at initial recognition, when the exposures is classified at Stage 1 and it is periodically reviewed based on "stage allocation" rules as specified in the paragraph "2.1 Credit risk" of the Notes to the consolidated accounts Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter with reference to the Consolidated financial Statements and the paragraph "Section 1 - Credit risk" of the Notes to the accounts Part E - Information on risks and related hedging policies with reference to the Company's financial statements

In order to calculate the expected loss and the related loan loss provision, the Group uses Probability of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD") parameters, used for regulatory purposes and adjusted in order to ensure that impairment measurement represents values which are "point in time", "forward looking" and inclusive of multiple scenarios. For additional information refer to the paragraph "2.1 Credit risk" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter with reference to the Consolidated financial Statements and the paragraph "Section 1 - Credit risk" of the Company financial statements of UniCredit S.p.A., Notes to the accounts Part E - Information on risks and related hedging policies with reference to the Company's financial statements.

With reference to Stage 3, it should be noted that it includes impaired exposures corresponding to the aggregate Non-Performing Exposures as ITS EBA (EBA/ITS/2013/03/rev1 7/24/2014), in accordance with Banca d'Italia rules, defined in Circular No.272 of 30 July 2008 and subsequent updates<sup>48</sup>.

In particular EBA has defined as "Non-Performing" the exposures that meet one or both of the following criteria:

- material exposures with more than 90 days past due;
- exposures for which the Group values that is unlikely that the debtor would pay in full his credit obligations without recurring to enforcement and realisation of collaterals, regardless of past due exposures and the number of days the exposure is past due.

In addition, the abovementioned Circular No.272 establishes that the aggregate of impaired assets is divided into the following categories:

- Bad loans: cash and off-balance exposures to borrowers in a state of insolvency (even when not recognised in a court of law) or in an essentially similar situation. The assessment is generally carried out on an analytical basis (also through the comparison with coverage levels statistically defined for credit portfolios below a predefined threshold) or, in case of non-significant individually amounts, on a flat-rate basis for homogeneous types of exposures;
- Unlikely to pay: cash and off-balance exposures for which conditions for evaluating the debt as bad loan are not met and for which it is unlikely that without recurring to enforcement of collaterals the debtor is able to pay in full (capital and/or interests) his credit obligations. Such assessment is made independently of any past due and unpaid amount/installments. The classification among unlikely to pay is not necessarily linked to anomalies (non-repayment), rather it is linked to factors that indicate a situation of risk of default of the debtor. Unlikely to pay are generally accounted analytically (also through the comparison with coverage levels statistically defined for credit portfolios below a predefined threshold) or on a flat-rate basis for homogeneous types of exposures. The exposures classified among unlikely to pay and qualified as so-called forborne can be reclassified among non-impaired receivables only after at least one year has elapsed from the time of granting and the conditions indicated in paragraph 157 of EBA Implementing Technical Standards.

With reference to their evaluation:

- they are generally analytically evaluated and may include the discounted charge deriving from the possible renegotiation of the rate at conditions below the original contractual rate;
- the renegotiations of loans that require their derecognition in exchange of shares through "debt-to-equity swap" transactions requires the assessment, before executing the swap, of the credit exposures in accordance with stipulated agreements at the date of preparation of the financial statements. Any differences between the value of receivables and the value at initial recognition of equity instruments is accounted in income statement in the impairment losses;
- Past due exposures: cash exposures different from those classified as non-performing loans and unlikely to pay that at the reporting date are past due. Past due exposures can be determined referring alternatively to individual debtor or individual transaction. In particular they represent an entire exposure to counterparties different from those classified as unlikely to pay and bad loans that at the reporting date show past due receivables from more than 90 days as well as requirements established by local prudential regulation for the inclusion of these credits into "past due" (standardised banks) or "default exposures" (IRB banks).

<sup>48</sup> The regulatory framework for the new definition of default has been integrated with the entry into force, starting from 01 January 2021 of the "Guidelines on the application of the definition of default under article 178 of (EU) Regulation 575/2013" (EBA/GL/2016/07).



## Part A - Accounting policies

Past due exposures are evaluated on a flat-rate basis on historical/statistical basis, applying, if available, the riskiness identified by the risk factor used for the purposes of EU Regulation No.575/2013 (CRR) relating to prudential requirements for credit institutions and investment firms (LGD - Loss Given Default).

Allowances for impairment of loans and receivables are based on the present value of expected cash flows of principal and interest. In determining the present value of future cash flows, the basic requirement is the identification of estimated collections, the timing of payments and the discount rate used.

In particular, the amount of the loss on impaired exposures classified as bad loans and unlikely to pay, according to the categories specified above, is the difference between the carrying amount and the present value of estimated cash flows discounted at the original interest rate of the financial asset.

For all fixed rate positions, the interest rate thus determined is kept constant in subsequent financial years, while for floating rate positions the interest rate is updated according to contractual terms.

If the original interest rate cannot be found, or if finding it would be excessively burdensome, the rate that best approximates is applied, also recurring to "practical expedients" that do not alter the substance and ensure consistency with the international accounting standards.

Recovery times are estimated on the basis of business plans or forecasts based on historical recovery experience observed for similar classes of loans, taking into account the customer segment, the type of loan, the type of security and any other factors considered relevant.

Also the impairment on impaired exposures was calculated as required by the accounting standard to include (i) the adjustments necessary to reach the calculation of a point-in-time and forward-looking loss and (ii) multiple scenarios applicable to this type of exposure including any sale scenarios in case the Group's NPL strategy foresees the recovery through sale on the market according to what is specified in the paragraph "2.1 Credit risk" of the Notes to the consolidated accounts Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter with reference to the Consolidated financial Statements and the paragraph "Section 1 - Credit risk" of the Company financial statements of UniCredit S.p.A., Notes to the accounts Part E - Information on risks and related hedging policies with reference to the Company's financial statements.

If there are no reasonable expectations to recover a financial asset in its entirety or a portion thereof, the gross exposure is subject to write-off. Write-off, that may involve either a full or a part of a financial asset, might be accounted for before that the legal actions, activated to recover the credit exposure, are closed and doesn't imply the forfeiture of the legal right to recover. In this context the Group has developed a specific guideline that assess the need to recognise a write-off. For further information refer to the paragraph "2.1 Credit risk" of the Notes to the consolidated accounts Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter with reference to the Consolidated financial Statements and the paragraph "Section 1 - Credit risk" of the Company financial statements of UniCredit S.p.A., Notes to the accounts Part E - Information on risks and related hedging policies with reference to the Company's financial statements

### Renegotiations

Renegotiations of financial instruments which cause a change in contractual conditions are accounted for depending on the significance of the contractual change itself.

In particular, when renegotiations are not considered significant the gross exposure is re-determined through the calculation of the present value of cash flows following the renegotiation at the original effective interest rate.

The difference between the gross exposure before and after renegotiation, adjusted to consider changes in the related loan loss provision, is recognised in income statement as modification gain or loss.

In this regard, renegotiations achieved both by amending the original contract or by closing a new one, are considered significant when they determine the expiry of the right to receive cash flows accordingly to the original contract.

In particular, the rights to receive cash flows are considered as expired in case of renegotiations that introduce contractual clauses which determine a change in the financial instrument classification, which determine a change in the currency or which are carried out at market conditions therefore without causing credit concession.

## Part A - Accounting policies

### Business combinations

A business combination is a transaction through which an entity obtains control of a company or of a business segment, thus bringing together different businesses into one reporting entity.

A business combination may result in a Parent-subsidary relationship in which the acquirer is the Parent and the acquiree is a subsidiary of the acquirer. A business combination may involve the purchase of the net assets of another entity, in which case goodwill can arise, or the purchase of the equity of the other entity (mergers).

IFRS3 requires that all business combinations shall be accounted for by applying the purchase method, that involves the following steps:

- identifying an acquirer;
- measuring the cost of the business combination, and;
- allocating, at the acquisition date, the cost of the business combination to the assets acquired and liabilities and contingent liabilities assumed.

The cost of a business combination is the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the acquirer, in exchange for control of the acquiree.

The acquisition date is the date on which the acquirer effectively obtains control of the acquiree. When this is achieved through a single exchange transaction, the date of exchange coincides with the acquisition date.

A business combination may involve more than one exchange transaction; nevertheless, the cost of the business combination remains equal to the fair value of the total shareholding acquired.

This involves the revaluation at fair value, with the recognition of the effects in the income statement - of the equity investments previously held in the acquired entity.

The cost of a business combination is allocated by recognising the assets, the liabilities and the identifiable contingent liabilities of the acquired company at their acquisition-date fair value.

Exceptions to this principle are deferred income tax assets and liabilities, employee benefits, indemnification assets, reacquired rights, non-current assets held for sale, and share-based payment transactions that are subject to review in accordance with the principle applicable to them.

Positive difference between the cost of the business combination and the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities so recognised is accounted for as goodwill.

After initial recognition, goodwill is tested for impairment at least annually.

In the case of the Consolidated Financial Statements if the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the acquirer shall reassess the fair values and recognise immediately any excess remaining after that reassessment in profit or loss.

If the acquisition concerns a percentage less than 100% of the assets of the acquired company, minorities are recognised.

At the acquisition date, minorities are valued:

- at fair value, or
- as a proportion of minority interests in the assets, liabilities and identifiable contingent liabilities of the acquired company.

### Derecognition of financial assets

Derecognition is the removal of a previously recognised financial asset from an entity's balance sheet.

Before evaluating whether, and to what extent, derecognition is appropriate, under IFRS9 an entity should determine whether the relevant conditions apply to a financial asset in its entirety or to a part of a financial asset. The standard is applied to a part of financial assets being transferred if, and only if, the part being considered for derecognition meets one of the following conditions:

- the part comprises only specifically identified cash flows from a financial asset, or a group of assets, (e.g., interest cash flows from an asset);
- the part comprises a clearly identified percentage of the cash flows from a financial asset, (e.g., a 90% share of all cash flows from an asset);
- the part comprises only a fully proportionate (pro rata) share of specifically identified cash flow, (e.g., 90% share of interest cash flows from an asset).

## Part A - Accounting policies

In all other cases, the standard is applied to the financial asset in its entirety (or to the group of similar financial assets in their entirety). An entity shall derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the contractual rights to receive the cash flows of the financial asset to a non-Group counterparty.

Rights to cash flow are considered to be transferred even if contractual rights to receive the asset's cash flow are retained but there is an obligation to pay this cash flow to one or more entities and all the following conditions are fulfilled (pass-through agreement):

- there is no obligation on the Group to pay amounts not received from the original asset;
- sale or pledge of the original asset is not allowed, unless it secures the obligation to pay cash flow;
- the Group is obliged to transfer forthwith all cash flows received and may not invest them, except for liquidity invested for the short period between the date of receipt and that of payment, provided that the interest accrued in that period is paid on.

Derecognition is also subject to verification of effective transfer of all the risks and rewards of ownership of the financial asset. If the entity transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognise the asset (or group of assets) and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Conversely, if the entity substantially retains all the risks and rewards of ownership of the asset (or group of assets), the entity shall continue to recognise the transferred asset(s). In this case it is necessary to recognise a liability corresponding to the amount received under the transfer and subsequently recognise all income accruing on the asset and expense accruing on the liability.

The main transactions that do not allow, under the above rules, total derecognition of a financial asset are securitisations, repurchase (sell and buy-backs) and securities lending transactions.

In the case of securitisations the Group does not derecognise the financial asset on purchase of the equity tranche or provision of other types of support of the structure which result in the Group retaining the credit risk of the securitised portfolio.

In the case of repurchase transactions and stock lending, the assets transacted are not derecognised since the terms of the transaction entail the retention of all their risks and rewards.

Finally, it should be noted that securities lending transactions collateralised by other securities or not collateralised were recorded as off-balance sheet items.

### Repo transactions and securities lending

Securities received in a transaction that entails a contractual obligation to sell them at a later date or delivered under a contractual obligation to repurchase are neither recognised nor derecognised. In respect of securities purchased under an agreement to resell, the consideration is recognised as a loan to customers or banks among financial assets at amortised cost, or as an asset held for trading. In respect of securities held in a repurchase agreement, the liability is recognised as due to banks or customers among financial liabilities at amortised cost, or as an held for trading financial liability. Revenue from these loans, being the coupons accrued on the securities and the difference between the sale/purchase and resale/repurchase prices, is recognised in profit or loss through interest income and expenses on an accrual basis.

These transactions can only be offset if, and only if, they are carried out with the same counterparty and provided that such offset is provided for in the underlying contracts.

The same rules apply to securities lending transactions collateralised by cash fully available to the lender.

The income statement items connected with these transactions are booked respectively:

- in item Interest, with respect to the positive item (borrower) and the negative item (lender) relating to the return on cash paid to the lender;
- in item Fees and commissions, with respect to the negative item (borrower) and the positive item (lender) relating to the service provided by the lender by making the security available.

With reference to securities lending transactions collateralised by other securities, or not collateralised, the security lent or the security put up as collateral are still recognised as assets in the balance sheet, depending on the role, lender or borrower, respectively, played in the transaction.

Counterparty risk relating to the latter securities lending or borrowing transactions is shown under the off-balance sheet exposures in the tables reported in the paragraph "A. Credit quality", of the Notes to the consolidated accounts Part E - Information on risks and related hedging policies, Section 2 - Risk of the prudential consolidated perimeter, 2.1 Credit risk, Quantitative information.

## Part A - Accounting policies

### Equity instruments

Equity instruments are instruments that represent a residual interest in Group's assets net of its liabilities.

Classification of an issued instrument as equity is possible only if there are no contractual obligation to make payments in form of capital redemptions, interest or other kinds of returns.

In particular, instruments having the following features are classified as equity instruments:

- the instrument is perpetual or has a maturity equal to duration of the entity;
- full discretion of the issuer in coupon payments and redemptions, also advanced, of the principal outstanding.

Additional Tier 1 instruments are included in this category, in line with the provisions of Regulation (EU) No.575/2013 (CRR) on prudential requirements for credit institutions and investment firms, if, additionally to the characteristics described above:

- maintain within the full discretion of the issuer the possibility to perform a write-up of the nominal value after the occurrence of a capital event that has determined a write-down;
- do not incorporate outlook that force the issuer to provide for payments (must-pay clauses) following genuine events under the direct control of the parties.

Equity instruments, different from common or saving shares, are presented in item "140. Equity instruments" (item "130. Equity instruments" in the Company financial statements) for the consideration received including transaction costs directly attributable to the instruments.

Any coupon paid, net of related taxes, reduces item "150. Reserves" (item "140. Reserves" in the Company financial statements).

Any difference between the amounts paid for the redemption or repurchase of these instruments and their carrying value is recognised in item "150. Reserves" (item "140. Reserves" in the Company financial statements).

### Treasury Shares

Changes in treasury shares are reported as a direct contra item to shareholders' equity, i.e. as a reduction to the latter in the amount of any purchases, and as an increase in the amount of any sales proceeds. This entails that, if treasury shares are subsequently sold, the difference between the sale price and the related post-tax repurchase cost is recognised entirely as a contra item to Shareholders' equity.

### Leases

Lease contracts shall be classified by the lessor in finance leases or operating leases.

Finance leases effectively transfer all the risks and benefits of ownership of an asset to the lessee.

The lessee acquires the economic benefit of the use of the leased asset for most of its useful life, in exchange for a commitment to pay to the lessor an amount approximately equivalent to the fair value of the asset and related finance costs. Recognition in the lessor's accounts is as follows:

- in assets, the value of the loan, less the principal of lease payments due and paid by the lessee;
- in profit or loss, interest received.

Operating leases do not transfer all the risks and benefits of ownership of an asset to the lessee which are therefore retained by the lessor.

In case of operating leases, the lessor recognises in the income statement the leases payments on an accrual basis.

The lessee recognises an asset representing the right of use of the underlying asset and, at the same time, a liability for the future payments requested by the lease contract.

It should be noted that as allowed by the standard, the Group has decided not to recognise any right of use nor lease liability with reference to the following lease contracts:

- leases of intangible assets;
- short term leases, lower than 12 months; and
- low value assets leases. For this purpose, an asset is considered as "low value" when its fair value as new is equal to or lower than €5 thousand. This category mainly comprises office equipment (PC, monitors, tablets, etc.) and fixed and mobile phones.

Therefore, lease payments concerning these kind of lease assets are recognised in item "190. Administrative expenses" on an accrual basis (item "160. Administrative expenses" in the Company financial statements).

## Part A - Accounting policies

With reference to contracts different from those mentioned above, the lease liability, recognised in Item “10. Financial liabilities at amortised cost”, is determined by discounting the future lease payments to be due over the lease term at the proper discount rate.

Future lease payments subject to discounting are determined based on contractual provisions and net of VAT, when applicable, as the obligation to pay this tax starts when the invoice is issued by the lessor and not at the starting date of the lease contract.

In addition, if the lease payments foreseen by the contracts include additional services beside the mere rental of the asset, the right of use and the associated lease liability are calculated considering also these components.

To perform the mentioned calculation, lease payments have to be discounted at the interest rate implicit in the contract or, if it is not available, at the incremental borrowing rate. The key assumption followed to calculate this rate is that the lessee incurs a loan, senior secured, having the same maturity of the lease contract in order to acquire the assets underlying the contract itself. The resulting rate, where necessary, is adjusted in order to consider the specific features of the lease contract.

In order to determine the lease term it is necessary to consider the non-cancellable period, established in the contract, in which the lessee is entitled to use the underlying asset taking also into account potential renewal options if the lessee is reasonably certain to renew.

In particular, with reference to those contracts that allow the lessee to tacitly renew the lease contract after a first set of years, the lease term is determined taking into account factors such as the length of the first period, the existence of dismissal plans for the asset leased and any other circumstance indicating the reasonably certainty of the renewal.

The right of use is initially recognised in item “90. Property, plant and equipment” (item “80. Property, plant and equipment” in the Company financial statements) on the basis of the initial recognition amount of the associated lease liability, adjusted to consider, if applicable, lease payments made at or before the commencement of the lease, initial direct costs and estimates of costs required to restore the assets to the conditions requested by the terms of the lease contract.

Subsequent to the initial recognition, interests accrue on the lease liability at the interest rate implicit in the contract and are recognised in item “20. Interest expenses and similar charges”.

The amount of the lease liability is reassessed in case of changes in the lease term, also arising from a change in the assessment of an option to purchase the leased asset, or in the lease payments, either coming from a change in an index or rate used to determine these payments or as a result of the amount expected to be payable under a residual value guarantees.

In these cases, the carrying value of the lease liability is calculated by discounting lease payments over the lease term using the original or a revised discount rate as applicable.

Changes in the amount of the lease liability resulting from the reassessment are recognised as an adjustment of the right of use.

In case of modification of a lease contract, the lessee recognises an additional separate lease if the modification increases the scope of the lease adding to the right of use one or more assets and the consideration to be paid for such increase is commensurate with the stand-alone price of the increase.

For other types of modifications, the lease liability is recalculated by discounting the lease payments for the revised lease term using a revised discount rate.

Changes in the Lease liabilities also adjust the carrying value of the corresponding right of use with the exception of gains/losses relating to the partial or full termination of the lease that are recognised in the income statement.

After the initial recognition the right of use is depreciated over the lease term and subject to impairment if applicable. Depreciation and impairment, determined using the same criteria used for tangible assets and also considering the actual usage of the leased assets, are recognised in item “210. Net value adjustments/write-backs on property, plant and equipment” (item “180. Net value adjustments/write-backs on property, plant and equipment” in the Company financial statements). The useful life used for calculating the depreciation of leasehold improvements shall not exceed the useful life attributed to the right of use.

### Factoring

Loans acquired in factoring transactions with recourse are recognised to the extent of the advances granted to customers on their consideration.

Loans acquired without recourse are recognised as such once it has been established that there are no contractual clauses that would invalidate the transfer of all risks and benefits to the factor.

## Part A - Accounting policies

### Italian staff severance pay (Trattamento di fine rapporto - "TFR")

The "TFR" provision for Italy-based employee benefits is to be construed as a "post-retirement defined benefit". It is therefore recognised on the basis of an actuarial estimate of the amount of benefit accrued by employees discounted to present value. This benefit is calculated by an actuary outside the Group using the "Unit Credit Projection Method" (refer to previous paragraph "10 - Provision for risks and charges - Retirement payments and similar obligations" of this section). This method distributes the cost of the benefit evenly over the employee's working life.

The liability is determined as the present value of average future payments adjusted according to the ratio of years of service to total years of service at the time of payment of the benefit.

Following pension reform by Law Decree No.252/2005, TFR installments accrued to 31 December 2006, to the date between 1 January 2007 and 30 June 2007 on which the employee opted to devolve their TFR to a supplementary pension fund stay in the employer and are considered a post-employment defined benefit plan therefore incurring actuarial valuation, though with simplified actuarial assumptions, i.e., forecast future pay rises are not considered.

TFR installments accrued since 1 January 2007, date of Law Decree No.252's coming into effect (or since the date between 1 January 2007 and 30 June 2007) that have been, at the employee's discretion, either (i) paid into a pension fund or (ii) left in the company and (where the company has in excess of 50 employees) are paid into an INPS Treasury fund by the employer, are assimilated to a defined-contribution plan.

Costs relating to TFR are recognised in the income statement in item "190. Administrative expenses: a) staff costs" (item "160. Administrative expenses: a) staff costs" in the Company financial statements) and include, for the part of obligations already existing at the date of the reform (assimilated to a defined benefit plan), interest cost accrued in the year; for the part of plan considered defined contribution plan, the accrued installments for the year paid into the complementary pension scheme or to the Treasury fund of INPS.

Actuarial gains (losses), i.e., the difference between the liabilities' carrying value and the present value of the obligation at the end of the period are recorded in the Shareholders' equity and disclosed in the item "120. Valuation reserves" (item "110. Valuation reserves" in the Company financial statements) according to IAS19 Revised.

### Share-based payments

Equity-settled payments made to employees or other staff in consideration of goods received or services rendered, using equity instruments comprise:

- stock options;
- performance shares (i.e., awarded on attainment of certain objectives);
- restricted shares (i.e., subject to a lock-up period).

Considering the difficulty of reliably measuring the fair value of the services rendered against equity-settled payments, reference is made to the fair value of the instruments themselves, measured at the date of the allocation.

This fair value is recognised as cost in profit and loss item "190. Administrative expenses: a) staff costs" offsetting the Shareholders' equity item "150. Reserves" (item "160. Administrative expenses: a) staff costs" and "140 Reserves" in the Company financial statements), on an accrual basis over the period in which the services are rendered.

The fair value of a cash-settled share-based payment, the services acquired and the liability incurred are measured at the fair value of the liability, recognised in item "80. Other liabilities". The fair value of the liability, as long as it remains unsettled, is remeasured at each balance sheet date and all changes in fair value are recognised in profit and loss item "190. Administrative expenses: a) staff costs" (item "160. Administrative expenses: a) staff costs" in the Company financial statements).

### Other long-term employee benefits

Long-term employee benefits (e.g., long-service bonuses, paid on reaching a predefined number of years' service) are recognised in item "80. Other liabilities" on the basis of the measurement of the liability at the balance sheet date, also in this case determined by an external actuary using the unit credit projection method (refer to the previous paragraph 10 - Provisions for risks and charges). Actuarial gains (losses) on this type of benefit are recognised immediately in the income statement.

## Part A - Accounting policies

### Guarantees and credit derivatives in the same class

Guarantees and credit derivatives in the same class measured under IFRS9 (i.e., contracts under which the issuer make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument) are initially and subsequently (on remeasurement following impairment losses) recognised in item "100. Provisions for risks and charges: a) commitments and guarantees given".

On initial recognition guarantees given are recognised at fair value, which usually corresponds to the amount received when the guarantee is issued. After the initial recognition, guarantees given are recognised at the higher of the initially recognised value, net of any amortised portion, and the estimated amount required to meet the obligation.

The effects of valuation, relating to any impairment of the underlying, are recognised in the same balance-sheet item contra item "200. Net provisions for risks and charges: a) commitments and financial guarantees given" in the income statement (item "170 Net provisions for risks and charges: a) commitments and financial guarantees given" in the Company financial statements).

### Offsetting financial assets and liabilities

The accounting offsetting of assets and liabilities items has been performed according to IAS32, assessing the fulfillment of the following requirements:

- current legally enforceable right to set off the recognised amounts;
- intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accordance with IFRS7, further information has been included in the tables of Notes to the consolidated accounts, Part B - Consolidated balance sheet - Other information.

In these tables, in particular the following information have to be reported:

- balance-sheet values, before and after the accounting offsetting effects, relating to the assets and liabilities which meet the criteria for applying those effects;
- values of the exposures which do not meet the above-mentioned criteria, but are included in Master Netting Agreements, or similar agreements, which create the right to set-off only following specified circumstances (e.g. default events);
- amounts of related collaterals.

### Amortised cost

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at the initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectability.

The effective interest method is a method of allocating the interest income or interest expense over the life of a financial asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. The calculation includes all fees and basis points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Commissions forming an integral part of the effective interest rate include loan drawdown fees or underwriting fees relating to a financial asset not designated at fair value, e.g., fees received as compensation for the assessment of the issuer's or borrower's financial situation, for valuation and registration of security, and generally for the completion of the transaction.

Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include financing costs or internal administrative or holding costs.

## Part A - Accounting policies

### Recognition of income and expenses

#### **Interest income and expenses**

Interest income and expenses and similar income and expense items relate to monetary items, i.e., liquidity and debt financial instruments (i) held for trading, (ii) designated at fair value (iii) mandatorily at fair value (iv) at fair value through other comprehensive income (v) at amortised cost and financial liabilities at amortised cost.

Interest income and expense are recognised through profit or loss with respect to all instruments measured at amortised cost, using the effective interest method.

Interest also includes the net credit or debit balance of differentials and margins on financial derivatives:

- hedging interest-bearing assets and liabilities;
- HfT but linked for business purposes to assets and liabilities designated as measured at fair value (fair value option);
- linked for business purposes to HfT assets and liabilities paying differentials or margins on different maturities.

#### **Fees and commissions income and other operating income**

Fees and commissions income and other operating income are accounted for in income statement as the entity satisfies the performance obligation embedded in the contract, according to "IFRS15 Revenue from Contracts with Customers" rules.

In particular:

- if the performance obligation is satisfied at a specific moment ("point in time"), the related revenue is recognised in income statement when the service is provided;
- if the performance obligation is satisfied over-time, the related revenue is recognised in income statement in order to reflect the progress of satisfaction of such obligation.

Due to the above mentioned rules, transaction fees coming from trading in securities are typically booked in the moment when the service is provided while fees related to portfolios management, consulting or fund management are normally recognised during the term of the contract (input method).

For this second type of fees, in fact, it is deemed that the input which are necessary to provide the service incorporated in the performance obligation are evenly distributed during the term of the contract.

If the timing of cash-in is not aligned to the way the performance obligation is satisfied, the Group accounts for a contract asset or a contract liability for the portion of revenue accrued in the period or to defer in the following periods.

The amount of revenues linked to fees and commissions income and other operating income is measured based on contractual provisions. If the amount contractually foreseen is subject, totally or partially, to variability, a revenue has to be booked based on the most probable amount that the Group expects to receive.

Such amount is determined on the basis of all facts and circumstances considered relevant for the evaluation, that depend on the type of service provided and, in particular, on the presumption that it is not highly probable that the revenue recognised will not be significantly reversed.

Note, nevertheless, that for the services provided by the Group such a variability is not usually foreseen.

Finally, if a contract regards different goods/services whose performance obligations are not satisfied at the same time, the revenue is allocated among the different obligation proportionally to the stand-alone price of the single item delivered. These amounts will therefore be accounted for in income statement on the basis of the timing of satisfaction of each obligation.

This circumstance, which is not significant, might happen in case of customer loyalty programs that require to provide goods or services for free, or by cashing-in a price not at market condition, if the client reaches a specific volume of fees, or in case of programs to acquire new customers that assign a bonus to the target (in the form of a product or a service) when it becomes a new client.

#### **Dividends**

Dividends are recognised as revenue in profit and loss in the financial year in which their distribution has been approved.

## A.3 - Information on transfers between portfolios of financial assets

There were no transfers between portfolios of financial assets in 2022.



## Part A - Accounting policies

### A.4 - Information on fair value

#### Qualitative information

This section presents a disclosure on fair value as required by IFRS13.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants in the principal market at the measurement date (i.e., an exit price).

The fair value of a financial liability with a demand feature (e.g., a demand deposit) cannot be lower than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

For financial instruments listed in active markets, fair value is determined on the basis of official prices in the principal market to which the Group has access (*Mark to Market*).

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from a pricing service, dealer, broker, agency that determines prices or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. If a published price quotation in an active market does not exist for a financial instrument in its entirety, but active markets exist for its component parts, fair value can be determined on the basis of the relevant market prices for the component parts.

The Group may use valuation techniques, such as:

- a market approach (e.g., using quoted prices for similar assets, liabilities or equity instruments held by other parties as assets);
- cost approach (e.g., it reflects the amount that would be required currently to replace the service capacity of an asset, that is the current replacement cost);
- an income approach (e.g., a present value technique that takes into account the future cash flows that a market participant would expect to receive from holding the liability or equity instrument as an asset).

The Group uses valuation models (*Mark to Model*) in line with the methods generally accepted and used by the market. Valuation models include techniques based on the discounting of future cash flows and on volatility estimates, and they are subject to revision both during their development and periodically in order to ensure their consistency with the objectives of the valuation.

These methods use inputs based on prices set in recent transactions for the instrument being valued and/or prices/quotations for instruments having similar characteristics in terms of risk profile. Indeed, these prices/quotations are relevant for determining significant parameters in terms of credit, liquidity and price risk of the instrument being valued.

Reference to these market parameters allows to limit the discretionary nature of the valuation and ensures that the resulting fair value can be verified. If, for one or more risk factors it is not possible to refer to market data, the valuation models employed use estimates based on historical data as inputs.

As a further guarantee of the objectivity of valuations derived from valuation models, the Group employs:

- independent price verifications (IPVs);
- fair value adjustments (FVAs).

Independent price verification requires that the prices are verified at least monthly by Risk Management units that are independent from the units that assume the risk exposure.

This verification calls for comparing and adjusting the price in line with valuations obtained from independent market participants.

For instruments not quoted in active markets, the above verification process uses prices contributed by info providers as a reference and assigns a greater weighting to those prices that are considered representative of the instrument being valued.

This valuation can include the feasibility of the transaction at the price observed, the number of contributors, the degree of similarity of the financial instruments, the consistency of prices from different sources, and the process followed by the info provider to obtain the information.

#### A.4.1 Fair value Levels 2 and 3: valuation techniques and inputs used

Hereby we provide IFRS13 disclosure requirements about accounting portfolios measured at fair value on a recurring basis, not measured at fair value, or measured at fair value on a non-recurring basis.

## Part A - Accounting policies

### **Assets and Liabilities measured at fair value on a recurring basis**

#### *Debt securities*

Debt securities are priced in a two-tier process depending on the liquidity in the respective market. Liquid instruments in active markets are marked to market and consequently they are allocated in the fair value hierarchy under Level 1<sup>49</sup>.

Instruments not traded in active markets are marked to model through discounted cash flows model whose inputs include implied credit spread curves. With this respect, depending on the proximity of the credit spread curve applied, the bonds are disclosed as Level 2 or Level 3 respectively. Under fair value accounting, fair value adjustments for liquidity and model deficiencies compensate for the lack of market observables for the Level 2 and Level 3 positions.

In the global bond IPV process market prices of Level 1 bonds and pricing models for illiquid bonds are regularly verified for accuracy.

#### *Structured financial products*

The Group determines the fair value of structured financial products not quoted on active markets using the appropriate derivative valuation methodology given the nature of the embedded structure (when this is not to be separated). Such instruments are classified as Level 2 or Level 3 depending on the observability of significant inputs to the model.

#### *Asset Backed Securities*

UniCredit valuation process assigns prices considering quotes available in the market.

As a second step, prices are assessed by benchmarking each security to a pool of similar securities with available market quotes. An alternative approach consists in evaluating the instrument through the use of quantitative pricing models, which are applicable every time that information regarding market participants assumptions on model parameters is reasonably made available without excessive costs or efforts. ABS are assigned to Level 2 or Level 3 depending on the observability of either prices or model inputs.

#### *Derivatives*

Fair value of derivatives not traded in an active market is determined using a mark-to-model valuation technique.

Where active markets exist for its component parts, then fair value is determined on the basis of the relevant market prices for the component parts. Valuation techniques that are based on significant inputs that are observable are referred to as Level 2 valuations, while those based on techniques that use significant unobservable inputs are referred to as Level 3 valuations.

#### *Equity instruments*

Equity instruments are assigned to Level 1 when a quoted price is available on a liquid market and to Level 3 when no quotations are available, or quotations have been suspended indefinitely. These instruments are classified as Level 2 only when trading volume on the market is not sufficient to qualify the market as active.

#### *Investment funds*

The Group holds investments in certain investment funds that publish net asset value ("NAV") per share, including mutual funds, private equity funds, hedge funds (including funds of funds) and real estate funds. The Group's investments include co-investments in funds that are managed by the Group and investments in funds that are managed by third parties and in particular:

- Real estate funds: these funds are mapped to Level 1 when quoted prices are available on an active market; when this condition does not hold, real estate funds are disclosed as Level 3 and they are evaluated through an adequate credit adjustment of the NAV based on the specific features of each fund.
- Other funds: the Group holds investments also in mutual funds, hedge funds and private equity funds. Funds are usually assigned to Level 1 when a quoted price is available on an active market. Funds are disclosed as Level 2 or Level 3 depending on NAV availability, portfolio transparency and possible issues relating to position write-off; these funds are measured on the basis of internal analysis that consider further information, included those provided by management companies.

<sup>49</sup> As far as Italian government bonds are concerned, it is worth stressing they are typically exchanged on the MTS market which is largely acknowledged as the main liquid platform for this kind of asset.

## Part A - Accounting policies

### Loans

Fair Value of loans measured at fair value is determined using either quoted prices or discounted cash flows analysis. They are classified under Level 2 if implied credit spread curves, as well as any other parameters used for determining fair value, are observable on the market. In the case the spreads curves are not observable they are derived using an internal spread model that is based both on observable and unobservable inputs, in the case the impact of unobservable inputs is significant they are classified as Level 3. These include loans to corporates and household for which no indication of applicable credit spread is available and for which, therefore, fair value has been determined through internal credit risk parameters.

### Tangible assets measured at fair value

The Group owns real estate assets for which changed, starting from 31 December 2019, its measurement accounting policy moving from a cost model to a fair value model for properties held for investment and revaluation model for properties used in business.

For both type of assets the fair value/revaluation model is determined on the basis of a valuation by an independent appraiser who holds a recognised and relevant professional qualification which perform its valuation by directly visiting the property and in consideration of market analysis (i.e. full appraisal) or, always considering the market analysis, on the basis of an indirect knowledge of the assets through the information made available by the owner and relating to the localisation, consistency, destination (i.e. desktop appraisal).

The attribution of fair value levels is based on the level of observability of the significant market parameters used by the valuation technique. In particular, given the current portfolio composition, most of the positions are at Level 3.

### Fair Value Adjustments (FVA)

Fair value adjustment is defined as the amount to be added either to the market observed mid-price or to the theoretical price generated by a valuation model with the aim of obtaining a fair value of the position. Therefore, FVA are aimed at insuring that the fair value reflects the actual exit price of a certain position.

Below a list of adjustments:

- Credit/Debit Valuation Adjustment ("CVA/DVA");
- Funding Cost and Benefit Value Adjustment ("FCA/FBA");
- model risk;
- close-out costs;
- other adjustments.

### Credit/Debit Valuation Adjustment (CVA/DVA)

Credit valuation adjustments (CVAs) and debit valuation adjustments (DVAs) are incorporated into derivative valuations to reflect the impact on fair value of counterparty credit risk and UniCredit group own credit quality respectively.

UniCredit CVA/DVA methodology is based on the following inputs:

- EAD derived by simulation techniques. Simulated exposures also take into account Specific Wrong-Way Risk that arises from transactions where there is a correlation between counterparty credit risk and the underlying derivative risk factors;
- PD implied by current market default rates, obtained from Credit Default Swaps;
- LGD based on the estimated level of expected recovery should a counterparty default and implied by current market default rates, obtained from credit default swaps.

As at 31 December 2022, net CVA/DVA cumulative adjustment, relating to performing counterparts, amounts to €50.2 million negative; in addition, the adjustment related to own credit spread evolution on own financial liabilities measured at fair value, which is filtered out from regulatory capital (accordingly to CRDIV), amounts to €82.7 million negative.

### Funding Cost and Benefit Adjustment ("FCA/FBA")

Funding Valuation Adjustment ("FundVA") is the sum of a Funding Cost Adjustment ("FCA") and of a Funding Benefit Adjustment ("FBA") that indeed account for the expected future funding costs/benefits for derivatives that are not fully collateralised. Most material contributors are in-the-money trades with uncollateralised counterparties.

UniCredit FundVA methodology is based on the following inputs:

- positive and Negative exposure profiles derived leveraging on a risk-neutral spin-off of the counterparty credit risk internal model;
- PD term structure implied by current market default rates obtained from credit default swaps;
- a funding spread curve that is representative of the average funding spread of peer financial groups.

As at 31 December 2022 the Fair Value Adjustment component (FundVA) reflected into P&L amounts to €44.5 million negative.

## Part A - Accounting policies

### *Model risk*

Financial models are used for the valuation of the financial instruments if the direct market quotes are not deemed reliable. In general, the model risk is represented by the possibility that a financial instrument's evaluation is actually sensitive to the choice of model. It is possible to value the same financial instrument by using alternative models which could provide different results in term of pricing. The model risk adjustment refers to the risk that the actual fair value of the instrument differs from the value produced by the model.

### *Close-out cost*

It measures the implicit cost of closing a trading position. The position can be closed by a long position (or purchase in the case of a short position), or by entering into a new transaction (or several transactions) that offsets (hedges) the open position. The close-out costs are typically derived from the bid/ask spreads observed on the market. It accounts for the fact that a position is valued at mid but can only be closed at bid or ask. This adjustment is not needed when the position is marked at bid or ask and already represents an exit price. In addition, a close-out adjustment of the NAV is applied when there are some penalties relating to position write-off in an investment fund.

### *Other adjustments*

Other fair value adjustments, which are not included in the previous categories, could be taken into consideration to align the evaluation to the current exit price, also according to the level of liquidity of the market and valuation parameters, e.g., adjustment of equity prices whose quotation on the market are not representative of the effective exit price.

### **Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis**

Financial instrument not carried at fair value, for example retail loans and deposit and credit facilities extended to corporate clients, are not managed on a fair value basis.

For these instruments fair value is calculated for disclosure purposes only and does not impact the balance sheet or the profit or loss. Additionally, since these instruments generally do not trade, there is significant management judgment required to determine their fair values as defined by IFRS13.

### *Cash and cash balances*

Cash and cash balances are not carried at amounts that approximate fair value, due to their short-term nature and generally negligible credit risk.

### *Financial assets at amortised cost*

For securities, fair value is determined according to what reported in section "Assets and liabilities measured at fair value on a recurring basis - Debt securities".

On the other hands, fair value for performing loans to banks and customers is determined using the discounted cash flow model adjusted for credit risk. Some portfolios are valued according to simplified approaches, which however take into account the financial features of the financial instruments.

### *Property, plant and equipment*

The fair value of under construction properties, obtained through the enforcement of guarantees received and the right of use of leased assets is determined on the basis of a valuation by an independent appraiser who holds a recognised and relevant professional qualification which perform its valuation by directly visiting the property and in consideration of market analysis (i.e. full appraisal) or, always considering the market analysis, on the basis of an indirect knowledge of the assets through the information made available by the owner and relating to the localisation, consistency, destination (i.e. desktop appraisal).

The attribution of fair value levels is based on the level of observability of the significant market parameters used by the valuation technique. In particular, given the current portfolio composition, most of the positions are at Level 3.

### *Financial liabilities at amortised cost*

Fair value for issued debt securities is determined using the discounted cash flow model adjusted for UniCredit credit risk. The Credit Spread takes seniority into account.

Likewise, fair value for other financial liabilities is determined using the discounted cash flow model adjusted for UniCredit credit risk.

### **Description of the valuation techniques**

Specific valuation techniques are used to value positions for which a market price is not directly observable from market sources. The Group uses well known valuation techniques for determining fair values of financial and non-financial instruments that are not actively traded and quoted. The valuation techniques used for Level 2 and 3 assets and liabilities are described below.

## Part A - Accounting policies

### *Option Pricing Model*

Option Pricing models are generally used for instruments in which the holder has a contingent right or obligation based on the occurrence of a future event, such as the price of a referenced asset going above or below a predetermined strike price. Option models estimate the likelihood of the specified event occurring by incorporating assumptions such as volatility estimates, price of the underlying instrument and expected rate of return.

### *Discounted cash flow*

Discounted cash flow valuation techniques generally consist of developing an estimate of future cash flows that are expected to occur over the life of an instrument. The model requires the estimation of the cash flow and the adoption of market's parameters for the discounting: discount rate or discount margin reflects the credit and/or funding spreads required by the market for instruments with similar risk and liquidity profiles to produce a "discounted value". The fair value of the contract is given by the sum of the present values of future cash flows.

### *Hazard Rate Model*

The valuation of CDS instruments (Credit Default Swap) requires the knowledge of the entity's survival probability at future dates. The estimate of this probability curve uses the standard model for survival probabilities and requires as parameters the credit default swap market quotes on standard future dates in addition to the risk-free curve and the expected recovery rate. The Hazard Rate is part of the described process, and it indicates the instantaneous probability of default at different future instants.

### *Market Approach*

A valuation technique where the value is determined based on the prices generated by market or previous transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities.

### *Gordon Growth Model*

A model used to determine the intrinsic value of a stock, based on a strip of future cash flows growing at a constant rate. Given a single cash flow and a hypothesis on constant growth through time, the model estimates the present value of future cash flows.

### *Dividend Discount Model*

A model used to determine the value of a stock based on expectations on its future dividend flow.

Given a series of forecasts on dividends payable in future exercises and a hypothesis on the subsequent annual growth of dividends at a constant rate, the model estimates the fair value of a stock as the sum of the current value of all future dividends

### *Adjusted NAV (Net Asset Value)*

NAV is the total value of a fund's assets less liabilities. An increase in NAV would result in an increase in a fair value measure. Usually for funds classified as Level 3, depending on the methodology adopted by the Fund to calculate the NAV, the fair value is adjusted to consider the issuer's default risk and liquidity risk.

### *Sum of the parts*

This approach determines the economic value of a company or a business unit as the sum of the economic capital values attributable to the various business lines within the same corporate structure.

### *Equity method*

In the case of unlisted investments for which a limited availability of information does not allow for other methods to be adopted, the portion of shareholders' equity resulting from the latest financial statements or interim report (quarterly or half-yearly) approved by the company can be used as the best proxy of the fair value. For the purposes of determining shareholders' equity, valuation reserves must also be considered.

### *Simple equity method*

With this method, the value of the company is determined as the difference between the assets and liabilities of the company restated at current values; this method consists, therefore, in defining the individual asset and liability values at current values, highlighting any gains or losses with respect to the carrying amounts.

### *Complex equity method*

In addition to the measurement of the company using the Simple equity method, this method measures some "intangible" assets not present in the financial statements, such as goodwill, trademarks, patents, intellectual property, concessions.

### *Mixed equity/income method*

Determines the value of the company taking into account objective and verifiable aspects of the equity method, without however neglecting the expected income flows, which are conceptually an essential component of the value of the economic capital and represented in the income methods.

## Part A - Accounting policies

### **Description of the inputs used to measure the fair value of items categorised in Level 2 and 3**

Hereby a description of the main significant inputs used to measure the fair value of items categorised in Level 2 and 3 of the fair value hierarchy.

#### *Volatility*

Volatility is the measure of the variation of price of a financial instrument over time. In particular, volatility measures the speed and severity of market price changes for an instrument, parameter or market index given the particular instrument, parameter or index changes in value over time, expressed as a percentage of relative change in price. The higher the volatility of the underlying, the riskier the instrument. In general, long option positions benefit from increases in volatility, whereas short option positions will suffer losses.

There are different macro-types of volatility:

- volatility of interest rate;
- inflation volatility;
- volatility of foreign exchange;
- volatility of equity stocks, equity or other indexes/prices.

#### *Correlation*

Correlation is a measure of the relationship between the movements of two variables. When parameters are positively correlated, an increase in correlation results in a higher fair value measure. On the contrary, given a short correlation position, an increase in correlation, in isolation, would generally result in a decrease in a fair value measure. Therefore, changes in correlation levels can have a major impact, favourable or unfavourable, on the fair value of an instrument, depending on the type of correlation.

Correlation is a pricing input for a derivative product where the payoff is driven by multiple underlying risks. The level of correlation used in the valuation of derivatives with multiple underlying risks depends on a number of factors including the nature of those risks.

#### *Dividends*

The derivation of a forward price for an individual stock or index is important both for measuring fair value for forward or swap contracts and for measuring fair value using option pricing models. The relationship between the current stock price and the forward price is based on a combination of expected future dividend levels and payment timings and, to a lesser extent, the relevant funding rates applicable to the stock in question. The dividend yield and timing represent the most significant parameter in determining fair value for instruments that are sensitive to an equity forward price.

#### *Interest rate curve*

The calculation of the interest rate curve is based on standard bootstrapping techniques relying on the set of quotes of appropriate financial instruments, for each currency, which turns interest rates in zero-coupon.

Less liquid currencies interest rate curves refer to the rates in currencies for which a market liquidity doesn't exist in terms of tightness, depth and resiliency.

#### *Inflation swap rate*

The determination of forward levels for inflation indexes is based on swap quote over inflation indexes. Swap over inflation may present a low liquidity level whether there is no liquid market in terms of rigidity, deepness and resistance.

#### *Credit spreads*

Credit spreads reflects the credit quality of the associated credit name.

The credit spread of a particular security is reported in relation to the yield on a benchmark security or reference rate and is generally expressed in terms of basis points. In the loan evaluation model, the credit spread is used to estimate the market risk premium applied to discounting the cash-flows

#### *Loss Given Default (LGD)/Recovery Rate*

LGD also known as loss severity (the inverse concept is the recovery rate) represents the percentage of contractual cash flows lost in the event of a default, expressed as the net amount of loss relating to the outstanding balance. An increase in the loss severity, in isolation, would result in a decrease in a fair value measure. Loss given default is facility-specific because such losses are generally understood to be influenced by key transaction characteristics such as the presence of collateral and the degree of subordination.

## Part A - Accounting policies

### *Price*

Where market prices are not observable, comparison via proxy is used to measure a fair value of the instrument.

### *Prepayment Rate (PR)*

The PR is the estimated rate at which forecasted prepayments of principal of the related debt instrument are expected to occur. Voluntary unscheduled payments (prepayments) change the future cash flows for the investor and thereby change the fair value of the security. In general, as prepayment speeds change, the weighted average life of the security changes, which impacts the valuation either positively or negatively, depending on the nature of the security and the direction of the change in the weighted average life.

### *Probability of Default (PD)*

The probability of default is an estimate of the likelihood of not collecting contractual amounts. It provides an estimate of the likelihood that a client of a financial institution will be unable to meet its debt obligations over a particular time horizon. The PD of an obligor does not only depend on the risk characteristics of that particular obligor but also the economic environment and the degree to which it affects the obligor.

### *Early conversion*

The early conversion is the estimate of the probability that the liability would be converted into equity earlier than the terms stated.

### *EBITDA*

EBITDA is an indicator of the current operating profitability of the business, that is the income generated by the use of the company's assets and the commercialisation of the products manufactured.

### *Ke*

The  $K_e$  (cost of capital) represents the minimum rate that the company has to offer to its shareholders as remuneration for the funds received.

### *Growth rate*

It is the constant growth rate used for the future dividends estimate.

## Part A - Accounting policies

### Quantitative information on significant unobservable inputs used in the fair value measurement: accounting portfolios measured at fair value categorised as Level 3

The following table shows the relevant unobservable parameters for the valuation of financial instruments classified at fair value level 3 according to the IFRS13 definition.

| (€ million)                      |                                    |                   |                        |  |                           |                    |      |
|----------------------------------|------------------------------------|-------------------|------------------------|--|---------------------------|--------------------|------|
| PRODUCT CATEGORIES               |                                    | FAIR VALUE ASSETS | FAIR VALUE LIABILITIES | VALUATION TECHNIQUES                           | UNOBSERVABLE PARAMETERS   | UNCERTAINTY RANGES |      |
| <b>Derivatives</b>               |                                    |                   |                        |  |                           |                    |      |
|                                  | Financial                          |                   |                        |  |                           |                    |      |
|                                  | Equity & Commodities               | 613               | 486                    | Option Pricing Model                           | Volatility                | 3%                 | 15%  |
|                                  |                                    |                   |                        |  | Correlation               | 2%                 | 29%  |
|                                  |                                    |                   |                        | Option Pricing Model/<br>Discounted Cash Flows | Dividends Yield           | 1%                 | 26%  |
|                                  | Foreign Exchange                   | 138               | 254                    | Option Pricing Model                           | Volatility                | 0%                 | 161% |
|                                  |                                    |                   |                        | Discounted Cash Flows                          | Interest rate (bps)       | 0                  | 141  |
|                                  | Interest Rate                      | 403               | 695                    | Discounted Cash Flows                          | Swap Rate (bps)           | 0                  | 141  |
|                                  |                                    |                   |                        |  | Inflation Swap Rate (bps) | 3                  | 12   |
|                                  |                                    |                   |                        | Option Pricing Model                           | Inflation Volatility      | 1%                 | 3%   |
|                                  |                                    |                   |                        |  | Interest Rate Volatility  | 0%                 | 29%  |
|                                  |                                    |                   |                        |  | Correlation               | 0%                 | 22%  |
|                                  | Credit                             | 1                 | 169                    | Hazard Rate Model                              | Credit Spread (bps)       | 1                  | 369  |
|                                  |                                    |                   |                        |  | Recovery rate             | 0%                 | 5%   |
| <b>Debt Securities and Loans</b> | Corporate/<br>Government/Other     | 2,402             | 774                    | Market Approach                                | Credit Spread (bps)       | 1                  | 1707 |
|                                  | Mortgage & Asset Backed Securities | 1,402             | -                      | Discounted Cash Flows                          | Credit Spread (bps)       | 55                 | 2280 |
|                                  |                                    |                   |                        |  | Recovery rate             | 0%                 | 70%  |
|                                  |                                    |                   |                        |  | Default Rate              | 0%                 | 4%   |
|                                  |                                    |                   |                        |  | Prepayment Rate           | 0%                 | 20%  |
| <b>Equity Securities</b>         | Unlisted Equity & Holdings         | 992               | -                      | Market Approach                                | Price (% of used value)   | 0%                 | 3%   |
|                                  |                                    |                   |                        | Gordon Growth Model                            | Ke                        | 8%                 | 17%  |
|                                  |                                    |                   |                        |  | Growth Rate               | 1%                 | 4%   |
| <b>Units in Investment Funds</b> | Real Estate & Other Funds          | 1,442             | -                      | Adjusted Nav                                   | PD                        | 1%                 | 30%  |
|                                  |                                    |                   |                        |  | LGD                       | 35%                | 60%  |



## Part A - Accounting policies

### A.4.2 Valuations processes and sensitivities

The Group verifies that the value attributed to each position reflects the current fair value in an appropriate way. Assets and liabilities subject to fair value measurements are determined using different techniques, among which (but not only) models such as *discounted cash flow* and internal models. On the basis of the observability of the input used, all the measurements are classified as Level 1, Level 2 or Level 3 of the fair value hierarchy.

When a financial instrument, measured at fair value, is valued through the use of one or more significant inputs not directly observable on the market, a further procedure for the price verification is implemented. These procedures include the revision of relevant historical data, the analysis of profits and losses, the individual valuation of each component for structural products and *benchmarking*. This approach uses subjective opinions and judgments based on experience and, therefore, it could require valuation adjustments which take into account the *bid/ask* spread, liquidity and counterparty risk, in addition to the valuation model type adopted.

According to Group Market Risk Governance guidelines, in order to ensure the right separateness of the functions in charge of the model development and those in charge of the validation processes, all the valuation models developed by Group companies' front offices are independently tested centrally and validated by Risk Managements functions. The aim of this independent control structure is evaluating the model risk from a theoretical solidity, calibration techniques eventually applied and appropriateness of the model for a specific product in a defined market point of views.

In addition to the daily *mark-to-market* or *mark-to-model* valuation, the *Independent Price Verification* ("IPV") is applied by from *Market Risk* function with the aim of guaranteeing a fair value provided by an independent structure for all instruments, illiquid included.

### Fair value sensitivity to variations in unobservable input used in the fair value computation for instruments categorised as Level 3

The sensitivities to change in the unobservable parameter for the different financial instrument categories of level 3 valued at fair value are presented in the table below as change of corresponding relevant parameters:

- for derivatives on equities and commodities: 1% absolute of volatility, 10% relative of dividend, 1% absolute of correlation and 10% relative of volatility skew;
- for foreign exchanges: 1% absolute of underlying volatility;
- for interest rate derivatives: 1 basis point absolute of rates curves and volatilities or 1% absolute of swaption volatilities;
- for credit derivatives: 1 basis point absolute of credit spread or, if Level 3 attribution for a derivative is due to counterparty classification as not performing, the CVA impact of a 5% absolute shift of the recovery rate;
- for debt securities and loans: 1 basis point absolute of credit spread;
- for equities: 1% of the underlying;
- for Units in Investment Funds quotes: 5 basis points absolute shift in PD and LGD, if evaluated leveraging on models considering counterparty credit risk as main risk factor, otherwise 1% of fair value.

(€ million)

| PRODUCT CATEGORIES        |           | FAIR VALUE MOVEMENTS               |           |
|---------------------------|-----------|------------------------------------|-----------|
| Derivatives               | Financial | Equities & Commodities             | +/- 35.22 |
|                           |           | Foreign Exchange                   | +/- 0.30  |
|                           |           | Interest Rate                      | +/- 4.01  |
|                           | Credit    | +/- 0.36                           |           |
| Debt Securities and Loans |           | Corporate/Government/Other         | +/- 0.89  |
|                           |           | Mortgage & Asset Backed Securities | +/- 0.39  |
|                           |           |                                    |           |
| Equity Securities         |           | Unlisted Equity & Holdings         | +/- 10.14 |
| Units in Investment Funds |           | Real Estate & Other Funds          | +/- 1.26  |

The unlisted Level 3 Units in Investment Funds, measured using a model, include the shares in Atlante and Italian Recovery Fund, former Atlante II, (€290 million at 31 December 2022) are classified. For further information refer to Notes to the consolidated accounts, Part B - Consolidated balance sheet - Assets, Section 2 - Financial assets at fair value through profit or loss: c) other financial assets mandatorily at fair value.

## Part A - Accounting policies

Amongst the financial instruments subject of valuation methods and sensitivity analysis, there are also included ABS issued by securitisation vehicles as per Italian law 130/99 where the Bank is both originator and underwriter of some issues and quotes of open investment funds acquired through credit disposal.

### A.4.3 Fair value hierarchy

IFRS13 establishes a fair value hierarchy according to the observability of the input used in the valuation techniques adopted for valuations.

The fair value hierarchy level associated to assets and liabilities is set as the minimum level among all the significant valuation inputs used. A valuation input is not considered significant for the fair value of an instrument if the remaining inputs are able to explain a major part of the fair value variance itself.

In particular, three levels are considered:

- Level 1: the fair value for instruments classified within this level is determined according to the quoted prices on active markets;
- Level 2: the fair value for instruments classified within this level is determined according to the valuation models for which significant inputs are observable on active markets;
- Level 3: the fair value for instruments classified within this level is determined according to the valuation models for which significant inputs are unobservable on active markets.

Financial instruments are classified to a certain fair value level according to the observability of the input used for the valuation.

**Level 1 (quoted prices in active markets):** at measurement date, quoted prices in active markets are available for identical assets or liabilities. An active market is a market in which orderly transactions for the asset or liability take place with sufficient frequency and volume for pricing information to be provided on an on-going basis (e.g. MTS market about prices for most of the government bonds therein traded).

**Level 2 (observable inputs):** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Inputs are observable if they are developed on the basis of publicly available information about actual events or transactions and reflect the assumptions that market participants would use when pricing the asset or liability.

**Level 3 (unobservable inputs):** inputs other than the ones included in Level 1 and Level 2, not directly observable on the market for the evaluation of asset and liability or used for the definition of significant adjustments to fair value. Unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

Deciding among various valuation techniques to be used, the Group employs the one which maximises the use of observable inputs.

#### **Transfers between hierarchy levels**

The main drivers to transfers in and out the fair values levels (both between Level 1 and Level 2 and in/out Level 3) include changes in market conditions (among which liquidity parameter) and enhancements to valuation techniques and weights for unobservable inputs used for the valuation itself.

Quantitative and qualitative details about transfers between fair value levels occurred in the period are presented in the following paragraph "A.4.5 Fair value hierarchy", Quantitative information.

### A.4.4 Other information

The Group uses the IFRS13 exception for fair value measurements on a net basis with reference to financial assets and liabilities with offsetting positions of market risk or counterparty credit risk.

## Part A - Accounting policies

## Quantitative information

## A.4.5 Fair value hierarchy

The following tables show the portfolios breakdown in terms of (i) financial assets and liabilities valued at fair value as well as (ii) assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis, according to the above-mentioned levels.

## A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value levels

(€ million)

| FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE                  | AMOUNTS AS AT 31.12.2022 |               |               | AMOUNTS AS AT 31.12.2021 |               |               |
|--|--------------------------|---------------|---------------|--------------------------|---------------|---------------|
|  | LEVEL 1                  | LEVEL 2       | LEVEL 3       | LEVEL 1                  | LEVEL 2       | LEVEL 3       |
| 1. Financial assets at fair value through profit or loss             | 23,773                   | 44,591        | 4,595         | 39,317                   | 48,889        | 4,041         |
| a) Financial assets held for trading                                 | 20,765                   | 41,940        | 1,738         | 33,191                   | 45,717        | 1,201         |
| b) Financial assets designated at fair value                         | 323                      | -             | -             | 279                      | -             | -             |
| c) Other financial assets mandatorily at fair value                  | 2,685                    | 2,651         | 2,857         | 5,847                    | 3,172         | 2,840         |
| 2. Financial assets at fair value through other comprehensive income | 44,716                   | 7,368         | 2,803         | 54,113                   | 11,856        | 2,617         |
| 3. Hedging derivatives   | 177                      | 2,663         | 11            | 38                       | 3,027         | -             |
| 4. Property, plant and equipment                                     | -                        | -             | 5,890         | -                        | -             | 5,955         |
| 5. Intangible assets   | -                        | -             | -             | -                        | -             | -             |
| <b>Total</b>   | <b>68,666</b>            | <b>54,622</b> | <b>13,299</b> | <b>93,468</b>            | <b>63,772</b> | <b>12,613</b> |
| 1. Financial liabilities held for trading                            | 11,634                   | 37,705        | 1,895         | 14,376                   | 36,071        | 1,161         |
| 2. Financial liabilities designated at fair value                    | -                        | 9,715         | 477           | -                        | 8,907         | 649           |
| 3. Hedging derivatives   | 335                      | 3,062         | 6             | 51                       | 4,252         | -             |
| <b>Total</b>   | <b>11,969</b>            | <b>50,482</b> | <b>2,378</b>  | <b>14,427</b>            | <b>49,230</b> | <b>1,810</b>  |

The sub-item "1. c) Financial assets mandatorily at fair value" at Level 3 as at 31 December 2022 includes the investments in Atlante and Italian Recovery Fund (IRF - former Atlante II) carrying value €290 million.

As at 31 December 2022 the fair value for "Schema Volontario" securities is zero, being sold to IRF fund of all Mezzanine and Junior tranches in July 2022. Concerning Atlante and Italian Recovery Fund (former Atlante II) the Fair Value has been determined adopting an internal model in which credit risk changes of single ABS in which Atlante fund is invested are considered.

For further information refer to paragraph "2.5 Other financial assets mandatorily at fair value: breakdown by product" of the Notes to the consolidated accounts, Part B - Consolidated balance sheet - Assets, Section 2 - Financial assets at fair value through profit or loss - Item 20.

Transfers between level of fair value occurring during the year mainly reflect the evolution of reference market and the enhancement of processes for fair value level attribution in some Group entities.

Besides the transfers related to financial assets and liabilities carried at Level 3 detailed in the sections below during the year the following transfers occurred:

- from Level 1 to Level 2 owing to a worsening of the liquidity and price reliability indicators (based on the bid-ask spread, relative size and applicability of the published prices) collected by third parties as calculated and recorded in the context of the Global Bond IPV process:
  - of financial assets measured at fair value through profit or loss (financial assets held for trading, designated at fair value and mandatorily at fair value) for €572 million;
  - of financial assets measured at fair value through reserves (financial assets at fair value through other comprehensive income) for €357 million;
  - of financial liabilities measured at fair value through profit or loss (financial liabilities held for trading and designated at fair value) for €2 million.
- from Level 2 to Level 1 owing to an improvement of the liquidity and price reliability indicators (based on the bid-ask spread, relative size and applicability of the published prices) collected by third parties as calculated and recorded in the context of the Global Bond IPV process:
  - of financial assets measured at fair value through profit or loss (financial assets held for trading, designated at fair value and mandatorily at fair value) for €512 million;
  - of financial assets measured at fair value through reserves (financial assets at fair value through other comprehensive income) for €2,310 million.

## Part A - Accounting policies

## A.4.5.2 Annual changes in assets measured at fair value on a recurring basis (Level 3)

(€ million)

|                                 | CHANGES IN 2022                                       |  |  |   |              |   |                     |                               |                   |
|---------------------------------|---|--|--|---|--------------|---|---------------------|-------------------------------|-------------------|
|                                 | FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS |  |  |   |              | FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME | HEDGING DERIVATIVES | PROPERTY, PLANT AND EQUIPMENT | INTANGIBLE ASSETS |
|                                 | TOTAL   | OF WHICH: A) FINANCIAL ASSETS HELD FOR TRADING | OF WHICH: B) FINANCIAL ASSETS DESIGNATED AT FAIR VALUE | OF WHICH: C) OTHER FINANCIAL ASSETS MANDATORILY AT FAIR VALUE |              |   |                     |                               |                   |
| <b>1. Opening balances</b>      | <b>4,041</b>  | <b>1,201</b>                                   | -  | <b>2,840</b>  | <b>2,617</b> | -   | <b>5,955</b>        | -                             |                   |
| <b>2. Increases</b>             | <b>6,310</b>  | <b>4,809</b>                                   | -  | <b>1,501</b>  | <b>816</b>   | <b>11</b>   | <b>328</b>          | -                             |                   |
| 2.1 Purchases                   | 3,559   | 2,582  | -  | 977   | 167          | -   | 22                  | -                             |                   |
| 2.2 Profits recognised in       | 2,105   | 1,957  | -  | 148   | 66           | -   | 233                 | -                             |                   |
| 2.2.1 Income statement          | 2,105   | 1,957  | -  | 148   | 38           | -   | 76                  | -                             |                   |
| - of which unrealised gains     | 276   | 208  | -  | 68  | -            | -   | 76                  | -                             |                   |
| 2.2.2 Equity                    | X   | X  | X  | X   | 28           | -   | 157                 | -                             |                   |
| 2.3 Transfers from other levels | 557   | 235  | -  | 322   | 472          | 11  | -                   | -                             |                   |
| 2.4 Other increases             | 89  | 35   | -  | 54  | 111          | -   | 73                  | -                             |                   |
| <b>3. Decreases</b>             | <b>5,756</b>  | <b>4,272</b>                                   | -  | <b>1,484</b>  | <b>630</b>   | -   | <b>393</b>          | -                             |                   |
| 3.1 Sales                       | 4,008   | 3,415  | -  | 593   | 27           | -   | 14                  | -                             |                   |
| 3.2 Redemptions                 | 598   | -  | -  | 598   | 341          | -   | -                   | -                             |                   |
| 3.3 Losses recognised in        | 925   | 733  | -  | 192   | 226          | -   | 244                 | -                             |                   |
| 3.3.1 Income statement          | 925   | 733  | -  | 192   | 15           | -   | 178                 | -                             |                   |
| - of which unrealised losses    | 200   | 74   | -  | 126   | -            | -   | 60                  | -                             |                   |
| 3.3.2 Equity                    | X   | X  | X  | X   | 211          | -   | 66                  | -                             |                   |
| 3.4 Transfers to other levels   | 180   | 115  | -  | 65  | 13           | -   | 89                  | -                             |                   |
| 3.5 Other decreases             | 45  | 9  | -  | 36  | 23           | -   | 46                  | -                             |                   |
| of which: business combinations | -   | -  | -  | -   | -            | -   | -                   | -                             |                   |
| <b>4. Closing balances</b>      | <b>4,595</b>  | <b>1,738</b>                                   | -  | <b>2,857</b>  | <b>2,803</b> | <b>11</b>   | <b>5,890</b>        | -                             |                   |

The sub-items "2.2.1 Profits recognised in Income statement" and "3.3.1 Losses recognised in Income statement" in financial assets are included in the profit and loss in the following items:

- Item 80: Net gains (losses) on trading;
- Item 90: Net gains (losses) on hedge accounting;
- Item 110: Net gains (losses) on other financial assets/liabilities at fair value through profit or loss.

The sub-item "2.2.2 Profits recognised in Equity" and the sub-item "3.3.2 Losses recognised in Equity" reports the profits and the losses arising from fair value changes on financial assets at fair value through other comprehensive income and tangible assets used in business, with reference to land and buildings, according to the rules explained below.

With reference to financial assets at fair value through other comprehensive income these profits and losses are accounted in item "120. Valuation reserves" of shareholder's equity until the financial assets is not sold, instant in which cumulative gains and losses are reported: i) if referred to debt securities in income statement under item "100. Gains (Losses) on disposal and repurchase of: b) financial assets at fair value through other comprehensive income" and ii) if referred to equity instruments in the shareholder's equity under item "150. Reserves"; the exception regards the case of impairment and gains and losses on exchange rates on monetary assets (debt securities) which are reported respectively under item "130. Net losses/recoveries on credit impairment relating to: b) financial assets at fair value through other comprehensive income" and item "80. Net gains (losses) on trading".

With reference to tangible assets used in business, the profits arising from the valuation are recognised in item "120. Valuation reserves" of shareholder's equity for the portion exceeding the cumulated losses recognised in item "260. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value". Losses arising from the valuation are recognised in item "120. Valuation reserves" up to the cumulated profits recognised in the same item. Further losses are recognised in item "260. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value". On disposal the cumulated profits reported in item "120. Valuation reserves" are recycled to item "150. Reserves".

Transfers between levels of fair value occurred during the year mainly refer to exposures held by UniCredit S.p.A. and its subsidiaries UniCredit Bank AG and, with reference to Russian government bonds, AO UniCredit Bank. With reference to the latter refer to paragraph "Implications of geopolitical tensions between Russia and Ukraine on Consolidated financial statements" of the Notes to the consolidated accounts, Part A - Accounting policies, Section 5 - Other matters.

## Part A - Accounting policies

## A.4.5.3 Annual changes in liabilities measured at fair value on a recurring basis (Level 3)

(€ million)

|                                 | CHANGES IN 2022                        |  |                     |
|---------------------------------|--|--|---------------------|
|                                 | FINANCIAL LIABILITIES HELD FOR TRADING | FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE | HEDGING DERIVATIVES |
| <b>1. Opening balances</b>      | <b>1,161</b>                           | <b>649</b>                                     | <b>-</b>            |
| <b>2. Increases</b>             | <b>3,838</b>                           | <b>329</b>                                     | <b>331</b>          |
| 2.1 Issuance                    | 1,174                                  | 255  | 96                  |
| 2.2 Losses recognised in        | 2,024                                  | 9  | 229                 |
| 2.2.1 Income statement          | 2,024                                  | 7  | 229                 |
| - of which unrealised losses    | 236                                    | 6  | -                   |
| 2.2.2 Equity                    | X                                      | 2  | -                   |
| 2.3 Transfers from other levels | 619                                    | 56   | 5                   |
| 2.4 Other increases             | 21                                     | 9  | 1                   |
| <b>3. Decreases</b>             | <b>3,104</b>                           | <b>501</b>                                     | <b>325</b>          |
| 3.1 Redemptions                 | 2,072                                  | 37   | 229                 |
| 3.2 Purchases                   | 49                                     | 57   | -                   |
| 3.3 Profits recognised in       | 636                                    | 115  | 96                  |
| 3.3.1 Income statement          | 636                                    | 109  | 96                  |
| - of which unrealised gains     | 178                                    | 108  | 6                   |
| 3.3.2 Equity                    | X                                      | 6  | -                   |
| 3.4 Transfers to other levels   | 315                                    | 285  | -                   |
| 3.5 Other decreases             | 32                                     | 7  | -                   |
| of which: business combinations | -                                      | -  | -                   |
| <b>4. Closing balances</b>      | <b>1,895</b>                           | <b>477</b>                                     | <b>6</b>            |

The sub-items "2.2.1 Losses recognised in Income statement" and "3.3.1 Profits recognised in Income statement" in financial liabilities are included in the profit and loss in the following items:

- Item 80: Net gains (losses) on trading;
- Item 90: Net gains (losses) on hedge accounting;
- Item 110: Net gains (losses) on other financial assets/liabilities at fair value through profit or loss.

Transfers between levels of fair value occurring during the year mostly refer to exposures held by UniCredit S.p.A. and its subsidiary UniCredit Bank AG.

## A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value levels

(€ million)

| ASSETS/LIABILITIES NOT MEASURED AT FAIR VALUE OR MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS | AMOUNTS AS AT 31.12.2022 |               |                |                | AMOUNTS AS AT 31.12.2021 |               |                |                |
|--|--------------------------|---------------|----------------|----------------|--------------------------|---------------|----------------|----------------|
|  | BOOK VALUE               | FAIR VALUE    |                |                | BOOK VALUE               | FAIR VALUE    |                |                |
|  |                          | LEVEL 1       | LEVEL 2        | LEVEL 3        |                          | LEVEL 1       | LEVEL 2        | LEVEL 3        |
| 1. Financial assets at amortised cost  | 582,661                  | 56,281        | 234,703        | 282,663        | 605,063                  | 61,136        | 222,706        | 332,513        |
| 2. Property, plant and equipment held for investment   | -                        | -             | -              | -              | -                        | -             | -              | -              |
| 3. Non-current assets and disposal groups classified as held for sale                            | 1,229                    | -             | 15             | 720            | 2,400                    | -             | 111            | 761            |
| <b>Total</b>   | <b>583,890</b>           | <b>56,281</b> | <b>234,718</b> | <b>283,383</b> | <b>607,463</b>           | <b>61,136</b> | <b>222,817</b> | <b>333,274</b> |
| 1. Financial liabilities at amortised cost   | 727,473                  | 46,478        | 317,989        | 357,273        | 762,153                  | 50,787        | 335,707        | 379,665        |
| 2. Liabilities associated with assets classified as held for sale                                | 579                      | -             | -              | 579            | 619                      | -             | 54             | 565            |
| <b>Total</b>   | <b>728,052</b>           | <b>46,478</b> | <b>317,989</b> | <b>357,852</b> | <b>762,772</b>           | <b>50,787</b> | <b>335,761</b> | <b>380,230</b> |

## Part A - Accounting policies

The changes occurred between 31 December 2021 and 31 December 2022 in the ratio between fair value and book value for financial assets at amortised cost reflect the enhancement of the methodology and the parameters adopted for the fair value calculation for disclosure and the evolution in the benchmark interest rate, in the risk premium and in the probability of default depending on or deriving from markets trend. These events together with the evolution of the approach to identify the significance of non-observable inputs have been reflected in fair value hierarchy level distribution.

The decrease in the Level 2 of fair value hierarchy occurred in the item "1. Financial liabilities at amortised cost" mainly derives from the reduction of the TLTRO exposures liabilities, mostly at UniCredit S.p.A. and its subsidiaries UniCredit Bank AG and UniCredit Bank Austria AG.

The book value of item "3. Non-current assets and disposal groups classified as held for sale" (Assets) includes amounts referred to assets measured on balance sheet on the basis of their cost for €494 million. For further details on this item refer to table "12.1 Non-current assets and disposal groups classified as held for sale: breakdown by asset type" of the Notes to the consolidated accounts, Part B - Consolidated balance sheet - Assets, Section 12 - Non-current assets and disposal groups classified as held for sale and Liabilities associated with assets classified as held for sale - Item 120 (Assets) and Item 70 (Liabilities).

### A.5 - Information on "day one profit/loss"

The value at which financial instruments are recognised is equal to their fair value on the same date.

The fair value of financial instruments, other than those designated at fair value through profit or loss, at their recognition date is usually assumed to be equal to the amount collected or paid.

For financial instruments held for trading (refer to Sections 1.a) and 12 of Part A.2 above) and instruments designated at fair value (refer to Sections 1.b) and 13 of Part A.2 above), any difference from the amount collected or paid is posted under the appropriate items of the income statement.

The use of conservative valuation models, the processes described above for revising the models used and related parameters and value adjustments to reflect model risk ensure that the amount recognised in the income statement is not derived from the use of valuation parameters that cannot be observed.

More specifically, the calculation of fair value adjustments to reflect model risk ensures that the fair value portion of these instruments relating to the use of subjective parameters is not recognised in the profit and loss accounts but changes the balance sheet value of these instruments.

The presence of further "day one profit" leads to the recognition of a distinct asset component that is the object of linear amortization.

Recognition of these portions in the profit and loss account is then made only when objective parameters are applied and therefore the adjustments are derecognised.

The overall fair value adjustments to reflect these adjustments (amount not recognised in the Income statement) amounts to +€75 million as at 31 December 2022 (+€59 million as at 31 December 2021).

## Part B - Consolidated balance sheet - Assets

### Assets

#### Section 1 - Cash and cash balances - Item 10

##### 1.1 Cash and cash balances: breakdown

|  | AMOUNTS AS AT  |                |
|--|----------------|----------------|
|  | 31.12.2022     | 31.12.2021     |
| a) Cash  | 3,671          | 8,950          |
| b) Current accounts and demand deposits with Central Banks | 100,134        | 89,037         |
| c) Current accounts and demand deposits with Banks         | 7,971          | 9,420          |
| <b>Total</b>   | <b>111,776</b> | <b>107,407</b> |

(€ million)

The reduction in the item "a) Cash" and the increase in the item "b) Current accounts and demand deposits with Central Banks" is mainly due to the subsidiary UniCredit Bank AG.

The item "b) Current accounts and demand deposits with Central Banks" mainly includes the investment of liquidity in overnight deposits with Banca d'Italia and Bundesbank, in addition to the part that is maintained in the Compulsory Reserves, classified in the item Due from Banks as a result of the management of a net surplus of funds recognised both (i) in the context of commercial activity with customers and (ii) as part of the interbank business.

## Part B - Consolidated balance sheet - Assets

## Section 2 - Financial assets at fair value through profit or loss - Item 20

## 2.1 Financial assets held for trading: breakdown by product

(€ million)

| ITEMS/VALUES                                 | AMOUNTS AS AT 31.12.2022 |               |               | AMOUNTS AS AT 31.12.2021 |               |               |
|--|--------------------------|---------------|---------------|--------------------------|---------------|---------------|
|  | LEVEL 1                  | LEVEL 2       | LEVEL 3       | LEVEL 1                  | LEVEL 2       | LEVEL 3       |
| <b>A. Financial assets (non-derivatives)</b> |                          |               |               |                          |               |               |
| <b>1. Debt securities</b>                    | <b>9,053</b>             | <b>813</b>    | <b>586</b>    | <b>12,220</b>            | <b>1,112</b>  | <b>369</b>    |
| 1.1 Structured securities                    | 2                        | 275           | 411           | 2                        | 699           | -             |
| 1.2 Other debt securities                    | 9,051                    | 538           | 175           | 12,218                   | 413           | 369           |
| <b>2. Equity instruments</b>                 | <b>5,092</b>             | <b>4</b>      | <b>4</b>      | <b>7,727</b>             | <b>1</b>      | <b>-</b>      |
| <b>3. Units in investment funds</b>          | <b>1,394</b>             | <b>924</b>    | <b>4</b>      | <b>1,509</b>             | <b>842</b>    | <b>74</b>     |
| <b>4. Loans</b>                              | <b>1,704</b>             | <b>5,222</b>  | <b>-</b>      | <b>6,838</b>             | <b>8,593</b>  | <b>-</b>      |
| 4.1 Reverse Repos                            | -                        | 1,167         | -             | -                        | 2,188         | -             |
| 4.2 Other                                    | 1,704                    | 4,055         | -             | 6,838                    | 6,405         | -             |
| <b>Total (A)</b>                             | <b>17,243</b>            | <b>6,963</b>  | <b>594</b>    | <b>28,294</b>            | <b>10,548</b> | <b>443</b>    |
| <b>B. Derivative instruments</b>             |                          |               |               |                          |               |               |
| <b>1. Financial derivatives</b>              | <b>3,519</b>             | <b>34,859</b> | <b>1,143</b>  | <b>4,881</b>             | <b>34,983</b> | <b>755</b>    |
| 1.1 Trading                                  | 3,519                    | 34,614        | 1,143         | 4,881                    | 34,839        | 755           |
| 1.2 Linked to fair value option              | -                        | 37            | -             | -                        | 20            | -             |
| 1.3 Other                                    | -                        | 208           | -             | -                        | 124           | -             |
| <b>2. Credit derivatives</b>                 | <b>3</b>                 | <b>118</b>    | <b>1</b>      | <b>16</b>                | <b>186</b>    | <b>3</b>      |
| 2.1 Trading                                  | 3                        | 118           | 1             | 16                       | 186           | 3             |
| 2.2 Linked to fair value option              | -                        | -             | -             | -                        | -             | -             |
| 2.3 Other                                    | -                        | -             | -             | -                        | -             | -             |
| <b>Total (B)</b>                             | <b>3,522</b>             | <b>34,977</b> | <b>1,144</b>  | <b>4,897</b>             | <b>35,169</b> | <b>758</b>    |
| <b>Total (A+B)</b>                           | <b>20,765</b>            | <b>41,940</b> | <b>1,738</b>  | <b>33,191</b>            | <b>45,717</b> | <b>1,201</b>  |
| <b>Total Level 1, Level 2 and Level 3</b>    |                          |               | <b>64,443</b> |                          |               | <b>80,109</b> |

Valuations at fair value were classified according to a hierarchy of levels reflecting the observability of the valuations input. For further information see paragraph "A.4 - Information on fair value", Notes to the consolidated accounts Part A - Accounting policies.

The financial assets and liabilities relating to OTC Derivatives and Reverse repos managed through Central Counterparty Clearing Houses (CCPs) are offset when (i) the clearing systems of CCPs guarantee the elimination or reduce to immaterial the credit and liquidity risks of these contracts and (ii) the entity intends to settle these contracts on a net basis, in accordance with IAS32 - Offsetting, in order to improve the presentation of the liquidity profile and counterparty risk connected with them.

The reduction of the item is mainly attributable to disposals of cash exposures performed during the period, mostly related to the subsidiary UniCredit Bank AG.

The offset effect as at 31 December 2022, already included in the net presentation of these transactions, totaled €240,126 million increased in comparison to €35,559 million as at 31 December 2021 due to the evolution of the reference market conditions, relating to the activities of the subsidiary UniCredit Bank AG.



## Part B - Consolidated balance sheet - Assets

**Exposures to securities related to Securitisation transactions**

In item "1. Debt securities" there are no securities related to securitisation transactions.

**2.2 Financial assets held for trading: breakdown by borrowers/issuers/counterparties**

| ITEMS/VALUES                                    | AMOUNTS AS AT |               |
|---|---------------|---------------|
|   | 31.12.2022    | 31.12.2021    |
|   | (€ million)   |               |
| <b>A. Financial assets (non-derivatives)</b>    |               |               |
| <b>1. Debt securities</b>                       | <b>10,452</b> | <b>13,701</b> |
| a) Central Banks                                | -             | -             |
| b) Governments and other Public Sector Entities | 8,315         | 11,195        |
| c) Banks  | 503           | 733           |
| d) Other financial companies                    | 991           | 1,007         |
| <i>of which: insurance companies</i>            | 7             | -             |
| e) Non-financial companies                      | 643           | 766           |
| <b>2. Equity instruments</b>                    | <b>5,100</b>  | <b>7,728</b>  |
| a) Banks  | 344           | 365           |
| b) Other financial companies                    | 466           | 615           |
| <i>of which: insurance companies</i>            | 197           | 174           |
| c) Non-financial companies                      | 4,290         | 6,748         |
| d) Other issuers                                | -             | -             |
| <b>3. Units in investment funds</b>             | <b>2,322</b>  | <b>2,425</b>  |
| <b>4. Loans</b>                                 | <b>6,926</b>  | <b>15,431</b> |
| a) Central Banks                                | 301           | 231           |
| b) Governments and other Public Sector Entities | 1,289         | 5,739         |
| c) Banks  | 775           | 388           |
| d) Other financial companies                    | 92            | 1,535         |
| <i>of which: insurance companies</i>            | -             | -             |
| e) Non-financial companies                      | 4,469         | 7,538         |
| f) Households                                   | -             | -             |
| <b>Total A</b>                                  | <b>24,800</b> | <b>39,285</b> |
| <b>B. Derivative instruments</b>                |               |               |
| a) Central counterparties                       | 5,936         | 6,209         |
| d) Other  | 33,707        | 34,615        |
| <b>Total B</b>                                  | <b>39,643</b> | <b>40,824</b> |
| <b>Total (A+B)</b>                              | <b>64,443</b> | <b>80,109</b> |

## Part B - Consolidated balance sheet - Assets

### 2.3 Financial assets designated at fair value: breakdown by product

| ITEMS/VALUES                              | AMOUNTS AS AT 31.12.2022 |         |            | AMOUNTS AS AT 31.12.2021 |         |            |
|---|--------------------------|---------|------------|--------------------------|---------|------------|
|   | LEVEL 1                  | LEVEL 2 | LEVEL 3    | LEVEL 1                  | LEVEL 2 | LEVEL 3    |
|   |                          |         |            |                          |         |            |
| <b>1. Debt securities</b>                 | <b>323</b>               | -       | -          | <b>279</b>               | -       | -          |
| 1.1 Structured securities                 | -                        | -       | -          | -                        | -       | -          |
| 1.2 Other debt securities                 | 323                      | -       | -          | 279                      | -       | -          |
| <b>2. Loans</b>                           | -                        | -       | -          | -                        | -       | -          |
| 2.1 Structured                            | -                        | -       | -          | -                        | -       | -          |
| 2.2 Other                                 | -                        | -       | -          | -                        | -       | -          |
| <b>Total</b>                              | <b>323</b>               | -       | -          | <b>279</b>               | -       | -          |
| <b>Total Level 1, Level 2 and Level 3</b> |                          |         | <b>323</b> |                          |         | <b>279</b> |

Valuations at fair value are classified according to a hierarchy of levels reflecting the observability of the valuations input. For further information refer to paragraph "A.4 - Information on fair value" of the Notes to the consolidated accounts, Part A - Accounting policies.

### 2.4 Financial assets designated at fair value: breakdown by borrowers/issuers

| ITEMS/VALUES                                    | AMOUNTS AS AT |            |
|---|---------------|------------|
|   | 31.12.2022    | 31.12.2021 |
|   |               |            |
| <b>1. Debt securities</b>                       | <b>323</b>    | <b>279</b> |
| a) Central Banks                                | -             | -          |
| b) Governments and other Public Sector Entities | 272           | 279        |
| c) Banks  | 51            | -          |
| d) Other financial companies                    | -             | -          |
| of which: insurance companies                   | -             | -          |
| e) Non-financial companies                      | -             | -          |
| <b>2. Loans</b>                                 | -             | -          |
| a) Central Banks                                | -             | -          |
| b) Governments and other Public Sector Entities | -             | -          |
| c) Banks  | -             | -          |
| d) Other financial companies                    | -             | -          |
| of which: insurance companies                   | -             | -          |
| e) Non-financial companies                      | -             | -          |
| f) Households                                   | -             | -          |
| <b>Total</b>                                    | <b>323</b>    | <b>279</b> |

## Part B - Consolidated balance sheet - Assets

## 2.5 Other financial assets mandatorily at fair value: breakdown by product

| ITEMS/VALUES                              | AMOUNTS AS AT 31.12.2022 |              |              | AMOUNTS AS AT 31.12.2021 |              |               |
|---|--------------------------|--------------|--------------|--------------------------|--------------|---------------|
|   | LEVEL 1                  | LEVEL 2      | LEVEL 3      | LEVEL 1                  | LEVEL 2      | LEVEL 3       |
|   |                          |              |              |                          |              |               |
| <b>1. Debt securities</b>                 | <b>2,321</b>             | <b>1,559</b> | <b>232</b>   | <b>5,490</b>             | <b>1,664</b> | <b>259</b>    |
| 1.1 Structured securities                 | -                        | -            | 2            | -                        | -            | 2             |
| 1.2 Other debt securities                 | 2,321                    | 1,559        | 230          | 5,490                    | 1,664        | 257           |
| <b>2. Equity instruments</b>              | <b>344</b>               | <b>129</b>   | <b>159</b>   | <b>334</b>               | <b>85</b>    | <b>646</b>    |
| <b>3. Units in investment funds</b>       | <b>20</b>                | <b>11</b>    | <b>1,440</b> | <b>23</b>                | <b>38</b>    | <b>1,402</b>  |
| <b>4. Loans</b>                           | <b>-</b>                 | <b>952</b>   | <b>1,026</b> | <b>-</b>                 | <b>1,385</b> | <b>533</b>    |
| 4.1 Structured                            | -                        | -            | -            | -                        | -            | -             |
| 4.2 Other                                 | -                        | 952          | 1,026        | -                        | 1,385        | 533           |
| <b>Total</b>                              | <b>2,685</b>             | <b>2,651</b> | <b>2,857</b> | <b>5,847</b>             | <b>3,172</b> | <b>2,840</b>  |
| <b>Total Level 1, Level 2 and Level 3</b> |                          |              | <b>8,193</b> |                          |              | <b>11,859</b> |

A financial asset is classified as financial asset mandatorily at fair value if it does not meet the conditions, in terms of business model or cash flow characteristics, for being measured at amortised cost or at fair value through other comprehensive income.

The reduction in item "1. Debt securities" is mainly attributable to disposals and reimbursements performed during the period mostly related to the subsidiary UniCredit Bank AG.

The item "1. Debt securities" includes investments (i) in FINO Project's Mezzanine and Junior Notes with a value of €32 million, (ii) Mezzanine and Junior bonds of Prisma securitisation for €2 million, (iii) Mezzanine and Junior bonds of Olympia securitisations for €0.5 million, (iv) Mezzanine and Junior bonds of Relais securitisation for €2 million, presented among Level 3 instruments and (v) Mezzanine and Junior bonds of Itaca securitization for €0.6 million and (v) Junior bonds of Altea securitisation for €7 million, presented among Level 2 instruments.

The item "2. Equity instruments" decreases in respect of the 31 December 2021 mainly due to (i) the sale of the stake owned in "La Villata S.p.A. Immobiliare di Investimento e Sviluppo" (purchased in April 2020) sold in June 2022 at a price of 435 million in line with its carrying value, (ii) the sale of the stakes in Yapi Ve Kredi Bankasi A.S., at December 2021 included for €229 million into mandatory at fair value instruments, after the loss of significant influence occurred at year end 2021 and (iii) the fully impairment of the investment in a "Schema Volontario" (presented among Level 3 instruments) with a value of nearly €2 million ad December 2021.

The item "3. Units in investment funds" includes the investments in Atlante and Italian Recovery Fund, former Atlante II, presented among Level 3 instruments, with a value of €290 million as at 31 December 2022.

The item "4. Loans" includes exposures which have been granted payment moratoriums related to the Covid-19 pandemic context for a total amount of €88 million, mainly held by UniCredit S.p.A.

Valuations at fair value were classified according to a hierarchy of levels reflecting the observability of the valuations input. For further information refer to paragraph "A.4 - Information on fair value" of the Notes to the consolidated accounts, Part A - Accounting policies.

## Exposures to securities related to Securitisation transactions

| TRANCHING    | AMOUNTS AS AT 31.12.2022 |
|--------------|--------------------------|
| Senior       | 9                        |
| Mezzanine    | 55                       |
| Junior       | 48                       |
| <b>Total</b> | <b>112</b>               |

## Part B - Consolidated balance sheet - Assets

### Information about the units of Atlante Fund and Italian Recovery Fund

Reference is made to the paragraph “Information about the units of Atlante Fund and Italian Recovery Fund (former Atlante II)” of the Company financial statements of UniCredit S.p.A., Notes to the accounts Part B - Balance sheets - Assets, Section 2 - Financial assets at fair value through profit or loss - Item 20, which is herewith quoted entirely.

### Information about the investments in the “Schema Volontario” (Voluntary Scheme)

Reference is made to the paragraph “Information about the investments in the Schema Volontario” of the Company financial statements of UniCredit S.p.A., Notes to the accounts Part B - Balance sheets - Assets, Section 2 - Financial assets at fair value through profit or loss - Item 20, which is herewith quoted entirely.

### 2.6 Other Financial assets mandatorily at fair value:breakdown by borrowers/issuers

| ITEMS/VALUES                                    | AMOUNTS AS AT |               |
|---|---------------|---------------|
|   | 31.12.2022    | 31.12.2021    |
| <b>1. Equity instruments</b>                    | <b>632</b>    | <b>1,065</b>  |
| <i>of which: banks</i>                          | 25            | 254           |
| <i>of which: other financial companies</i>      | 510           | 260           |
| <i>of which: non-financial companies</i>        | 96            | 551           |
| <b>2. Debt securities</b>                       | <b>4,112</b>  | <b>7,413</b>  |
| a) Central banks                                | -             | 3             |
| b) Governments and other Public Sector Entities | 2,070         | 4,104         |
| c) Banks  | 1,670         | 2,769         |
| d) Other financial companies                    | 354           | 523           |
| <i>of which: insurance companies</i>            | 60            | 81            |
| e) Non-financial companies                      | 18            | 14            |
| <b>3. Units in investment funds</b>             | <b>1,471</b>  | <b>1,463</b>  |
| <b>4. Loans and advances</b>                    | <b>1,978</b>  | <b>1,918</b>  |
| a) Central banks                                | -             | -             |
| b) Governments and other Public Sector Entities | 668           | 768           |
| c) Banks  | 48            | 57            |
| d) Other financial companies                    | 43            | 90            |
| <i>of which: insurance companies</i>            | -             | -             |
| e) Non-financial companies                      | 791           | 559           |
| f) Households                                   | 428           | 444           |
| <b>Total</b>                                    | <b>8,193</b>  | <b>11,859</b> |

## Part B - Consolidated balance sheet - Assets

### Section 3 - Financial assets at fair value through other comprehensive income - Item 30

#### 3.1 Financial assets at fair value through other comprehensive income: breakdown by product

| ITEMS/VALUES                              | AMOUNTS AS AT 31.12.2022 |              |               | AMOUNTS AS AT 31.12.2021 |               |               |
|---|--------------------------|--------------|---------------|--------------------------|---------------|---------------|
|   | LEVEL 1                  | LEVEL 2      | LEVEL 3       | LEVEL 1                  | LEVEL 2       | LEVEL 3       |
| <b>1. Debt securities</b>                 | <b>44,709</b>            | <b>6,918</b> | <b>1,960</b>  | <b>54,106</b>            | <b>11,254</b> | <b>1,750</b>  |
| 1.1 Structured securities                 | -                        | -            | -             | -                        | -             | -             |
| 1.2 Other                                 | 44,709                   | 6,918        | 1,960         | 54,106                   | 11,254        | 1,750         |
| <b>2. Equity instruments</b>              | <b>7</b>                 | <b>450</b>   | <b>843</b>    | <b>7</b>                 | <b>602</b>    | <b>867</b>    |
| <b>3. Loans</b>                           | <b>-</b>                 | <b>-</b>     | <b>-</b>      | <b>-</b>                 | <b>-</b>      | <b>-</b>      |
| <b>Total</b>                              | <b>44,716</b>            | <b>7,368</b> | <b>2,803</b>  | <b>54,113</b>            | <b>11,856</b> | <b>2,617</b>  |
| <b>Total Level 1, Level 2 and Level 3</b> |                          |              | <b>54,887</b> |                          |               | <b>68,586</b> |

Valuations at fair value were classified according to a hierarchy of levels reflecting the observability of the valuations input. For further information see the paragraph "A.4 - Information on fair value" of the Notes to the consolidated accounts, Part A - Accounting Policies.

The decrease in the item "1. Debt Securities" is mainly due to disposals and reimbursements of the instruments occurred during the period, mostly related to UniCredit S.p.A. and its subsidiary UniCredit Bank AG.

The Item "1. Debt Securities" includes investments (i) in FINO Project's investments in Senior and in part in Mezzanine notes with a value of €61 million, (ii) in Senior bonds of Prisma securitisation for €544 million, (iii) in Senior bonds of Olympia securitisation for €222 million (iv) in Senior bonds of Itaca securitisation for €124 million, all investments presented among Level 3 instruments, and (v) in Senior bonds of Relais securitisation for €353 million, presented among Level 3 instruments (in Level 2 as at 31 December 2021).

The Item "2. Equity instruments" includes investments (i) in Banca d'Italia stake (presented among Level 2 instruments), with a value of €375 million and (ii) in ABH Holding SA share (presented among Level 3 instruments) acquired in contemplation of the sale of PJSC Ukrsootbank to Alfa Group, with a value of €305 million at 31 December 2022.

#### Exposures to securities related to Securitisation transactions

| TRANCHING    | AMOUNTS AS AT 31.12.2022 |
|--------------|--------------------------|
| Senior       | 1,292                    |
| Mezzanine    | 13                       |
| Junior       | -                        |
| <b>Total</b> | <b>1,305</b>             |

#### Information about the shareholding in Banca d'Italia

Reference is made to the paragraph "Information about the shareholding in Banca d'Italia" of the Company financial statements of UniCredit S.p.A., Notes to the accounts, Part B - Balance sheet - Assets, Section 3 - Financial assets at fair value through other comprehensive income - Item 30, 3.1 Financial assets at fair value through other comprehensive income: breakdown by product, which is herewith quoted entirely.

## Part B - Consolidated balance sheet - Assets

## 3.2 Financial assets at fair value through other comprehensive income: breakdown by borrowers/issuers

(€ million)

| ITEMS/VALUES                                    | AMOUNTS AS AT |               |
|---|---------------|---------------|
|   | 31.12.2022    | 31.12.2021    |
| <b>1. Debt securities</b>                       | <b>53,587</b> | <b>67,110</b> |
| a) Central Banks                                | -             | -             |
| b) Governments and other Public Sector Entities | 41,453        | 53,165        |
| c) Banks  | 8,587         | 10,142        |
| d) Other financial companies                    | 2,288         | 2,459         |
| <i>of which: insurance companies</i>            | -             | -             |
| e) Non-financial companies                      | 1,259         | 1,344         |
| <b>2. Equity instruments</b>                    | <b>1,300</b>  | <b>1,476</b>  |
| a) Banks  | 489           | 615           |
| b) Other issuers                                | 811           | 861           |
| - Other financial companies                     | 560           | 567           |
| <i>of which: insurance companies</i>            | 31            | 29            |
| - Non-financial companies                       | 246           | 290           |
| - Other   | 5             | 4             |
| <b>3. Loans and advances</b>                    | <b>-</b>      | <b>-</b>      |
| a) Central Banks                                | -             | -             |
| b) Governments and other Public Sector Entities | -             | -             |
| c) Banks  | -             | -             |
| d) Other financial companies                    | -             | -             |
| <i>of which: insurance companies</i>            | -             | -             |
| e) Non-financial companies                      | -             | -             |
| f) Households                                   | -             | -             |
| <b>Total</b>                                    | <b>54,887</b> | <b>68,586</b> |

The item "2.Equity instruments a) Banks" includes Banca d'Italia stake.

## 3.3 Financial assets at fair value through other comprehensive income: gross value and total accumulated impairments

(€ million)

|                         | GROSS VALUE   |  |            |          |  | TOTAL ACCUMULATED IMPAIRMENTS |           |          |  | PARTIAL ACCUMULATED WRITE-OFFS(*) |
|-------------------------|---------------|--|------------|----------|--|-------------------------------|-----------|----------|--|-----------------------------------|
|                         | STAGE 1       |  | STAGE 2    | STAGE 3  | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS | STAGE 1                       | STAGE 2   | STAGE 3  | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS |                                   |
|                         |               | OF WHICH: INSTRUMENTS WITH LOW CREDIT RISK EXEMPTION |            |          |  |                               |           |          |  |                                   |
| Debt securities         | 53,217        | 50,241   | 465        | 2        | -  | 62                            | 33        | 2        | -  | -                                 |
| Loans and advances      | -             | -  | -          | -        | -  | -                             | -         | -        | -  | -                                 |
| <b>Total 31.12.2022</b> | <b>53,217</b> | <b>50,241</b>  | <b>465</b> | <b>2</b> | <b>-</b>   | <b>62</b>                     | <b>33</b> | <b>2</b> | <b>-</b>   | <b>-</b>                          |
| <b>Total 31.12.2021</b> | <b>66,527</b> | <b>64,765</b>  | <b>655</b> | <b>2</b> | <b>-</b>   | <b>56</b>                     | <b>16</b> | <b>2</b> | <b>-</b>   | <b>-</b>                          |

Note:  
(\*) Value shown for information purposes.

## Part B - Consolidated balance sheet - Assets

## Section 4 - Financial assets at amortised cost - Item 40

## 4.1 Financial assets at amortised cost: breakdown by product of loans and advances to banks

(€ million)

| TYPE OF TRANSACTIONS/VALUES                   | AMOUNTS AS AT 31.12.2022 |           |  |              |               |               | AMOUNTS AS AT 31.12.2021 |         |  |              |               |               |
|---|--------------------------|-----------|--|--------------|---------------|---------------|--------------------------|---------|--|--------------|---------------|---------------|
|   | BOOK VALUE               |           | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS | FAIR VALUE   |               |               | BOOK VALUE               |         | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS | FAIR VALUE   |               |               |
|   | STAGE 1 AND STAGE 2      | STAGE 3   |  | LEVEL 1      | LEVEL 2       | LEVEL 3       | STAGE 1 AND STAGE 2      | STAGE 3 |  | LEVEL 1      | LEVEL 2       | LEVEL 3       |
| <b>A. Loans and advances to Central Banks</b> | <b>25,775</b>            | -         | -  | -            | <b>17,771</b> | <b>7,955</b>  | <b>59,465</b>            | -       | -  | -            | <b>7,589</b>  | <b>51,865</b> |
| 1. Time deposits                              | 2,191                    | -         | -  | X            | X             | X             | 2,839                    | -       | -  | X            | X             | X             |
| 2. Compulsory reserves                        | 19,415                   | -         | -  | X            | X             | X             | 50,947                   | -       | -  | X            | X             | X             |
| 3. Reverse repos                              | 4,152                    | -         | -  | X            | X             | X             | 5,077                    | -       | -  | X            | X             | X             |
| 4. Other                                      | 17                       | -         | -  | X            | X             | X             | 602                      | -       | -  | X            | X             | X             |
| <b>B. Loans and advances to banks</b>         | <b>31,957</b>            | <b>64</b> | -  | <b>7,888</b> | <b>16,829</b> | <b>6,316</b>  | <b>31,939</b>            | -       | -  | <b>6,454</b> | <b>21,931</b> | <b>3,853</b>  |
| 1. Loans                                      | 19,822                   | 64        | -  | -            | 14,238        | 5,448         | 23,418                   | -       | -  | -            | 19,850        | 3,835         |
| 1.1 Current accounts                          | -                        | -         | -  | X            | X             | X             | -                        | -       | -  | X            | X             | X             |
| 1.2 Time deposits                             | 3,438                    | -         | -  | X            | X             | X             | 7,918                    | -       | -  | X            | X             | X             |
| 1.3 Other loans                               | 16,384                   | 64        | -  | X            | X             | X             | 15,500                   | -       | -  | X            | X             | X             |
| - Reverse repos                               | 12,017                   | -         | -  | X            | X             | X             | 11,144                   | -       | -  | X            | X             | X             |
| - Lease Loans                                 | 2                        | -         | -  | X            | X             | X             | 3                        | -       | -  | X            | X             | X             |
| - Other                                       | 4,365                    | 64        | -  | X            | X             | X             | 4,353                    | -       | -  | X            | X             | X             |
| 2. Debt securities                            | 12,135                   | -         | -  | 7,888        | 2,591         | 868           | 8,521                    | -       | -  | 6,454        | 2,081         | 18            |
| 2.1 Structured                                | -                        | -         | -  | -            | -             | -             | -                        | -       | -  | -            | -             | -             |
| 2.2 Other                                     | 12,135                   | -         | -  | 7,888        | 2,591         | 868           | 8,521                    | -       | -  | 6,454        | 2,081         | 18            |
| <b>Total</b>                                  | <b>57,732</b>            | <b>64</b> | -  | <b>7,888</b> | <b>34,600</b> | <b>14,271</b> | <b>91,404</b>            | -       | -  | <b>6,454</b> | <b>29,520</b> | <b>55,718</b> |
| <b>Total Level 1, Level 2 and Level 3</b>     |                          |           |  |              |               | <b>56,759</b> |                          |         |  |              |               | <b>91,692</b> |

The decrease in item "A. Loans and advance to Central Banks" is mostly due to the decrease in the Compulsory Reserve held toward National Central Banks, mainly observed in UniCredit S.p.A. and its subsidiary UniCredit Bank AG.

Loans and advances to banks are not carried at fair value, which is presented solely for the purpose of fulfilling financial disclosure requirements. Fair value measurements are classified according to a three levels hierarchy that reflects the observability of the inputs used in the measurements. For further information see the paragraph "A.4 - Information on fair value", Notes to the consolidated accounts Part A - Accounting Policies.

This table does not include security lending transactions collateralised by securities or not collateralised. These transactions were classified under "off-balance sheet" exposures of table in the paragraph "A.1.4 Regulatory consolidation - On - and off-balance sheet credit exposure with banks: gross and net values" of the Notes to the consolidated accounts, Part E - Information on risks and hedging policies, Section 2 - Risks of the prudential consolidated perimeter, Quantitative information, A. Credit quality. Refer also the paragraph "Other information" of the Notes to the consolidated accounts, Part B - Consolidated balance sheet - Liabilities.

## Part B - Consolidated balance sheet - Assets

## 4.2 Financial assets at amortised cost: breakdown by product of loans and advances to customers

(€ million)

| TYPE OF TRANSACTIONS/VALUES                                       | AMOUNTS AS AT 31.12.2022  |              |   |                |                |                | AMOUNTS AS AT 31.12.2021  |              |   |                |                |                |
|---|---------------------------|--------------|---|----------------|----------------|----------------|---------------------------|--------------|---|----------------|----------------|----------------|
|   | BOOK VALUE                |              |   | FAIR VALUE     |                |                | BOOK VALUE                |              |   | FAIR VALUE     |                |                |
|   | STAGE 1<br>AND STAGE<br>2 | STAGE 3      | PURCHASED<br>OR<br>ORIGINATED<br>CREDIT-<br>IMPAIRED<br>FINANCIAL<br>ASSETS | LEVEL 1        | LEVEL 2        | LEVEL 3        | STAGE 1<br>AND STAGE<br>2 | STAGE 3      | PURCHASED<br>OR<br>ORIGINATED<br>CREDIT-<br>IMPAIRED<br>FINANCIAL<br>ASSETS | LEVEL 1        | LEVEL 2        | LEVEL 3        |
| <b>1. Loans</b>   | <b>447,398</b>            | <b>6,476</b> | <b>23</b>   | -              | <b>183,762</b> | <b>264,644</b> | <b>439,161</b>            | <b>8,002</b> | <b>32</b>   | -              | <b>182,934</b> | <b>274,888</b> |
| 1.1 Current accounts  | 27,773                    | 525          | -   | X              | X              | X              | 24,953                    | 683          | 1   | X              | X              | X              |
| 1.2 Reverse repos   | 23,340                    | -            | -   | X              | X              | X              | 18,239                    | -            | -   | X              | X              | X              |
| 1.3 Mortgages   | 184,400                   | 1,945        | 10  | X              | X              | X              | 182,348                   | 2,923        | 13  | X              | X              | X              |
| 1.4 Credit cards and personal loans,<br>including wage assignment | 17,533                    | 255          | -   | X              | X              | X              | 16,324                    | 311          | 1   | X              | X              | X              |
| 1.5 Lease loans   | 13,096                    | 284          | -   | X              | X              | X              | 14,040                    | 699          | -   | X              | X              | X              |
| 1.6 Factoring   | 13,721                    | 145          | -   | X              | X              | X              | 13,437                    | 129          | -   | X              | X              | X              |
| 1.7 Other loans   | 167,535                   | 3,322        | 13  | X              | X              | X              | 169,820                   | 3,257        | 17  | X              | X              | X              |
| <b>2. Debt securities</b>   | <b>70,968</b>             | <b>-</b>     | <b>-</b>  | <b>48,393</b>  | <b>16,341</b>  | <b>3,748</b>   | <b>66,451</b>             | <b>13</b>    | <b>-</b>  | <b>54,682</b>  | <b>10,252</b>  | <b>1,907</b>   |
| 2.1 Structured securities   | 83                        | -            | -   | -              | -              | 83             | 41                        | -            | -   | -              | -              | 41             |
| 2.2 Other debt securities   | 70,885                    | -            | -   | 48,393         | 16,341         | 3,665          | 66,410                    | 13           | -   | 54,682         | 10,252         | 1,866          |
| <b>Total</b>  | <b>518,366</b>            | <b>6,476</b> | <b>23</b>   | <b>48,393</b>  | <b>200,103</b> | <b>268,392</b> | <b>505,612</b>            | <b>8,015</b> | <b>32</b>   | <b>54,682</b>  | <b>193,186</b> | <b>276,795</b> |
| <b>Total Level 1, Level 2 and Level 3</b>                         |                           |              |   | <b>516,888</b> |                |                |                           |              |   | <b>524,663</b> |                |                |

The column "purchased or originated credit-impaired financial assets" includes loans, belonging to stage 2 and stage 3, that at the time of the purchase, as part of transactions other than business combinations, were already impaired.

The sub-items "1.2. Reverse repos" and "1.7 Other loans" do not include security lending transactions collateralised by securities or not collateralised. These transactions were classified under "off-balance sheet" exposures of table A.1.5 of Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, Quantitative information, A. Credit Quality. Refer also the section "Other Information" of Part B - Consolidated balance sheet - Liabilities.

The sub-item "1.7 Other loans" includes:

- €5,305 million for trade receivables;
- €26,718 million for pooled transactions;
- €25,189 million other Loans not settled through current account;
- €23,972 million other advances to customers for import/export services;
- €18,392 million for loans with amortised plan.

Loans to customers are not carried at fair value, which is presented solely for the purpose of fulfilling financial disclosure requirements. Fair value measurements are classified according to a three levels hierarchy that reflects the observability of the inputs used in the measurements. For further information see paragraph "A.4 Information on fair value" of the Notes to the consolidated accounts, Part A - Accounting Policies.

The fair value of demand items was estimated to be equal to their net book value by exercising the option provided for by IFRS7.29. According to this assumption, demand items were classified as Level 3 in the fair value hierarchy.

The fair value of impaired loans was estimated by considering that the realizable value expressed by the net book value is the best estimate of the future expected cash flows discounted at the valuation date, further adjusted to incorporate, when available, a premium derived from significant market's transaction for similar instruments. According to this assumption, impaired loans were classified as Level 3 in the fair value hierarchy. Furthermore, the reduction of the credit impaired (Stage 3) is mainly attributable to the disposal transactions of that loans performed during the period, mostly at UniCredit S.p.A.

For additional information refer to the Company financial statements of UniCredit S.p.A., Notes to the accounts, Part E - Information on risks and related hedging policies, Section 1 - Credit risk, under the table "A.1.2 Breakdown of financial assets by portfolio and credit quality (gross and net values).



## Part B - Consolidated balance sheet - Assets

The item "2.2 Other debt securities" include securities related to securitisation transactions shown in the following table.

### Exposures to securities related to Securitisation transactions

(€ million)

| TRANCHING    | AMOUNTS AS AT 31.12.2022 |
|--------------|--------------------------|
| Senior       | 13,737                   |
| Mezzanine    | 25                       |
| Junior       | -                        |
| <b>Total</b> | <b>13,762</b>            |

### 4.3 Financial assets at amortised cost: breakdown by borrowers/issuers of loans and advances to customers

(€ million)

| TYPE OF TRANSACTIONS/VALUES                     | AMOUNTS AS AT 31.12.2022 |              |  | AMOUNTS AS AT 31.12.2021 |              |  |
|---|--------------------------|--------------|--|--------------------------|--------------|--|
|   | STAGE 1 OR STAGE 2       | STAGE 3      | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS | STAGE 1 OR STAGE 2       | STAGE 3      | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS |
| <b>1. Debt securities</b>                       | <b>70,968</b>            | <b>-</b>     | <b>-</b>   | <b>66,451</b>            | <b>13</b>    | <b>-</b>   |
| a) Governments and other Public Sector Entities | 53,013                   | -            | -  | 53,549                   | -            | -  |
| b) Other financial companies                    | 14,449                   | -            | -  | 9,256                    | 13           | -  |
| <i>of which: insurance companies</i>            | -                        | -            | -  | -                        | -            | -  |
| c) Non-financial companies                      | 3,506                    | -            | -  | 3,646                    | -            | -  |
| <b>2. Loans</b>                                 | <b>447,398</b>           | <b>6,476</b> | <b>23</b>  | <b>439,161</b>           | <b>8,002</b> | <b>32</b>  |
| a) Governments and other Public Sector Entities | 22,844                   | 521          | -  | 24,194                   | 407          | -  |
| b) Other financial companies                    | 62,858                   | 473          | -  | 53,566                   | 542          | -  |
| <i>of which: insurance companies</i>            | 963                      | 1            | -  | 1,318                    | 1            | -  |
| c) Non-financial companies                      | 231,815                  | 4,029        | 12   | 234,582                  | 4,912        | 20   |
| d) Households                                   | 129,881                  | 1,453        | 11   | 126,819                  | 2,141        | 12   |
| <b>Total</b>                                    | <b>518,366</b>           | <b>6,476</b> | <b>23</b>  | <b>505,612</b>           | <b>8,015</b> | <b>32</b>  |

### 4.4 Financial assets at amortised cost: gross value and total accumulated impairments

(€ million)

|                         | GROSS VALUE    |                |                |               |  | TOTAL ACCUMULATED IMPAIRMENTS |              |              |  | PARTIAL ACCUMULATED WRITE-OFFS(*) |
|-------------------------|----------------|----------------|----------------|---------------|--|-------------------------------|--------------|--------------|--|-----------------------------------|
|                         | STAGE 1        |                | STAGE 2        | STAGE 3       | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS | STAGE 1                       | STAGE 2      | STAGE 3      | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS |                                   |
| 1. Debt securities      | 81,951         | 50,302         | 1,346          | 1             | -  | 12                            | 182          | -            | -  | -                                 |
| 2. Loans                | 411,967        | 136,723        | 86,685         | 12,574        | 28   | 1,352                         | 4,305        | 6,035        | 5  | 1,032                             |
| <b>Total 31.12.2022</b> | <b>493,918</b> | <b>187,025</b> | <b>88,031</b>  | <b>12,575</b> | <b>28</b>  | <b>1,364</b>                  | <b>4,487</b> | <b>6,035</b> | <b>5</b>   | <b>1,032</b>                      |
| <b>Total 31.12.2021</b> | <b>491,185</b> | <b>57,154</b>  | <b>110,545</b> | <b>17,250</b> | <b>46</b>  | <b>1,030</b>                  | <b>3,684</b> | <b>9,235</b> | <b>14</b>  | <b>1,907</b>                      |

Note:

(\*) Value shown for information purposes.

The increase in the "stage 1: of which instruments with low credit risk" is mainly due to the extension implemented during the period, and further to Investment Grade Bonds, of the Low Credit Risk Exemption rule for clients with 1 year IFRS9 PD lower than 0.3%. This threshold, being a reference value in ECB Asset Quality Review Manual, is also coherent with a risk level of Investment Grade.

For additional information on this section refer to the paragraph "A. Credit quality", Note to the accounts, Part E - Information on risks and related hedging policies, Quantitative information.

## Part B - Consolidated balance sheet - Assets

## 4.4a Financial assets at amortised cost subject to Covid-19 measures: gross value and total accumulated impairments

(€ million)

|   | GROSS VALUE   |  |               |              |   | TOTAL ACCUMULATED IMPAIRMENTS |            |            |   | PARTIAL ACCUMULATED WRITE-OFFS(*) |
|---|---------------|--|---------------|--------------|---|-------------------------------|------------|------------|---|-----------------------------------|
|   | STAGE 1       |  | STAGE 2       | STAGE 3      | PURCHASED OR ORIGINATED CREDIT IMPAIRED | STAGE 1                       | STAGE 2    | STAGE 3    | PURCHASED OR ORIGINATED CREDIT IMPAIRED |                                   |
|   |               | OF WHICH: INSTRUMENTS WITH LOW CREDIT RISK EXEMPTION |               |              |   |                               |            |            |   |                                   |
| 1. EBA-compliant moratoria loans and advances   | -             | -  | -             | -            | -                                       | -                             | -          | -          | -                                       | -                                 |
| 2. Loans under moratorium no longer compliant to the GL requirements and not valued as forbore exposure | 2,193         | -  | 1,212         | 151          | 1                                       | 11                            | 107        | 116        | -                                       | -                                 |
| 3. Loans and advances with other forbearance measures   | 2             | -  | 316           | 887          | 3                                       | -                             | 20         | 190        | 2                                       | -                                 |
| 4. Newly originated loans and advances  | 19,484        | -  | 5,927         | 453          | 5                                       | 24                            | 55         | 124        | -                                       | -                                 |
| <b>Total 31.12.2022</b>   | <b>21,679</b> | <b>-</b>   | <b>7,455</b>  | <b>1,491</b> | <b>9</b>                                | <b>35</b>                     | <b>182</b> | <b>430</b> | <b>2</b>                                | <b>-</b>                          |
| <b>Total 31.12.2021</b>   | <b>21,146</b> | <b>-</b>   | <b>14,990</b> | <b>2,467</b> | <b>7</b>                                | <b>53</b>                     | <b>591</b> | <b>774</b> | <b>-</b>                                | <b>-</b>                          |

Loans benefitting from Covid-19 measures are held, in term of gross exposures, mainly by UniCredit S.p.A. (€21,872 million, of which €21,567 million performing), UniCredit Bulbank (€2,916 million, of which €2,883 million performing) e UniCredit Bank AG (€2,345 million, of which €1,435 million performing).

## Section 5 - Hedging derivatives - Item 50

## 5.1 Hedging derivatives: breakdown by hedged risk and fair value hierarchy

(€ million)

|   | AMOUNTS AS AT 31.12.2022 |              |           |                 | AMOUNTS AS AT 31.12.2021 |              |          |                 |
|---|--------------------------|--------------|-----------|-----------------|--------------------------|--------------|----------|-----------------|
|   | FAIR VALUE               |              |           | NOTIONAL AMOUNT | FAIR VALUE               |              |          | NOTIONAL AMOUNT |
|   | LEVEL 1                  | LEVEL 2      | LEVEL 3   |                 | LEVEL 1                  | LEVEL 2      | LEVEL 3  |                 |
| <b>A. Financial derivatives</b>           | <b>177</b>               | <b>2,663</b> | <b>11</b> | <b>453,010</b>  | <b>38</b>                | <b>3,027</b> | <b>-</b> | <b>378,444</b>  |
| 1) Fair value                             | 177                      | 1,647        | 11        | 416,754         | 38                       | 2,466        | -        | 342,993         |
| 2) Cash flows                             | -                        | 999          | -         | 34,914          | -                        | 561          | -        | 35,451          |
| 3) Net investment in foreign subsidiaries | -                        | 17           | -         | 1,342           | -                        | -            | -        | -               |
| <b>B. Credit derivatives</b>              | <b>-</b>                 | <b>-</b>     | <b>-</b>  | <b>-</b>        | <b>-</b>                 | <b>-</b>     | <b>-</b> | <b>-</b>        |
| 1) Fair value                             | -                        | -            | -         | -               | -                        | -            | -        | -               |
| 2) Cash flows                             | -                        | -            | -         | -               | -                        | -            | -        | -               |
| <b>Total</b>                              | <b>177</b>               | <b>2,663</b> | <b>11</b> | <b>453,010</b>  | <b>38</b>                | <b>3,027</b> | <b>-</b> | <b>378,444</b>  |

|   |              |              |
|---|--------------|--------------|
| <b>Total Level 1, Level 2 and Level 3</b> | <b>2,851</b> | <b>3,065</b> |
|---|--------------|--------------|

Valuations at fair value were classified according to a hierarchy of levels reflecting the observability of the inputs used in the measurement. For further information refer to the paragraph "A.4 - Information on fair value" of the Notes to the consolidated accounts, Part A - Accounting policies.

## Part B - Consolidated balance sheet - Assets

## 5.2 Hedging derivatives: composition for covered portfolios and by type of hedging

(€ million)

| TRANSACTIONS/TYPE OF HEDGES  | AMOUNTS AS AT 31.12.2022                |  |                   |             |             |          |            |             |             |             |                     |
|--|---|--|-------------------|-------------|-------------|----------|------------|-------------|-------------|-------------|---------------------|
|  | FAIR VALUE                              |  |                   |             |             |          |            | CASH FLOW   |             |             |                     |
|  | MICRO-HEDGE                             |  |                   |             |             |          |            | MACRO-HEDGE | MICRO-HEDGE | MACRO-HEDGE | FOREIGN INVESTMENTS |
|  | DEBT SECURITIES AND INTEREST RATES RISK | EQUITY INSTRUMENTS AND EQUITY INDICES RISK | CURRENCY AND GOLD | CREDIT RISK | COMMODITIES | OTHERS   |            |             |             |             |                     |
| 1. Financial assets at fair value through other comprehensive income | 422                                     | -  | -                 | -           | X           | X        | X          | -           | X           | X           |                     |
| 2. Financial assets at amortised cost                                | 50                                      | X  | -                 | -           | X           | X        | X          | -           | X           | X           |                     |
| 3. Portfolio   | X                                       | X  | X                 | X           | X           | X        | 315        | X           | 849         | X           |                     |
| 4. Other transactions  | -                                       | -  | -                 | -           | -           | -        | X          | -           | X           | 17          |                     |
| <b>Total assets</b>  | <b>472</b>                              | <b>-</b>                                   | <b>-</b>          | <b>-</b>    | <b>-</b>    | <b>-</b> | <b>315</b> | <b>-</b>    | <b>849</b>  | <b>17</b>   |                     |
| 1. Financial liabilities   | 561                                     | X  | -                 | -           | -           | -        | X          | 2           | X           | X           |                     |
| 2. Portfolio   | X                                       | X  | X                 | X           | X           | X        | 247        | X           | 144         | X           |                     |
| <b>Total liabilities</b>   | <b>561</b>                              | <b>-</b>                                   | <b>-</b>          | <b>-</b>    | <b>-</b>    | <b>-</b> | <b>247</b> | <b>2</b>    | <b>144</b>  | <b>-</b>    |                     |
| 1. Expected transactions   | X                                       | X  | X                 | X           | X           | X        | X          | -           | X           | X           |                     |
| 2. Financial assets and liabilities portfolio                        | X                                       | X  | X                 | X           | X           | X        | 240        | X           | 4           | -           |                     |

## Section 6 - Changes in fair value of portfolio hedged items - Item 60

## 6.1 Changes to macro-hedged financial assets: breakdown by hedged portfolio

(€ million)

| CHANGES TO HEDGED ASSETS/GROUP COMPONENTS                            | AMOUNTS AS AT  |              |
|--|----------------|--------------|
|  | 31.12.2022     | 31.12.2021   |
| <b>1. Positive changes</b>   | <b>2,431</b>   | <b>3,317</b> |
| 1.1 Of specific portfolios   | 1,292          | 986          |
| a) Financial assets at amortised cost                                | 1,239          | 984          |
| b) Financial assets at fair value through other comprehensive income | 53             | 2            |
| 1.2 Overall  | 1,139          | 2,331        |
| <b>2. Negative changes</b>   | <b>9,007</b>   | <b>1,717</b> |
| 2.1 Of specific portfolios   | 3,907          | 744          |
| a) Financial assets at amortised cost                                | 3,883          | 744          |
| b) Financial assets at fair value through other comprehensive income | 24             | -            |
| 2.2 Overall  | 5,100          | 973          |
| <b>Total</b>   | <b>(6,576)</b> | <b>1,600</b> |

The decrease in the item is mainly attributable to the evolution in the markets interest rate curves observed in 2022.

## Part B - Consolidated balance sheet - Assets

### Section 7 - Equity investments - Item 70

During 2022, impairment losses for -€238 million were recognised, mainly attributable to write-downs on investments valued at Equity method of which: Bank Für Tirol und Vorarlberg Aktiengesellschaft (BTV) (-€86 million), Bks Bank AG (-€22 million) and Barn BV (-€111 million).

The calculation of the value in use for impairment testing purposes was carried out by using a Dividend Discount Model (DDM) which discounts future cash flow projections (free cash flows to equity) at an appropriate discount rate. The free cash flows to equity were determined by subtracting from net profit the annual capital requirement, which considers the changes in risk weighted assets (RWA) needed to achieve an adequate level of capitalization. The applied discount rate is a cost of equity assessed with the Capital Asset Pricing Model which calculates the cost of equity as the sum of the risk-free rate and equity risk premium.

With reference to BTV and Bks Bank AG, the set of projections employed for their impairment test as of 31 December 2022 was based on two alternative scenarios: (i) "Baseline" scenario, coherent with the updated multiyear plan released by the banks; (ii) "Downturn" scenario, in which the cash-flows were lowered to reflect worsened macroeconomic conditions. The use of a multiple scenario approach stems from the already mentioned high level of uncertainties arising from the geopolitical tensions and the recommendation by ESMA's public statement ("European common enforcement priorities for 2022 Annual Financial Reports").

The parameters used in the execution of the impairment test are furthermore in line with the methodology outlined by the KSW50 guidance.

With reference to Barn, the cash flow projections were derived from the company's multiyear plan, while the discount rate was determined according to the Group approach described in the Company financial statements, Part B - Balance sheet - Assets, Section 7 - Equity investments - Item 70, Estimating cash flows to determine the value in use of investments in subsidiaries, discount rates and regulatory capital targets.

#### 7.1 Equity investments: information on shareholders' equity

|    | COMPANY NAME   | MAIN OFFICE | ADMINISTRATIVE OFFICE | TYPE OF RELATIONSHIP <sup>(1)</sup> | NATURE OF RELATIONSHIP <sup>(2)</sup> | OWNERSHIP RELATIONSHIP  |               |                                |
|----|--|-------------|-----------------------|-------------------------------------|---------------------------------------|---|---------------|--------------------------------|
|    |  |             |                       |                                     |                                       | HELD BY   | HOLDING %     | VOTING RIGHTS % <sup>(3)</sup> |
|    | <b>VALUED AT EQUITY METHOD</b>   |             |                       |                                     |                                       |   |               |                                |
|    | <b>A.2 INVESTMENTS IN JOINT VENTURES</b>   |             |                       |                                     |                                       |   |               |                                |
| 1  | FIDES LEASING GMBH<br>Issued capital EUR 36,000  | VIENNA      | VIENNA                | 7                                   | 2                                     | CALG ANLAGEN LEASING GMBH   | 50.00         |                                |
| 2  | HETA BA LEASING SUED GMBH<br>Issued capital EUR 36,500   | KLAGENFURT  | KLAGENFURT            | 7                                   | 2                                     | UNIVERSALE INTERNATIONAL REALTAETEN GMBH                          | 50.00         |                                |
| 3  | PALATIN GRUNDSTUECKVERWALTUNGS GESELLSCHAFT M.B.H.<br>Issued capital EUR 36,336  | ST.POELTEN  | ST.POELTEN            | 7                                   | 2                                     | UNICREDIT LEASING (AUSTRIA) GMBH                                  | 50.00         |                                |
|    | <b>A.3 COMPANIES UNDER SIGNIFICANT INFLUENCE</b>   |             |                       |                                     |                                       |   |               |                                |
| 4  | ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJE OBVEZNIM I DOBROVOLJNIM MIROVINSKIM FONDovima<br>Issued capital HRK 105,000,000 | ZAGREB      | ZAGREB                | 8                                   | 2                                     | ZAGREBACKA BANKA D.D.   | 49.00         |                                |
| 5  | ASSET BANCARI II<br>Issued capital EUR 25,050,203  | MILAN       | MILAN                 | 8                                   | 2                                     | UNICREDIT SPA   | 21.55         |                                |
| 6  | BANK FUER TIROL UND VORARLBERG AKTIENGESELLSCHAFT<br>Issued capital EUR 74,250,000                                       | INNSBRUCK   | INNSBRUCK             | 8                                   | 1                                     | CABO BETEILIGUNGSGESELLSCHAFT M.B.H.<br>UNICREDIT BANK AUSTRIA AG | 37.53<br>9.85 |                                |
| 7  | BARN BV<br>Issued capital EUR 237,890,000  | AMSTERDAM   | AMSTERDAM             | 8                                   | 2                                     | AO UNICREDIT BANK   | 40.00         |                                |
| 8  | BKS BANK AG<br>Issued capital EUR 85,886,000   | KLAGENFURT  | KLAGENFURT            | 8                                   | 1                                     | CABO BETEILIGUNGSGESELLSCHAFT M.B.H.<br>UNICREDIT BANK AUSTRIA AG | 23.15<br>6.63 |                                |
| 9  | CAMFIN S.P.A.<br>Issued capital EUR 110,000,000  | MILAN       | MILAN                 | 8                                   | 5                                     | UNICREDIT SPA   | 8.53          | 15.82                          |
| 10 | CASH SERVICE COMPANY AD<br>Issued capital BGN 12,500,000   | SOFIA       | SOFIA                 | 8                                   | 2                                     | UNICREDIT BULBANK AD  | 25.00         |                                |
| 11 | CBD INTERNATIONAL SP.ZO.O.<br>Issued capital PLN 100,500   | WARSAW      | WARSAW                | 8                                   | 2                                     | ISB UNIVERSALE BAU GMBH   | 49.75         |                                |
| 12 | CNP UNICREDIT VITA S.P.A.<br>Issued capital EUR 381,698,529  | MILAN       | MILAN                 | 8                                   | 4                                     | UNICREDIT SPA   | 45.30         |                                |
| 13 | COMPAGNIA AEREA ITALIANA S.P.A.<br>Issued capital EUR 352,940  | ROME        | ROME                  | 8                                   | 2                                     | UNICREDIT SPA   | 36.59         |                                |
| 14 | COMTRADE GROUP B.V.<br>Issued capital EUR 4,522,000  | ROTTERDAM   | AMSTERDAM             | 8                                   | 5                                     | UNICREDIT BANK AG   | 21.05         |                                |
| 15 | DA VINCI S.R.L.  | ROME        | ROME                  | 8                                   | 5                                     | IDEA FIMIT SGR FONDO SIGMA IMMOBILIARE                            | 37.50         |                                |

<sup>50</sup> Chamber of certified public accountants (Kammer der Steuerberater und Wirtschaftsprüfer).

## Part B - Consolidated balance sheet - Assets

|    | COMPANY NAME  | MAIN OFFICE | ADMINISTRATIVE OFFICE | TYPE OF RELATIONSHIP <sup>(1)</sup> | NATURE OF RELATIONSHIP <sup>(2)</sup> | OWNERSHIP RELATIONSHIP  |                        |                                |
|----|---|-------------|-----------------------|-------------------------------------|---------------------------------------|---|------------------------|--------------------------------|
|    |   |             |                       |                                     |                                       | HELD BY   | HOLDING %              | VOTING RIGHTS % <sup>(2)</sup> |
|    | Issued capital EUR 100,000  |             |                       |                                     |                                       |   |                        |                                |
| 16 | INCONTRA ASSICURAZIONI S.P.A.<br>Issued capital EUR 5,200,000                           | MILAN       | MILAN                 | 8                                   | 4                                     | UNICREDIT SPA   | 49.00                  |                                |
| 17 | MULTIPLUS CARD D.O.O. ZA PROMIDZBU I USLUGE<br>Issued capital HRK 5,000,000             | ZAGREB      | ZAGREB                | 8                                   | 2                                     | ZAGREBACKA BANKA D.D.   | 75.00                  | 25.00                          |
| 18 | NOTARTREUHANDBANK AG<br>Issued capital EUR 8,030,000                                    | VIENNA      | VIENNA                | 8                                   | 2                                     | UNICREDIT BANK AUSTRIA AG   | 25.00                  |                                |
| 19 | OBEBANK AG<br>Issued capital EUR 105,846,000  | LINZ        | LINZ                  | 8                                   | 1                                     | CABO BETEILIGUNGSGESELLSCHAFT M.B.H.<br>UNICREDIT BANK AUSTRIA AG                   | 23.76<br>3.41          |                                |
| 20 | OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT<br>Issued capital EUR 130,000,000      | VIENNA      | VIENNA                | 8                                   | 1                                     | CABET-HOLDING GMBH<br>SCHOELLERBANK AKTIENGESELLSCHAFT<br>UNICREDIT BANK AUSTRIA AG | 24.75<br>8.26<br>16.14 |                                |
| 21 | OESTERREICHISCHE WERTPAPIERDATEN SERVICE GMBH<br>Issued capital EUR 100,000             | VIENNA      | VIENNA                | 8                                   | 2                                     | UNICREDIT BANK AUSTRIA AG   | 29.30                  |                                |
| 22 | PSA PAYMENT SERVICES AUSTRIA GMBH<br>Issued capital EUR 285,000                         | VIENNA      | VIENNA                | 8                                   | 2                                     | UNICREDIT BANK AUSTRIA AG   | 24.00                  |                                |
| 23 | RCI FINANCIAL SERVICES S.R.O.<br>Issued capital CZK 70,000,000                          | PRAGUE      | PRAGUE                | 8                                   | 2                                     | UNICREDIT LEASING CZ, A.S.  | 50.00                  | 49.86                          |
| 24 | RISANAMENTO SPA<br>Issued capital EUR 197,951,784                                       | MILAN       | MILAN                 | 8                                   | 5                                     | UNICREDIT SPA   | 22.23                  |                                |
| 25 | UNI GEBAEUEDEMANAGEMENT GMBH<br>Issued capital EUR 18,168                               | LINZ        | LINZ                  | 8                                   | 2                                     | BA GVG-HOLDING GMBH   | 50.00                  |                                |
| 26 | UNICREDIT ALLIANZ ASSICURAZIONI S.P.A.<br>Issued capital EUR 52,000,000                 | MILAN       | MILAN                 | 8                                   | 4                                     | UNICREDIT SPA   | 50.00                  |                                |
| 27 | UNICREDIT ALLIANZ VITA S.P.A.<br>Issued capital EUR 112,200,000                         | MILAN       | MILAN                 | 8                                   | 4                                     | UNICREDIT SPA   | 50.00                  |                                |
| 28 | WKBG WIENER KREDITBUERGSCHAFTS- UND BETEILIGUNGSBANK AG<br>Issued capital EUR 9,205,109 | VIENNA      | VIENNA                | 8                                   | 2                                     | UNICREDIT BANK AUSTRIA AG   | 21.54                  |                                |

**Notes:**

\* Company classified in the Financial Statements as "non-current assets and disposal groups classified as held for sale" according to IFRS5 and therefore valued at minor between fair value net of cost to sell and booking value. The latter is determined by interrupting the valuation at Equity starting from the date of IFRS5 classification.

(1) Type of relationship:

- 7 = joint control;
- 8 = associates.

(2) Voting rights available at the general meeting. Voting rights are disclosed only if different from the percentage of ownership;

(3) Nature of relationship:

- 1= Banks;
- 2= Financial entities
- 3= Ancillary banking entities services;
- 4= Insurance enterprises;
- 5= Non-financial enterprises;
- 6= Other equity investments.

## Part B - Consolidated balance sheet - Assets

Refer to Section 3 of Part A - Accounting policies for a description of the consolidation procedures and scope.

Joint ventures or companies under significant influence, consolidated at equity or classified as non-current assets and assets disposal groups, decreased from 29 as at 31 December 2021 to 28 as at 31 December 2022 due to 1 disposal.

The following table shows changes in equity investments in Joint Ventures and in companies under significant influence (consolidated at Net Equity).

### Equity investments in joint ventures and in companies under significant influence (consolidated at net equity): annual changes

|  | NUMBER OF COMPANIES |
|--|---------------------|
| <b>A. Opening balance (from previous year)</b>           | <b>29</b>           |
| <b>B. Increased by</b>                                   | <b>-</b>            |
| B.1 Newly established companies                          | -                   |
| B.2 Change of the consolidation method                   | -                   |
| B.3 Entities consolidated for the first time in the year | -                   |
| <b>C. Reduced by</b>                                     | <b>1</b>            |
| C.1 Disposal/Liquidation                                 | 1                   |
| C.2 Change of the consolidation method                   | -                   |
| C.3 Absorption by other entities                         | -                   |
| C.4 Other changes  | -                   |
| <b>D. Closing balance</b>                                | <b>28</b>           |

### Increases

During the period there were no changes in newly established companies, change of the consolidation method and entities consolidated for the first time in the year.

### Reductions

#### Disposal/Liquidation

| COMPANY NAME          | MAIN OFFICE |
|-----------------------|-------------|
| CNP VITA ASSICURA SPA | MILAN       |

#### Joint ventures and companies under significant influence that changed their names during the year

| COMPANY NAME  | MAIN OFFICE | COMPANY NAME  | MAIN OFFICE |
|---|-------------|---|-------------|
| UNICREDIT ALLIANZ ASSICURAZIONI S.P.A. (ex CREDITRAS ASSICURAZIONI SPA) | MILAN       | UNICREDIT ALLIANZ VITA S.P.A. (ex CREDITRAS VITA SPA) | MILAN       |

The following table shows the breakdown of item "70. Equity investments", reporting the adopted accounting method, held either directly or through consolidated subsidiaries.

|   | NUMBER OF ENTITY | CARRYING VALUE |
|---|------------------|----------------|
| Joint ventures accounted for under equity method                                      | 3                | -              |
| Associates accounted for under equity method  | 24               | 3,446          |
| Entities controlled either directly or through consolidated subsidiaries held at cost | 87               | 90             |
| Joint Venture held either directly or through consolidated subsidiaries at cost       | -                | -              |
| Associates held either directly or through consolidated subsidiaries at cost          | 8                | 4              |
| <b>Total</b>  | <b>122</b>       | <b>3,540</b>   |

(million)

## Part B - Consolidated balance sheet - Assets

## 7.2 Significant Shareholdings: book value, fair value and dividends received

| (€ million)  |                     |               |                        |           |
|--|---------------------|---------------|------------------------|-----------|
| COMPANY NAME   | BALANCE SHEET VALUE | FAIR VALUE(*) | DIVIDENDS RECEIVED(**) | NOTE(***) |
| <b>A. Companies under joint control</b>              |                     |               |                        |           |
| <b>B. Companies subject to significant influence</b> |                     |               |                        |           |
| BANK FUER TIROL UND VORARLBERG AKTIENGESELLSCHAFT    | 711                 | 658           | 5                      | (1)       |
| BKS BANK AG  | 356                 | 179           | 3                      | (1)       |
| CNP UNICREDIT VITA S.P.A.                            | 490                 | -             | 10                     | (2)       |
| OBERBANK AG  | 939                 | 983           | 10                     | (1)       |
| OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT     | 426                 | -             | 16                     | (2)       |
| UNICREDIT ALLIANZ VITA S.P.A.                        | 302                 | -             | 100                    | (2)       |
| <b>Total</b>   | <b>3,224</b>        | <b>1,820</b>  | <b>144</b>             |           |

**Notes:**

(\*) It should be noted that all investments in listed associates show a fair value at Level 1 (L1).

(\*\*) Dividends received by the investor company.

(\*\*\*) In the present table and in the following relating to significant shareholdings the values are referred to the last financial statements in line with IAS28 requirements.

(1) It should be noted that on the basis of the International Accounting Standards, equity investments in associates listed on regulated markets with a fair value (quotation) lower than consolidated book value are impairment tested by calculating recoverable value, stated as the greater of fair value net of costs to sell and value in use, and an impairment loss is recognised when the recoverable value is lower than the book value. As at 31 December 2022 for Bank Fuer Tirol un Vorarlberg Aktiengesellschaft and for Bks Bank AG the recoverable value was lower than the book value therefore a write-down was recognised. For more details see paragraph 7.1 of this section.

(2) Note that on the basis of the International Accounting Standards, equity investments in associates for which there is clear evidence of occurrence of events that may reduce their value, are impairment tested by calculating recoverable value, stated as the greater of fair value net of costs to sell and value in use, and an impairment loss is recognised when the recoverable value is lower than the book value.

As at 31 December 2022 for CNP UniCredit Vita S.P.A. the recoverable value was higher than the book value therefore a write-back of previous impairment was recognised. For more details see Part C - Information on Consolidated income statement - Section 17 - Gain (Losses) of equity investments - Item 250 of Notes to the consolidated accounts.

Financial information of the investee companies used for the purposes of measurement with the net equity method is presented below. These figures include any adjustments made in line with paragraph B14 of IFRS12 requirements.

## Part B - Consolidated balance sheet - Assets

## 7.3 Significant Shareholdings: accounting information

(€ million)

| COMPANY NAME   | CASH AND CASH BALANCES | FINANCIAL ASSETS | NON-FINANCIAL ASSETS | FINANCIAL LIABILITIES | NON-FINANCIAL LIABILITIES | TOTAL REVENUES | INTEREST MARGIN |
|--|------------------------|------------------|----------------------|-----------------------|---------------------------|----------------|-----------------|
| <b>A. Companies under joint control</b>              | -                      | -                | -                    | -                     | -                         | -              | -               |
| <b>B. Companies subject to significant influence</b> |                        |                  |                      |                       |                           |                |                 |
| BANK FUER TIROL UND VORARLBERG AKTIENGESELLSCHAFT    | X                      | 11,303           | 559                  | 11,943                | 275                       | 423            | X               |
| BKS BANK AG  | X                      | 9,445            | 206                  | 8,907                 | 216                       | 280            | X               |
| CNP UNICREDIT VITA S.P.A.                            | X                      | 15,735           | 1,168                | 222                   | 15,757                    | 3,751          | X               |
| OBERBANK AG  | X                      | 23,878           | 550                  | 23,819                | 795                       | 680            | X               |
| OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT     | X                      | 34,712           | 100                  | 32,413                | 1,612                     | 413            | X               |
| UNICREDIT ALLIANZ VITA S.P.A.                        | X                      | 28,680           | 1,792                | 22,116                | 7,875                     | 811            | X               |

continued: 7.3 Significant Shareholdings: accounting information

| COMPANY NAME   | WRITE-BACK AND WRITE-DOWNS ON TANGIBLE AND INTAGIBLE ASSETS | PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAXES | PROFIT (LOSS) FROM CONTINUING OPERATIONS NET OF TAX | PROFIT (LOSS) FROM DISCONTINUED OPERATIONS NET OF TAX | NET PROFIT (LOSS) (1) | OTHER COMPREHENSIVE INCOME NET OF TAX (2) | COMPREHENSIVE INCOME (3)=(1)+(2) |
|--|---|---|---|---|-----------------------|---|----------------------------------|
| <b>A. Companies under joint control</b>              | -   | -   | -   | -   | -                     | -   | -                                |
| <b>B. Companies subject to significant influence</b> |   |   |   |   |                       |   |                                  |
| BANK FUER TIROL UND VORARLBERG AKTIENGESELLSCHAFT    | X   | 107   | 94  | -   | 94                    | 7   | 101                              |
| BKS BANK AG  | X   | 65  | 58  | -   | 58                    | 10  | 68                               |
| CNP UNICREDIT VITA S.P.A.                            | X   | 127   | 89  | -   | 89                    | (147)                                     | (58)                             |
| OBERBANK AG  | X   | 160   | 115   | -   | 115                   | 19  | 134                              |
| OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT     | X   | 70  | 53  | -   | 53                    | 19  | 72                               |
| UNICREDIT ALLIANZ VITA S.P.A.                        | X   | 179   | 94  | -   | 94                    | (421)                                     | (327)                            |

For each significant equity investment, the reconciliation between the book value of the equity investment and financial information of the companies is reported below.

(€ million)

| COMPANY NAME   | BALANCE SHEET VALUE | EQUITY PROQUOTA | GOODWILL ON CONSOLIDATION |
|--|---------------------|-----------------|---------------------------|
| <b>A. Companies under joint control</b>              | -                   | -               | -                         |
| <b>B. Companies subject to significant influence</b> |                     |                 |                           |
| BANK FUER TIROL UND VORARLBERG AKTIENGESELLSCHAFT    | 711                 | 962             | -                         |
| BKS BANK AG  | 356                 | 429             | -                         |
| CNP UNICREDIT VITA S.P.A.                            | 490                 | 418             | 72                        |
| OBERBANK AG  | 939                 | 896             | 43                        |
| OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT     | 426                 | 426             | -                         |
| UNICREDIT ALLIANZ VITA S.P.A.                        | 302                 | 302             | -                         |

With reference to the nature of the relationships see paragraph 7.1 of this Section.

The carrying amount of the investments in Bank Fuer Tirol und Vorarlberg Aktiengesellschaft and in Bks Bank AG is affected by write-downs made in the current year and in the previous ones.

Aggregated financial information are disclosed for the related stake in the equity held.



## Part B - Consolidated balance sheet - Assets

## 7.4 Non-significant equity investments: accounting information

(€ million)

|  | BALANCE SHEET VALUE OF SHAREHOLDING | TOTAL ASSET | TOTAL LIABILITIES | TOTAL REVENUES | PROFIT (LOSS) FROM CONTINUING OPERATIONS NET OF TAX | PROFIT (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX | NET PROFIT (LOSS) (1) | OTHER COMPREHENSIVE INCOME, NET OF TAX (2) | COMPREHENSIVE INCOME (3) = (1) + (2) |
|--|-------------------------------------|-------------|-------------------|----------------|---|--|-----------------------|--|--------------------------------------|
| Companies under joint control              | -                                   | 16          | 16                | -              | -   | -  | -                     | -  |                                      |
| Companies subject to significant influence | 222                                 | 2,147       | 1,802             | 205            | 49  | -  | 49                    | (20)                                       |                                      |

## Notes:

Note that on the basis of the International Accounting Standards, equity investments in associates for which there is clear evidence of occurrence of events that may reduce their value, are impairment tested by calculating recoverable value, stated as the greater of fair value net of costs to sell and value in use, and an impairment loss is recognised when the recoverable value is lower than the book value. As at 31 December 2022 for Barn BV the recoverable value was lower than the book value therefore a write-down was recognised. For more details see paragraph 7.1 of this section.

## 7.5 Equity investments: annual changes

(€ million)

|  | CHANGES IN   |              |
|--|--------------|--------------|
|  | 2022         | 2021         |
| <b>A. Opening balance</b>              | <b>4,073</b> | <b>4,354</b> |
| <b>B. Increases</b>                    | <b>520</b>   | <b>716</b>   |
| <i>of which: business combinations</i> | -            | -            |
| B.1 Purchases                          | 124          | 1            |
| B.2 Write-backs                        | 61           | 89           |
| B.3 Revaluation                        | -            | -            |
| B.4 Other changes                      | 335          | 626          |
| <b>C. Decreases</b>                    | <b>1,053</b> | <b>997</b>   |
| <i>of which: business combinations</i> | -            | -            |
| C.1 Sales                              | 4            | 4            |
| C.2 Write-downs                        | 238          | 361          |
| C.3 Impairment                         | -            | -            |
| C.4 Other changes                      | 811          | 632          |
| <b>D. Closing balance</b>              | <b>3,540</b> | <b>4,073</b> |
| <b>E. Total revaluation</b>            | <b>-</b>     | <b>-</b>     |
| <b>F. Total write-downs</b>            | <b>596</b>   | <b>422</b>   |

## 7.6 Valuation and significant assumptions to establish the existence of joint control or significant influence

The Group has classified among associates the entities governed through voting rights with reference to which it can participate in defining the operating or financial policies through possession of at least 20%<sup>51</sup> of the voting rights or the possibility of appointing members of the governing body.

In particular, as shown in Table "7.1 Equity investments: information on shareholding relationships", it should be noted that the investee CAMFIN S.p.A. is classified among associates, although the Group does not have more than 20% of the voting rights, in virtue of the possibility of appointing members of the governing body.

The Group has classified its investees among jointly-controlled equity investments in the presence of agreements that state that decisions on significant activities are taken with the unanimous consent of all parties that share control.

These agreements, in particular, attribute to the Group rights related only to the net assets and not rights to the assets and obligations on the liabilities of the investee.

As at 31 December 2022, 8 equity investments (all held either directly or through consolidated subsidiaries) in associates were carried at cost.

Based on available information, it should be considered that their consolidation at equity would not have impacted significantly the Group Shareholders' equity.

<sup>51</sup> 10% for listed companies.

## Part B - Consolidated balance sheet - Assets

### 7.7 Commitments related to equity investments in jointly-controlled companies

There are no commitments related to jointly-controlled companies.

### 7.8 Commitments related to equity investments in companies subject to significant influence

There are no commitments related to companies subject to significant influence.

### 7.9 Significant restrictions

As at 31 December 2022, we note, with reference to Value Transformation Services S.p.A., the existence of a shareholders' agreement which limits the Group's possibility to participate in the profits, in the form of dividend distribution, and in the losses to a maximum amount of €300,000.

Finally, the ability to receive dividends or capital distributions from associates is subordinated to the majority, also qualified, or unanimous decision of the relevant corporate body as provided by the law or by specific shareholder agreements.

### 7.10 Other information

With reference to significant equity investments in associates and jointly-controlled companies, the net equity method was applied starting from the 2022 draft financial statements approved by the competent corporate bodies or from the reports approved in the three previous months.

With reference to non-significant equity investments in associates and jointly-controlled companies, in limited cases financial statements or reports with a date prior to 3 months from 31 December 2022 were used, if no more up-to-date reports were available.

However, if financial statements or reports with a date other than 31 December 2022 were used, no subsequent transactions or events emerged such as to require an adjustment of the results contained therein.

Finally, it should be noted that as at 31 December 2022 UniCredit group has in place several alliance agreements, as well as several shareholders' agreements stipulated with other parties under the scope of co-investment agreements (e.g. agreements for the establishment of joint ventures), with special reference to the insurance sector. Under the scope of these agreements, as per market practice, there are investment protective clauses which, depending on the case, allow the parties to negotiate their respective positions on the underlying investment in the case of their "exit", through mechanisms that require purchase and/or sale. These provisions are usually applied after a certain period of time and/or when specific events occur, also connected to the underlying distribution agreements.

## Section 8 - Insurance reserves charged to reinsurers - Item 80

No data to be disclosed.

## Part B - Consolidated balance sheet - Assets

### Section 9 - Property, plant and equipment - Item 90

#### Valuation of the Group real estate portfolio

The Group adopts the fair value model for the measurement of properties held for investment and the revaluation model for the measurement of properties used in business.

Such approach is deemed to result in reliable and more relevant information for financial statements' users taking into account:

- the expected disposal by 2025 of real estate assets held for investment (IAS40), as fair value model presents a higher capability to approximate the expected disposal price, accounting for the related effects timely in advance;
- the possibility to better represent the equity of the Group, with regard to real estate assets used in business (IAS16), as revaluation model represents the net equity updated in light of current market conditions.

As at 31 December 2022 fair value of both properties held for investment and properties used in business was re-determined through external appraisals.

With reference to the Group, the update of appraisals has led to an overall positive balance sheet effect of +€109 million gross of tax, as detailed below:

- for real estate assets used in business the recognition of an increase in the specific valuation reserve for an amount of +€92 million gross of tax effect. In addition to this increase, net gains for +€11 million were recognised in the income statement gross of the tax effect;
- for real estate assets held for investment the recognition of an income statement results equal to +€6 million gross of the tax effect.

With reference to UniCredit S.p.A. the update of appraisals has led to an overall positive balance sheet effect of +€48 million gross of tax, as detailed below:

- for real estate assets used in business the recognition of an increase in the specific valuation reserve for an amount of +€40 million gross of tax effect. In addition to this increase, net gains for +€6 million were recognised in the income statement gross of the tax effect;
- for real estate assets held for investment the recognition of an income statement result equal to +€2 million gross of the tax effect.

It is worth to note that the valuation of properties at current values implies a possible risk of volatility as well as an increase of the so-called real estate risk (for the description of which refer to the Notes to the consolidated accounts, Part E - Information on risks and related hedging policies - Other risk included in the Economic Capital).

By reference to the real estate units held as at 31 December 2022 and their corresponding market value overall equal to €5,890 million, has been estimated a sensitivity to the increase/decrease in real estate values of +/-1% equal to approximately €59 million corresponding to approximately +/- 2 basis point of CET1 ratio.

Note the measurement of inventories of property, plant and equipment to the lower between cost and net realizable value has determined the recognition of a net write-down for -€3 million.

## Part B - Consolidated balance sheet - Assets

### 9.1 Property, plant and equipment used in the business: breakdown of assets carried at cost

(€ million)

| ASSETS/VALUES  | AMOUNTS AS AT |              |
|--|---------------|--------------|
|  | 31.12.2022    | 31.12.2021   |
| <b>1. Owned assets</b>                                     | <b>1,256</b>  | <b>1,310</b> |
| a) Land  | -             | -            |
| b) Buildings   | -             | 1            |
| c) Office furniture and fitting                            | 144           | 146          |
| d) Electronic systems                                      | 440           | 442          |
| e) Other   | 672           | 721          |
| <b>2. Right of use of Leased Assets</b>                    | <b>1,519</b>  | <b>1,697</b> |
| a) Land  | 10            | 10           |
| b) Buildings   | 1,464         | 1,651        |
| c) Office furniture and fitting                            | -             | 1            |
| d) Electronic systems                                      | -             | -            |
| e) Other   | 45            | 35           |
| <b>Total</b>   | <b>2,775</b>  | <b>3,007</b> |
| <i>of which: obtained by the enforcement of collateral</i> | -             | -            |

### 9.2 Property, plant and equipment held for investment: breakdown of assets carried at cost

No data to be disclosed.

### 9.3 Property, plant and equipment used in the business: breakdown of revalued assets

(€ million)

| ASSETS/VALUES  | AMOUNTS AS AT 31.12.2022 |         |              | AMOUNTS AS AT 31.12.2021 |         |              |
|--|--------------------------|---------|--------------|--------------------------|---------|--------------|
|  | LEVEL 1                  | LEVEL 2 | LEVEL 3      | LEVEL 1                  | LEVEL 2 | LEVEL 3      |
| <b>1. Owned assets</b>                                     | -                        | -       | <b>5,005</b> | -                        | -       | <b>4,969</b> |
| a) Land  | -                        | -       | 2,151        | -                        | -       | 2,092        |
| b) Buildings   | -                        | -       | 2,854        | -                        | -       | 2,877        |
| c) Office furniture and fitting                            | -                        | -       | -            | -                        | -       | -            |
| d) Electronic systems                                      | -                        | -       | -            | -                        | -       | -            |
| e) Other   | -                        | -       | -            | -                        | -       | -            |
| <b>2. Right of use of Leased Assets</b>                    | -                        | -       | -            | -                        | -       | -            |
| a) Land  | -                        | -       | -            | -                        | -       | -            |
| b) Buildings   | -                        | -       | -            | -                        | -       | -            |
| c) Office furniture and fitting                            | -                        | -       | -            | -                        | -       | -            |
| d) Electronic systems                                      | -                        | -       | -            | -                        | -       | -            |
| e) Other   | -                        | -       | -            | -                        | -       | -            |
| <b>Total</b>   | -                        | -       | <b>5,005</b> | -                        | -       | <b>4,969</b> |
| <i>of which: obtained by the enforcement of collateral</i> | -                        | -       | -            | -                        | -       | -            |
| <b>Total Level 1, Level 2 and Level 3</b>                  |                          |         | <b>5,005</b> |                          |         | <b>4,969</b> |

## Part B - Consolidated balance sheet - Assets

## 9.4 Property, plant and equipment held for investment: breakdown of assets designated at fair value

(€ million)

| ASSETS/VALUES  | AMOUNTS AS AT 31.12.2022 |         |            | AMOUNTS AS AT 31.12.2021 |         |            |
|--|--------------------------|---------|------------|--------------------------|---------|------------|
|  | LEVEL 1                  | LEVEL 2 | LEVEL 3    | LEVEL 1                  | LEVEL 2 | LEVEL 3    |
| <b>1. Owned assets</b>                                     | -                        | -       | <b>822</b> | -                        | -       | <b>914</b> |
| a) Land  | -                        | -       | 374        | -                        | -       | 425        |
| b) Buildings   | -                        | -       | 448        | -                        | -       | 489        |
| <b>2. Right of use of Leased Assets</b>                    | -                        | -       | <b>63</b>  | -                        | -       | <b>72</b>  |
| a) Land  | -                        | -       | 58         | -                        | -       | 58         |
| b) Buildings   | -                        | -       | 5          | -                        | -       | 14         |
| <b>Total</b>   | -                        | -       | <b>885</b> | -                        | -       | <b>986</b> |
| <i>of which: obtained by the enforcement of collateral</i> | -                        | -       | 49         | -                        | -       | 61         |
| <b>Total Level 1, Level 2 and Level 3</b>                  |                          |         | <b>885</b> |                          |         | <b>986</b> |

## 9.5 Inventories of property, plant and equipment regulated by IAS2: breakdown

(€ million)

| ASSETS/VALUES  | AMOUNTS AS AT |            |
|--|---------------|------------|
|  | 31.12.2022    | 31.12.2021 |
| <b>1. Inventories of property, plant and equipment obtained through the enforcement of guarantees received</b> | <b>494</b>    | <b>544</b> |
| a) Land  | 29            | 32         |
| b) Buildings   | 463           | 504        |
| c) Office furniture and fitting  | -             | -          |
| d) Electronic systems  | -             | -          |
| e) Other   | 2             | 8          |
| <b>2. Other inventories of property, plant and equipment</b>   | <b>5</b>      | <b>4</b>   |
| <b>Total</b>   | <b>499</b>    | <b>548</b> |
| <i>of which: measured at fair value less costs to sell</i>   | 1             | 1          |

## Part B - Consolidated balance sheet - Assets

## 9.6 Property, plant and equipment used in the business: annual changes

|   | CHANGES IN 2022 |              |                                     |                       |              | (€ million)   |
|---|-----------------|--------------|-------------------------------------|-----------------------|--------------|---------------|
|   | LANDS           | BUILDINGS    | OFFICE<br>FURNITURE AND<br>FITTINGS | ELECTRONIC<br>SYSTEMS | OTHER        | TOTAL         |
| <b>A. Gross opening balance</b>                                       | <b>2,102</b>    | <b>7,986</b> | <b>1,084</b>                        | <b>2,779</b>          | <b>1,652</b> | <b>15,603</b> |
| A.1 Total net reduction in value                                      | -               | (3,457)      | (937)                               | (2,337)               | (896)        | (7,627)       |
| A.2 Net opening balance   | 2,102           | 4,529        | 147                                 | 442                   | 756          | 7,976         |
| <b>B. Increases</b>   | <b>80</b>       | <b>486</b>   | <b>32</b>                           | <b>154</b>            | <b>265</b>   | <b>1,017</b>  |
| B.1 Purchases   | 1               | 195          | 24                                  | 146                   | 251          | 617           |
| <i>of which: business combinations</i>                                | -               | -            | -                                   | -                     | -            | -             |
| B.2 Capitalised expenditure on improvements                           | -               | 49           | -                                   | -                     | -            | 49            |
| B.3 Write-backs   | -               | 27           | 3                                   | 1                     | 1            | 32            |
| B.4 Increases in fair value   | 77              | 116          | -                                   | -                     | -            | 193           |
| a) In equity  | 71              | 86           | -                                   | -                     | -            | 157           |
| b) Through profit or loss   | 6               | 30           | -                                   | -                     | -            | 36            |
| B.5 Positive exchange differences                                     | -               | 17           | -                                   | 3                     | 3            | 23            |
| B.6 Transfer from properties held for investment                      | 2               | 6            | X                                   | X                     | X            | 8             |
| B.7 Other changes   | -               | 76           | 5                                   | 4                     | 10           | 95            |
| <b>C. Reductions</b>  | <b>21</b>       | <b>697</b>   | <b>35</b>                           | <b>156</b>            | <b>304</b>   | <b>1,213</b>  |
| C.1 Disposals   | 1               | 15           | -                                   | -                     | 145          | 161           |
| <i>of which: business combinations</i>                                | -               | -            | -                                   | -                     | -            | -             |
| C.2 Depreciation  | 1               | 423          | 27                                  | 144                   | 138          | 733           |
| C.3 Impairment losses   | 1               | 45           | 6                                   | 8                     | -            | 60            |
| a) In equity  | -               | -            | -                                   | -                     | -            | -             |
| b) Through profit or loss   | 1               | 45           | 6                                   | 8                     | -            | 60            |
| C.4 Reduction of fair value   | 12              | 78           | -                                   | -                     | -            | 90            |
| a) In equity  | 10              | 55           | -                                   | -                     | -            | 65            |
| b) Through profit or loss   | 2               | 23           | -                                   | -                     | -            | 25            |
| C.5 Negative exchange differences                                     | 1               | 5            | -                                   | -                     | 1            | 7             |
| C.6 Transfer to   | 5               | 13           | -                                   | -                     | -            | 18            |
| a) Property, plant and equipment held for investment                  | 5               | 11           | X                                   | X                     | X            | 16            |
| b) Non-current assets and disposal groups classified as held for sale | -               | 2            | -                                   | -                     | -            | 2             |
| C.7 Other changes   | -               | 118          | 2                                   | 4                     | 20           | 144           |
| <b>D. Net final balance</b>   | <b>2,161</b>    | <b>4,318</b> | <b>144</b>                          | <b>440</b>            | <b>717</b>   | <b>7,780</b>  |
| D.1 Total net reduction in value                                      | -               | (3,795)      | (942)                               | (2,364)               | (905)        | (8,006)       |
| D.2 Gross closing balance   | 2,161           | 8,113        | 1,086                               | 2,804                 | 1,622        | 15,786        |
| <b>E. Carried at cost</b>   | <b>1,027</b>    | <b>2,331</b> | <b>-</b>                            | <b>-</b>              | <b>-</b>     | <b>3,358</b>  |

## Part B - Consolidated balance sheet - Assets

## 9.7 Property, plant and equipment held for investment: annual changes

|   | CHANGES IN 2022 |           |       |
|---|-----------------|-----------|-------|
|   | LANDS           | BUILDINGS | TOTAL |
| <b>A. Opening balances</b>  | 483             | 504       | 987   |
| <b>B. Increases</b>   | 25              | 39        | 64    |
| B.1 Purchases   | -               | -         | -     |
| <i>of which: business combinations</i>                                | -               | -         | -     |
| B.2 Capitalised expenditure on improvements                           | -               | 4         | 4     |
| B.3 Increases in fair value   | 18              | 22        | 40    |
| B.4 Write-backs   | -               | -         | -     |
| B.5 Positive exchange differences                                     | -               | 1         | 1     |
| B.6 Transfer from properties used in the business                     | 5               | 11        | 16    |
| B.7 Other changes   | 2               | 1         | 3     |
| <b>C. Reductions</b>  | 76              | 90        | 166   |
| C.1 Disposals   | 7               | 3         | 10    |
| <i>of which: business combinations</i>                                | -               | -         | -     |
| C.2 Depreciation  | -               | -         | -     |
| C.3 Reductions in fair value  | 6               | 28        | 34    |
| C.4 Impairment losses   | -               | -         | -     |
| C.5 Negative exchange differences                                     | -               | 3         | 3     |
| C.6 Transfer to   | 63              | 56        | 119   |
| a) Properties used in the business                                    | 2               | 6         | 8     |
| b) Non-current assets and disposal groups classified as held for sale | 61              | 50        | 111   |
| C.7 Other changes   | -               | -         | -     |
| <b>D. Closing balances</b>  | 432             | 453       | 885   |
| <b>E. Measured at fair value</b>                                      | -               | -         | -     |

## 9.8 Inventories of property, plant and equipment regulated by IAS2: annual changes

|  | CHANGES IN 2022   |           |                                     |                       |       |    |  |
|--|---|-----------|-------------------------------------|-----------------------|-------|----|--|
|  | INVENTORIES OF PROPERTY,<br>PLANT AND EQUIPMENT<br>OBTAINED BY ENFORCEMENT<br>OF COLLATERAL |           |                                     |                       |       |    | OTHER<br>INVENTORIES<br>OF PROPERTY,<br>PLANT AND<br>EQUIPMENT |
|  | LANDS   | BUILDINGS | OFFICE<br>FURNITURE<br>AND FITTINGS | ELECTRONIC<br>SYSTEMS | OTHER |    |  |
| <b>A. Opening balances</b>             | 32  | 504       | -                                   | -                     | 8     | 4  | 548  |
| <b>B. Increases</b>                    | -   | 17        | -                                   | -                     | 31    | 15 | 63   |
| B.1 Purchases                          | -   | 8         | -                                   | -                     | 13    | 2  | 23   |
| <i>of which: business combinations</i> | -   | -         | -                                   | -                     | -     | -  | -  |
| B.2 Write-backs                        | -   | 1         | -                                   | -                     | -     | 1  | 2  |
| B.3 Positive exchange differences      | -   | -         | -                                   | -                     | -     | -  | -  |
| B.4 Other changes                      | -   | 8         | -                                   | -                     | 18    | 12 | 38   |
| <b>C. Reductions</b>                   | 3   | 58        | -                                   | -                     | 37    | 14 | 112  |
| C.1 Disposals                          | 3   | 51        | -                                   | -                     | 36    | 13 | 103  |
| <i>of which: business combinations</i> | -   | -         | -                                   | -                     | -     | -  | -  |
| C.2 Impairment losses                  | -   | 5         | -                                   | -                     | -     | -  | 5  |
| C.3 Negative exchange differences      | -   | -         | -                                   | -                     | -     | -  | -  |
| C.4 Other changes                      | -   | 2         | -                                   | -                     | 1     | 1  | 4  |
| <b>D. Closing balances</b>             | 29  | 463       | -                                   | -                     | 2     | 5  | 499  |

## Part B - Consolidated balance sheet - Assets

### 9.9 Commitments to purchase property, plant and equipment

|                            | AMOUNTS AS AT |            | (€ million) |
|----------------------------|---------------|------------|-------------|
|                            | 31.12.2022    | 31.12.2021 |             |
| A. Contractual commitments | 2             | 6          |             |

Outstanding commitments refer to the purchase of property, plant and equipment.

## Section 10 - Intangible assets - Item 100

An intangible asset is an identifiable non-monetary asset without physical substance, to be used for several years.

Intangible assets may include goodwill and, among "other intangible assets", brands, customer relationships and software.

As at 31 December 2022 intangible assets amounted to €2,350 million and mostly referred to software, slightly increased in comparison to €2,234 million as at 31 December 2021.

### 10.1 Intangible assets: breakdown by asset type

| ASSETS/VALUES                             | AMOUNTS AS AT 31.12.2022 |                 | AMOUNTS AS AT 31.12.2021 |                 | (€ million) |
|---|--------------------------|-----------------|--------------------------|-----------------|-------------|
|   | FINITE LIFE              | INDEFINITE LIFE | FINITE LIFE              | INDEFINITE LIFE |             |
| <b>A.1 Goodwill</b>                       | X                        | -               | X                        | -               |             |
| A.1.1 Attributable to the Group           | X                        | -               | X                        | -               |             |
| A.1.2 Attributable to minorities          | X                        | -               | X                        | -               |             |
| <b>A.2 Other intangible assets</b>        | <b>2,350</b>             | -               | <b>2,234</b>             | -               |             |
| <i>of which: software</i>                 | 2,349                    | -               | 2,232                    | -               |             |
| A.2.1 Assets carried at cost              | 2,350                    | -               | 2,234                    | -               |             |
| a) Intangible assets generated internally | 1,899                    | -               | 1,751                    | -               |             |
| b) Other assets                           | 451                      | -               | 483                      | -               |             |
| A.2.2 Assets measured at fair value       | -                        | -               | -                        | -               |             |
| a) Intangible assets generated internally | -                        | -               | -                        | -               |             |
| b) Other assets                           | -                        | -               | -                        | -               |             |
| <b>Total</b>                              | <b>2,350</b>             | -               | <b>2,234</b>             | -               |             |
| <b>Total finite and indefinite life</b>   | <b>2,350</b>             |                 | <b>2,234</b>             |                 |             |

The Group does not use the revaluation model (fair value) to measure intangible assets.



## Part B - Consolidated balance sheet - Assets

## 10.2 Intangible assets: annual changes

(€ million)

|   | CHANGES IN 2022         |                      |             |                 |       | TOTAL    |
|---|-------------------------|----------------------|-------------|-----------------|-------|----------|
|   | OTHER INTANGIBLE ASSETS |                      |             |                 |       |          |
|   | GOODWILL                | GENERATED INTERNALLY |             |                 | OTHER |          |
| FINITE LIFE   |                         | INDEFINITE LIFE      | FINITE LIFE | INDEFINITE LIFE |       |          |
| <b>A. Gross opening balance</b>                         | 15,736                  | 5,196                | -           | 5,204           | 902   | 27,038   |
| A.1 Total net reduction in value                        | (15,736)                | (3,445)              | -           | (4,721)         | (902) | (24,804) |
| <b>A.2 Net opening balance</b>                          | -                       | 1,751                | -           | 483             | -     | 2,234    |
| <b>B. Increases</b>                                     | -                       | 563                  | -           | 130             | -     | 693      |
| B.1 Purchases   | -                       | 36                   | -           | 111             | -     | 147      |
| B.2 Increases in intangible assets generated internally | X                       | 500                  | -           | 6               | -     | 506      |
| B.3 Write-backs   | X                       | -                    | -           | -               | -     | -        |
| B.4 Increases in fair value                             | -                       | -                    | -           | -               | -     | -        |
| - In equity   | X                       | -                    | -           | -               | -     | -        |
| - Through profit or loss                                | X                       | -                    | -           | -               | -     | -        |
| B.5 Positive exchange differences                       | -                       | 6                    | -           | 12              | -     | 18       |
| B.6 Other changes                                       | -                       | 21                   | -           | 1               | -     | 22       |
| <i>of which: business combinations</i>                  | -                       | -                    | -           | -               | -     | -        |
| <b>C. Reduction</b>                                     | -                       | 415                  | -           | 162             | -     | 577      |
| C.1 Disposals   | -                       | -                    | -           | -               | -     | -        |
| C.2 Write-downs   | -                       | 410                  | -           | 140             | -     | 550      |
| - Amortisation  | X                       | 371                  | -           | 131             | -     | 502      |
| - Write-downs   | -                       | 39                   | -           | 9               | -     | 48       |
| + In equity   | X                       | -                    | -           | -               | -     | -        |
| + Through profit or loss                                | -                       | 39                   | -           | 9               | -     | 48       |
| C.3 Reduction in fair value                             | -                       | -                    | -           | -               | -     | -        |
| - In equity   | X                       | -                    | -           | -               | -     | -        |
| - Through profit or loss                                | X                       | -                    | -           | -               | -     | -        |
| C.4 Transfer to non-current assets held for sale        | -                       | -                    | -           | -               | -     | -        |
| C.5 Negative exchange differences                       | -                       | 4                    | -           | 7               | -     | 11       |
| C.6 Other changes                                       | -                       | 1                    | -           | 15              | -     | 16       |
| <i>of which: business combinations</i>                  | -                       | -                    | -           | -               | -     | -        |
| <b>D. Net closing balance</b>                           | -                       | 1,899                | -           | 451             | -     | 2,350    |
| D.1 Total net write-down                                | (15,757)                | (3,821)              | -           | (4,817)         | (902) | (25,297) |
| <b>E. Gross closing balance</b>                         | 15,757                  | 5,720                | -           | 5,268           | 902   | 27,647   |
| <b>F. Carried at cost</b>                               | -                       | -                    | -           | -               | -     | -        |

It shall be noted that the annual changes in gross closing balance and total net write-down, compared to the values as at 31 December 2021, are due to goodwill of legal entities which reporting currency is different to Euro, completely impaired in the previous periods.

## 10.3 Intangible assets: other information

There is no significant information to be reported.

## Part B - Consolidated balance sheet - Assets

## Section 11 - Tax assets and tax liabilities - Item 110 (Assets) and Item 60 (Liabilities)

## 11.1 Deferred tax assets: breakdown

(€ million)

|   | AMOUNTS AS AT  |                |
|---|----------------|----------------|
|   | 31.12.2022     | 31.12.2021     |
| <b>Deferred tax assets arising from Italian law 214/2011</b>                | <b>5,793</b>   | <b>6,313</b>   |
| <b>Deferred tax assets arising from tax losses(*)</b>                       | <b>3,124</b>   | <b>2,275</b>   |
| <b>Deferred tax assets arising from temporary differences</b>               | <b>4,656</b>   | <b>4,531</b>   |
| Financial assets and liabilities (different from loans and deposits)        | 333            | 177            |
| Loans and deposits to/from banks and customers                              | 806            | 985            |
| Hedging and hedged item revaluation   | 762            | 710            |
| Property, plant and equipment and intangible assets different from goodwill | 423            | 272            |
| Goodwill and equity investments   | 10             | 3              |
| Current assets and liabilities held for sale                                | -              | -              |
| Other assets and Other liabilities  | 703            | 386            |
| Provisions, pension funds and similar                                       | 1,619          | 1,998          |
| Other   | -              | -              |
| <b>Accounting offsetting</b>  | <b>(1,725)</b> | <b>(1,393)</b> |
| <b>Total</b>  | <b>11,848</b>  | <b>11,726</b>  |

Note:

(\*) The item includes tax credit IRAP deriving from the conversion of the ACE benefit.

## 11.2 Deferred tax liabilities: breakdown

(€ million)

|   | AMOUNTS AS AT  |                |
|---|----------------|----------------|
|   | 31.12.2022     | 31.12.2021     |
| <b>Deferred tax liabilities arising from temporary differences</b>          | <b>2,265</b>   | <b>1,989</b>   |
| Financial assets and liabilities (different from loans and deposits)        | 357            | 368            |
| Loans and deposits to/from banks and customers                              | 275            | 85             |
| Hedging and hedged item revaluation   | 628            | 570            |
| Property, plant and equipment and intangible assets different from goodwill | 719            | 758            |
| Goodwill and equity investments   | -              | -              |
| Assets and liabilities held for sale  | 1              | -              |
| Other assets and Other liabilities  | 229            | 180            |
| Other   | 56             | 28             |
| <b>Accounting offsetting</b>  | <b>(1,725)</b> | <b>(1,393)</b> |
| <b>Total</b>  | <b>540</b>     | <b>596</b>     |

## Part B - Consolidated balance sheet - Assets

Deferred Tax Assets (DTAs) totally amount to €11,848 million (compared with €11,726 million as at 31 December 2021), of which:

- €5,793 million (compared with €6,313 million as of 31 December 2021) can be, under certain circumstances, converted into tax credits pursuant to Law No.214/2011 (i.e., DTA convertible into tax credits);
- €2,931 million (compared with €3,138 million as of 31 December 2021), net of the accounting offsetting, are related to temporary effects (i.e., costs and write-offs tax deductible in future years compared to the year of accounting relevance) which are not-convertible into tax credits;
- €3,124 million (compared with €2,275 million as of 31 December 2021) are tax losses carried forward (TLCF).

The €3,124 million TLCF are mainly related to:

- UniCredit S.p.A. for €2,428 (of which €650 million booked at the end of 2022 following the sustainability test);
- UniCredit S.p.A. for €211 million tax credit IRAP deriving from the conversion of so called Aiuto alla Crescita Economica (ACE);
- UniCredit Bank Austria AG for €369 million (of which €196 million booked during 2022 following the official confirmation by Austrian Tax Authority of the correctness of their attribution to UniCredit Bank Austria Ag related to previous corporate transactions);
- UniCredit Leasing S.p.A. for €76 million.

The above-mentioned amounts are the ones resulting from the sustainability test provided for IAS12, which, taking into account the economic projections foreseeable for future years and the peculiarities of the fiscal legislations of each country, checks whether there are future taxable incomes against which TLCF can be offset. For further info concerning sustainability test refer to "Section 10 Tax assets and liabilities - Item 100 (Assets) and Item 60 (Liabilities)" of the Company financial statements of UniCredit S.p.A., Notes to the accounts, Part B - Balance sheet - Assets.

At Group level, total not recognised DTAs on TLCF are equal to €2,061 million mainly relate to: €1,490 million to UniCredit S.p.A., €267 million to UniCredit Leasing S.p.A., €194 million to the UniCredit Bank AG and its subsidiaries and €78 million to the UniCredit Bank Austria AG and its subsidiaries.

For deferred tax assets and liabilities of UniCredit S.p.A., reference is made to "Section 10 Tax assets and liabilities - Item 100 (Assets) and Item 60 (Liabilities)" of Company financial statements of UniCredit S.p.A., Notes to the accounts, Part B - Balance sheet - Assets, which is herewith quoted entirely.

## Part B - Consolidated balance sheet - Assets

## 11.3 Deferred tax assets: annual changes (balancing P&amp;L)

|  | CHANGES IN   |              |
|--|--------------|--------------|
|  | 2022         | 2021         |
|  | (€ million)  |              |
| <b>1. Opening balance</b>                                | <b>9,656</b> | <b>9,356</b> |
| <b>2. Increases</b>                                      | <b>3,519</b> | <b>3,706</b> |
| 2.1 Deferred tax assets arisen during the year           | 2,063        | 2,049        |
| a) Relating to previous years                            | 82           | 93           |
| b) Due to change in accounting criteria                  | -            | -            |
| c) Write-backs   | 908          | 1,514        |
| d) Other   | 1,073        | 442          |
| 2.2 New taxes or increases in tax rates                  | 6            | -            |
| 2.3 Other increases                                      | 1,450        | 1,657        |
| <b>3. Decreases</b>                                      | <b>3,245</b> | <b>3,406</b> |
| 3.1 Deferred tax assets derecognised during the year     | 1,544        | 1,274        |
| a) Reversals of temporary differences                    | 1,306        | 990          |
| b) Write-downs of non-recoverable items                  | 116          | 42           |
| c) Change in accounting criteria                         | -            | -            |
| d) Other   | 122          | 242          |
| 3.2 Reduction in tax rates                               | 1            | 2            |
| 3.3 Other decreases                                      | 1,700        | 2,130        |
| a) Conversion into tax credit under Italian Law 214/2011 | 164          | 877          |
| b) Other   | 1,536        | 1,253        |
| <b>4. Closing balance</b>                                | <b>9,930</b> | <b>9,656</b> |

For the portion of deferred tax assets arising from tax losses carried forward to subsequent years, refer to the table 11.1 of this section of the Notes to the consolidated accounts.

The sub-item "2.1 c) Write-backs" mainly reports the effects coming from the results of the sustainability test of (i) DTA TLCF for UniCredit S.p.A. and UniCredit Bank Austria AG and (ii) DTA arising from temporary differences on UniCredit Bank AG.

The sub-items "2.3 Other increases" and "3.3 Other decreases" b) Other" include the effect of netting DTA/DTL of previous and current year.

## 11.4 Deferred tax assets (Italian Law 214/2011): annual changes

|  | CHANGES IN   |              |
|--|--------------|--------------|
|  | 2022         | 2021         |
|  | (€ million)  |              |
| <b>1. Opening balance</b>                | <b>6,313</b> | <b>7,491</b> |
| <b>2. Increases</b>                      | <b>17</b>    | <b>-</b>     |
| <b>3. Decreases</b>                      | <b>537</b>   | <b>1,178</b> |
| 3.1 Reversals of temporary differences   | 373          | 301          |
| 3.2 Conversion into tax credits          | 164          | 877          |
| a) Due to loss positions arisen from P&L | -            | 410          |
| b) Due to tax losses                     | 164          | 467          |
| 3.3 Other decreases                      | -            | -            |
| <b>4. Closing balance</b>                | <b>5,793</b> | <b>6,313</b> |

In accordance with the Circular No.262 of 22 December 2005 of Banca d'Italia (and subsequent amendments), starting from 31 December 2018, the table shows the deferred tax asset annual changes of which L.214/2011 both equity balancing and income statement balancing.

## Part B - Consolidated balance sheet - Assets

## 11.5 Deferred tax liabilities: annual changes (balancing P&amp;L)

|   | CHANGES IN   |              |
|---|--------------|--------------|
|   | 2022         | 2021         |
|   | (€ million)  |              |
| <b>1. Opening balance</b>                                 | <b>236</b>   | <b>187</b>   |
| <b>2. Increases</b>                                       | <b>1,305</b> | <b>1,053</b> |
| 2.1 Deferred tax liabilities arisen during the year       | 238          | 130          |
| a) Relating to previous years                             | 1            | 4            |
| b) Due to change in accounting criteria                   | -            | 1            |
| c) Other  | 237          | 125          |
| 2.2 New taxes or increases in tax rates                   | -            | -            |
| 2.3 Other increases                                       | 1,067        | 923          |
| <b>3. Decreases</b>                                       | <b>1,308</b> | <b>1,004</b> |
| 3.1 Deferred tax liabilities derecognised during the year | 157          | 209          |
| a) Reversals of temporary differences                     | 152          | 165          |
| b) Due to change in accounting criteria                   | -            | -            |
| c) Other  | 5            | 44           |
| 3.2 Reduction in tax rates                                | -            | 1            |
| 3.3 Other decreases                                       | 1,151        | 794          |
| <b>4. Closing balance</b>                                 | <b>233</b>   | <b>236</b>   |

The items "2.3 Other increases" and "3.3 Other decreases" include the effect of netting DT/DTL of previous and current year.

## 11.6 Deferred tax assets: annual changes (balancing Net Equity)

|  | CHANGES IN   |              |
|--|--------------|--------------|
|  | 2022         | 2021         |
|  | (€ million)  |              |
| <b>1. Opening balance</b>                            | <b>2,070</b> | <b>2,005</b> |
| <b>2. Increases</b>                                  | <b>374</b>   | <b>357</b>   |
| 2.1 Deferred tax assets arisen during the year       | 155          | 114          |
| a) Relating to previous years                        | -            | 2            |
| b) Due to change in accounting criteria              | -            | -            |
| c) Other   | 155          | 112          |
| 2.2 New taxes or increase in tax rates               | -            | -            |
| 2.3 Other increases                                  | 219          | 243          |
| <b>3. Decreases</b>                                  | <b>526</b>   | <b>292</b>   |
| 3.1 Deferred tax assets derecognised during the year | 251          | 85           |
| a) Reversals of temporary differences                | 248          | 83           |
| b) Write-downs of non-recoverable items              | -            | -            |
| c) Due to change in accounting criteria              | -            | -            |
| d) Other   | 3            | 2            |
| 3.2 Reduction in tax rates                           | -            | -            |
| 3.3 Other decreases                                  | 275          | 207          |
| <b>4. Closing balance</b>                            | <b>1,918</b> | <b>2,070</b> |

## Part B - Consolidated balance sheet - Assets

## 11.7 Deferred tax liabilities: annual changes (balancing Net Equity)

|   | (€ million) |            |
|---|-------------|------------|
|   | CHANGES IN  |            |
|   | 2022        | 2021       |
| <b>1. Opening balance</b>                                 | <b>360</b>  | <b>379</b> |
| <b>2. Increases</b>                                       | <b>695</b>  | <b>852</b> |
| 2.1 Deferred tax liabilities arisen during the year       | 110         | 92         |
| a) Relating to previous years                             | 15          | 4          |
| b) Due to change in accounting criteria                   | -           | -          |
| c) Other  | 95          | 88         |
| 2.2 New taxes or increase in tax rates                    | -           | -          |
| 2.3 Other increases                                       | 585         | 760        |
| <b>3. Decreases</b>                                       | <b>748</b>  | <b>871</b> |
| 3.1 Deferred tax liabilities derecognised during the year | 126         | 291        |
| a) Reversal of temporary differences                      | 83          | 114        |
| b) Due to change in accounting criteria                   | -           | -          |
| c) Other  | 43          | 177        |
| 3.2 Reduction in tax rates                                | 1           | -          |
| 3.3 Other decreases                                       | 621         | 580        |
| <b>4. Closing balance</b>                                 | <b>307</b>  | <b>360</b> |

The sub-items “2.3 Other increases” and “3.3 Other decreases” include the effect of netting DTA/DTL of previous and current year.

## 11.8 Other informations

Referring to financial year 2021, UniCredit S.p.A. and UniCredit Leasing S.p.A. registered a profit in their separate financial statements (respectively €10,366 million and €13.9 million), hence during 2022 they did not convert Deferred Tax Assets (DTA) into tax credits.

## Section 12 - Non-current assets and disposal groups classified as held for sale and Liabilities associated with assets classified as held for sale - Item 120 (Assets) and Item 70 (Liabilities)

Non-current assets or groups of assets and directly connected liabilities, which constitute a set of cash flow generating assets, the sale of which is highly likely, are recognised under these items. They are measured at the lower value between the book value and the fair value less costs to sell according to IFRS5.

Please note that figures of December 2021 have been restated following the reclassification of UniCredit Leasing S.p.A. and its controlled company and of UniCredit Leasing GMBH and its controlled companies out of the non-current assets held for sale.

In the balance sheet as at 31 December 2022, compared with 31 December 2021, the main changes are referred to the sale of the non-performing loans portfolios in part off-set by the classification in this item of new portfolios of non-performing loans.

As regards the data for asset relating to discontinued operations and associated liabilities, compared to the figure as at 31 December 2021, it should be noted the sale of the subsidiary OT-Optima Telekom (Croatia).

Fair value measurements, made for disclosure purposes only, are classified into a fair value hierarchy that reflects the significance of inputs used in the valuations. For further information see Part A - Accounting policies - A.4 Information on fair value.

## Part B - Consolidated balance sheet - Assets

## 12.1 Non-current assets and disposal groups classified as held for sale: breakdown by asset type

|  | AMOUNTS AS AT |              |
|--|---------------|--------------|
|  | 31.12.2022    | 31.12.2021   |
|  | (€ million)   |              |
| <b>A. Assets held for sale</b>   |               |              |
| A.1 Financial assets   | 797           | 1,934        |
| A.2 Equity investments   | 15            | 16           |
| A.3 Property, plant and equipment  | 362           | 263          |
| <i>of which: obtained by the enforcement of collateral</i>               | 15            | 24           |
| A.4 Intangible assets  | 5             | 5            |
| A.5 Other non-current assets   | 50            | 111          |
| <b>Total (A)</b>   | <b>1,229</b>  | <b>2,329</b> |
| <i>of which: carried at cost</i>   | 494           | 1,528        |
| <i>of which: designated at fair value - level 1</i>                      | -             | -            |
| <i>of which: designated at fair value - level 2</i>                      | 15            | 40           |
| <i>of which: designated at fair value - level 3</i>                      | 720           | 761          |
| <b>B. Discontinued operations</b>  |               |              |
| B.1 Financial assets at fair value through profit or loss                | -             | -            |
| - Financial assets held for trading                                      | -             | -            |
| - Financial assets designated at fair value                              | -             | -            |
| - Other financial assets mandatorily at fair value                       | -             | -            |
| B.2 Financial assets at fair value through other comprehensive income    | -             | -            |
| B.3 Financial assets at amortised cost                                   | -             | -            |
| B.4 Equity investments   | -             | -            |
| B.5 Property, plant and equipment  | -             | -            |
| <i>of which: obtained by the enforcement of collateral</i>               | -             | -            |
| B.6 Intangible assets  | -             | 13           |
| B.7 Other assets   | -             | 58           |
| <b>Total (B)</b>   | <b>-</b>      | <b>71</b>    |
| <i>of which: carried at cost</i>   | -             | -            |
| <i>of which: designated at fair value - level 1</i>                      | -             | -            |
| <i>of which: designated at fair value - level 2</i>                      | -             | 71           |
| <i>of which: designated at fair value - level 3</i>                      | -             | -            |
| <b>C. Liabilities associated with assets classified as held for sale</b> |               |              |
| C.1 Deposits   | 413           | 420          |
| C.2 Securities   | -             | -            |
| C.3 Other liabilities  | 166           | 145          |
| <b>Total (C)</b>   | <b>579</b>    | <b>565</b>   |
| <i>of which: carried at cost</i>   | -             | -            |
| <i>of which: designated at fair value - level 1</i>                      | -             | -            |
| <i>of which: designated at fair value - level 2</i>                      | -             | -            |
| <i>of which: designated at fair value - level 3</i>                      | 579           | 565          |
| <b>D. Liabilities associated with discontinued operations</b>            |               |              |
| D.1 Financial liabilities at amortised cost                              | -             | -            |
| D.2 Financial liabilities held for trading                               | -             | -            |
| D.3 Financial liabilities designated at fair value                       | -             | -            |
| D.4 Provisions   | -             | -            |
| D.5 Other liabilities  | -             | 54           |
| <b>Total (D)</b>   | <b>-</b>      | <b>54</b>    |
| <i>of which: carried at cost</i>   | -             | -            |
| <i>of which: designated at fair value - level 1</i>                      | -             | -            |
| <i>of which: designated at fair value - level 2</i>                      | -             | 54           |
| <i>of which: designated at fair value - level 3</i>                      | -             | -            |

## Part B - Consolidated balance sheet - Assets

As at 31 December 2022 the financial assets classified as non-current assets and disposal groups classified as held for sale included in stage 3 are equal to €481 million.

### 12.2 Other information

There is no significant information to be reported.

## Section 13 - Other assets - Item 130

### 13.1 Other assets: breakdown

| ITEMS/VALUES  | AMOUNTS AS AT |              |
|---|---------------|--------------|
|   | 31.12.2022    | 31.12.2021   |
| Margin with derivatives clearers (non-interest bearing)                                       | 1             | -            |
| Gold, silver and precious metals  | 99            | 127          |
| Accrued income and prepaid expenses other than capitalised income                             | 596           | 508          |
| Positive value of management agreements (so-called servicing assets)                          | -             | -            |
| Cash and other valuables held by cashier  | 123           | 126          |
| - Current account cheques being settled, drawn on third parties                               | 122           | 126          |
| - Current account cheques payable by group banks, cleared and in the process of being debited | 1             | -            |
| - Money orders, bank drafts and equivalent securities   | -             | -            |
| - Coupons, securities due on demand, revenue stamps and miscellaneous valuables               | -             | -            |
| Interest and changes to be debited to   | 237           | 214          |
| - Customers   | 230           | 208          |
| - Banks   | 7             | 6            |
| Items in transit between branches not yet allocated to destination accounts                   | -             | 10           |
| Items in processing   | 417           | 340          |
| Items deemed definitive but not-attributable to other items                                   | 3,031         | 2,863        |
| - Securities and coupons to be settled  | 191           | 65           |
| - Other transactions  | 2,840         | 2,798        |
| Adjustments for unpaid bills and notes  | 341           | 66           |
| Tax items other than those included in item 110   | 3,525         | 2,029        |
| Commercial credits pursuant to IFRS15   | 223           | 57           |
| Other items   | 1,219         | 1,000        |
| <b>Total</b>  | <b>9,812</b>  | <b>7,340</b> |

Item "Accrued income and prepaid expenses other than capitalised income" includes the contract assets recognised in accordance with IFRS15. In this context accrued income represents the portion of the performance obligation already satisfied through the services provided by the Group and that will be settled in the future periods in accordance with contractual provisions.

The aggregate amount of revenues from services to customers related to the portion of performance obligations not yet satisfied, and therefore not represented in the table above, is equal to €5.6 million. The majority of this amount relates to performance obligations expected to be satisfied by the following year end reporting date.

It should be noted that during the period there have not been significant changes in the accrued income and prepaid expenses not included in the carrying amount of the relevant financial assets.



## Part B - Consolidated balance sheet - Assets

## Periodic change of accrued income/expenses and prepaid expenses/income

(€ million)

|   | AMOUNTS AS AT 31.12.2022            |                                      |
|---|-------------------------------------|--------------------------------------|
|   | ACCRUED INCOME AND PREPAID EXPENSES | ACCRUED EXPENSES AND DEFERRED INCOME |
| <b>Opening balance</b>  | <b>508</b>                          | <b>503</b>                           |
| <b>Increases</b>  | <b>196</b>                          | <b>153</b>                           |
| a) Changes due to business combinations   | -                                   | -                                    |
| b) Cumulative catch-up adjustments to revenue that affect the corresponding contract asset or contract liability, including adjustments arising from a change in the measure of progress, a change in an estimate of the transaction price (including any changes in the assessment of whether an estimate of variable consideration is constrained) or a contract modification (IFRS15 Par. 118.b) | 14                                  | 25                                   |
| c) Reversal of impairment of a contract asset (IFRS15 Par. 118.c)   | -                                   | X                                    |
| d) Change in the time frame for a right to consideration to become unconditional (ie for a contract asset to be reclassified to a receivable) (IFRS15 Par. 118.d)   | -                                   | 2                                    |
| e) Change in the time frame for a performance obligation to be satisfied (ie for the recognition of revenue arising from a contract liability (IFRS15 Par. 118.e)   | -                                   | -                                    |
| f) Other  | 182                                 | 126                                  |
| <b>Decreases</b>  | <b>108</b>                          | <b>133</b>                           |
| a) Changes due to business combinations   | -                                   | -                                    |
| b) Cumulative catch-up adjustments to revenue that affect the corresponding contract asset or contract liability, including adjustments arising from a change in the measure of progress, a change in an estimate of the transaction price (including any changes in the assessment of whether an estimate of variable consideration is constrained) or a contract modification (IFRS15 Par. 118.b) | 14                                  | 25                                   |
| c) Impairment of a contract asset (IFRS15 Par. 118.c)   | -                                   | X                                    |
| d) Change in the time frame for a right to consideration to become unconditional (ie for a contract asset to be reclassified to a receivable) (IFRS15 Par. 118.d)   | 4                                   | 2                                    |
| e) Change in the time frame for a performance obligation to be satisfied (ie for the recognition of revenue arising from a contract liability (IFRS15 Par. 118.e)   | -                                   | -                                    |
| f) Other  | 90                                  | 106                                  |
| <b>Closing balance</b>  | <b>596</b>                          | <b>523</b>                           |

Note that the item "f) other" include (i) the deferral of income and expenses related to performance obligation that have already been paid but not yet satisfied as well as the recognition in P&L of the amount previously deferred in accordance with the progressive satisfaction of the performance obligation and (ii) the accrual in P&L of the amounts due as a result of the satisfaction of a performance obligation for which the payment is contractually postponed as well as their subsequent settlement.

## Part B - Consolidated balance sheet - Liabilities

### Liabilities

#### Section 1 - Financial liabilities at amortised cost - Item 10

##### 1.1 Financial liabilities at amortised cost: breakdown by product of deposits from banks

(€ million)

| TYPE OF TRANSACTIONS/VALUES   | AMOUNTS AS AT 31.12.2022 |            |                | AMOUNTS AS AT 31.12.2021 |                |            |                |                |
|---|--------------------------|------------|----------------|--------------------------|----------------|------------|----------------|----------------|
|   | BOOK VALUE               | FAIR VALUE |                |                          | BOOK VALUE     | FAIR VALUE |                |                |
|   |                          | LEVEL 1    | LEVEL 2        | LEVEL 3                  |                | LEVEL 1    | LEVEL 2        | LEVEL 3        |
| <b>1. Deposits from central banks</b>                                 | <b>79,833</b>            | X          | X              | X                        | <b>108,867</b> | X          | X              | X              |
| <b>2. Deposits from banks</b>   | <b>51,508</b>            | X          | X              | X                        | <b>54,648</b>  | X          | X              | X              |
| 2.1 Current accounts and demand deposits                              | 9,257                    | X          | X              | X                        | 10,950         | X          | X              | X              |
| 2.2 Time deposits   | 10,121                   | X          | X              | X                        | 11,479         | X          | X              | X              |
| 2.3 Loans   | 30,534                   | X          | X              | X                        | 31,156         | X          | X              | X              |
| 2.3.1 Repos   | 13,845                   | X          | X              | X                        | 14,444         | X          | X              | X              |
| 2.3.2 Other   | 16,689                   | X          | X              | X                        | 16,712         | X          | X              | X              |
| 2.4 Liabilities relating to commitments to repurchase treasury shares | -                        | X          | X              | X                        | -              | X          | X              | X              |
| 2.5 Lease deposits  | 17                       | X          | X              | X                        | 10             | X          | X              | X              |
| 2.6 Other deposits  | 1,579                    | X          | X              | X                        | 1,053          | X          | X              | X              |
| <b>Total</b>  | <b>131,341</b>           | -          | <b>117,646</b> | <b>14,011</b>            | <b>163,515</b> | -          | <b>140,935</b> | <b>22,614</b>  |
| <b>Total Level 1, Level 2 and Level 3</b>                             |                          |            | <b>131,657</b> |                          |                |            |                | <b>163,549</b> |

The decrease in the item "1. Deposits from central banks" mainly derives from the reduction of the TLTRO exposures liabilities, mostly observed on UniCredit S.p.A. and its subsidiaries UniCredit Bank AG and UniCredit Bank Austria AG.

The sub-item "2.3 Loans" includes also liabilities related to repos transactions executed using proprietary securities issued by Group companies, which were eliminated from assets at consolidated level.

The same sub-item does not include the type of bond lending transactions collateralised by securities or not collateralised.

For further information refer to the paragraph "Other information", Notes to the consolidated accounts, Part B - Consolidated balance sheet.

Deposits from banks are not carried at fair value, which is presented solely for the purpose of fulfilling financial disclosure requirements. Valuations at fair value are classified according to a hierarchy of levels reflecting the observability of the inputs used in the measurements.

For further information refer to the paragraph "A.4 - Information on fair value of the Notes to the consolidated accounts, Part A - Accounting Policies.

## Part B - Consolidated balance sheet - Liabilities

## 1.2 Financial liabilities at amortised cost: breakdown by product of deposits from customers

(€ million)

| TYPE OF TRANSACTION/VALUES   | AMOUNTS AS AT 31.12.2022 |            |                |                | AMOUNTS AS AT 31.12.2021 |            |                |                |
|--|--------------------------|------------|----------------|----------------|--------------------------|------------|----------------|----------------|
|  | BOOK VALUE               | FAIR VALUE |                |                | BOOK VALUE               | FAIR VALUE |                |                |
|  |                          | LEVEL 1    | LEVEL 2        | LEVEL 3        |                          | LEVEL 1    | LEVEL 2        | LEVEL 3        |
| 1. Current accounts and demand deposits                              | 404,915                  | X          | X              | X              | 420,060                  | X          | X              | X              |
| 2. Time deposits   | 76,791                   | X          | X              | X              | 50,111                   | X          | X              | X              |
| 3. Loans   | 21,429                   | X          | X              | X              | 26,148                   | X          | X              | X              |
| 3.1 Repos  | 18,276                   | X          | X              | X              | 23,743                   | X          | X              | X              |
| 3.2 Other  | 3,153                    | X          | X              | X              | 2,405                    | X          | X              | X              |
| 4. Liabilities relating to commitments to repurchase treasury shares | -                        | X          | X              | X              | -                        | X          | X              | X              |
| 5. Lease deposits  | 1,831                    | X          | X              | X              | 2,052                    | X          | X              | X              |
| 6. Other deposits  | 6,959                    | X          | X              | X              | 4,369                    | X          | X              | X              |
| <b>Total</b>   | <b>511,925</b>           | <b>-</b>   | <b>179,739</b> | <b>332,161</b> | <b>502,740</b>           | <b>-</b>   | <b>168,502</b> | <b>334,367</b> |
| <b>Total Level 1, Level 2 and Level 3</b>                            |                          |            | <b>511,900</b> |                |                          |            |                | <b>502,869</b> |

The item "3. Loans" also includes liabilities relating to repos executed using proprietary securities issued by Group companies, which were eliminated from assets at consolidated level; the same sub-item does not include the type of bond lending transactions collateralised by securities or not collateralised. For further information refer to the paragraph "Other information", Notes to the consolidated accounts, Part B - Consolidated balance sheet - Liabilities.

Deposits from customers are not carried at fair value, which is presented solely for the purpose of fulfilling financial disclosure requirements. Fair value measurements are classified according to a three levels hierarchy that reflects the observability of the inputs used in the measurements. The fair value of demand items was estimated to be equal to their net book value by exercising the option provided for by IFRS7.29. According to this assumption, demand items were classified as Level 3 in the fair value hierarchy.

For further information see the paragraph "A.4 - Information on fair value", Notes to the consolidated accounts Part A - Accounting Policies.

## 1.3 Financial liabilities at amortised cost: breakdown by product of debt securities in issue

(€ million)

| TYPE OF SECURITIES/VALUES                 | AMOUNTS AS AT 31.12.2022 |               |               |               | AMOUNTS AS AT 31.12.2021 |               |               |               |
|---|--------------------------|---------------|---------------|---------------|--------------------------|---------------|---------------|---------------|
|   | BOOK VALUE               | FAIR VALUE    |               |               | BOOK VALUE               | FAIR VALUE    |               |               |
|   |                          | LEVEL 1       | LEVEL 2       | LEVEL 3       |                          | LEVEL 1       | LEVEL 2       | LEVEL 3       |
| <b>A. Debt securities</b>                 |                          |               |               |               |                          |               |               |               |
| 1. Bonds                                  | 80,618                   | 46,478        | 19,725        | 8,386         | 86,093                   | 50,787        | 26,199        | 12,946        |
| 1.1 Structured                            | 1,021                    | 124           | 713           | 125           | 1,147                    | 134           | 855           | 164           |
| 1.2 Other                                 | 79,597                   | 46,354        | 19,012        | 8,261         | 84,946                   | 50,653        | 25,344        | 12,782        |
| 2. Other securities                       | 3,589                    | -             | 879           | 2,715         | 9,805                    | -             | 71            | 9,738         |
| 2.1 Structured                            | 44                       | -             | 41            | -             | 47                       | -             | 51            | -             |
| 2.2 Other                                 | 3,545                    | -             | 838           | 2,715         | 9,758                    | -             | 20            | 9,738         |
| <b>Total</b>                              | <b>84,207</b>            | <b>46,478</b> | <b>20,604</b> | <b>11,101</b> | <b>95,898</b>            | <b>50,787</b> | <b>26,270</b> | <b>22,684</b> |
| <b>Total Level 1, Level 2 and Level 3</b> |                          |               | <b>78,183</b> |               |                          |               |               | <b>99,741</b> |

Fair value measurements, solely for the purpose of fulfilling financial disclosure requirements, are classified according to a hierarchy of levels reflecting the observability of the valuations input used in the measurements. For further information see the paragraph "A.4 - Information on fair value", Notes to the consolidated accounts, Part A - Accounting policies.

Sub-items "1.1 Bonds - Structured" and "2.1 Other securities -structured" has an overall amount equal to €1,065 million and accounted for 1.3% of total debt securities. They mainly refer to interest-rate linked instruments with closely related embedded derivatives, identified according to the classification rules of Mifid.

The fair value of derivatives embedded in structured securities and separated, is presented in item 20 of Assets and item 20 of Liabilities and included in Trading derivatives - Others, amounted to a net balance of €13 million negative.

## Part B - Consolidated balance sheet - Liabilities

### 1.4 Breakdown of subordinated debts/securities

|                         | (€ million)   |               |
|-------------------------|---------------|---------------|
|                         | AMOUNTS AS AT |               |
|                         | 31.12.2022    | 31.12.2021    |
| Deposits from banks     | -             | -             |
| Deposits from customers | 34            | 43            |
| Debt securities         | 7,886         | 10,068        |
| <b>Total</b>            | <b>7,920</b>  | <b>10,111</b> |

### 1.5 Breakdown of structured debts

|                         | (€ million)   |            |
|-------------------------|---------------|------------|
|                         | AMOUNTS AS AT |            |
|                         | 31.12.2022    | 31.12.2021 |
| Deposits from banks     | -             | 2          |
| Deposits from customers | 2             | 17         |
| <b>Total</b>            | <b>2</b>      | <b>19</b>  |

### 1.6 Amounts payable under finance leases

| TIME BUCKET  | (€ million)    |                  |                |                  |
|--|----------------|------------------|----------------|------------------|
|  | 31.12.2022     |                  | 31.12.2021     |                  |
|  | CASH OUTFLOWS  |                  | CASH OUTFLOWS  |                  |
|  | FINANCE LEASES | OPERATING LEASES | FINANCE LEASES | OPERATING LEASES |
| Up to 1 year                                       | 51             | 302              | 59             | 319              |
| 1 year to 2 years                                  | 50             | 277              | 57             | 294              |
| 2 year to 3 years                                  | 42             | 240              | 56             | 260              |
| 3 year to 4 years                                  | 139            | 204              | 47             | 219              |
| 4 year to 5 years                                  | 38             | 159              | 145            | 187              |
| Over 5 years                                       | 167            | 300              | 197            | 406              |
| <b>Total Lease Payments to be made</b>             | <b>487</b>     | <b>1,482</b>     | <b>561</b>     | <b>1,685</b>     |
| <b>RECONCILIATION WITH DEPOSITS</b>                |                |                  |                |                  |
| Unearned finance expenses (-) (Discounting effect) | 42             | 79               | 44             | 140              |
| <b>Lease deposits</b>                              | <b>445</b>     | <b>1,403</b>     | <b>517</b>     | <b>1,545</b>     |

It should be noted that table 1.6 Amounts payable under finance leases reports the maturity analysis based on time bucket of the lease liability as requested by IFRS16 and the Circular No.262 of 22 December 2005 of Banca d'Italia (and subsequent amendments).

## Part B - Consolidated balance sheet - Liabilities

## Section 2 - Financial liabilities held for trading - Item 20

## 2.1 Financial liabilities held for trading: breakdown by product

(€ million)

| TYPE OF TRANSACTIONS/VALUES               | AMOUNTS AS AT 31.12.2022 |               |               |              |               | AMOUNTS AS AT 31.12.2021 |               |               |              |               |
|---|--------------------------|---------------|---------------|--------------|---------------|--------------------------|---------------|---------------|--------------|---------------|
|   | NOMINAL VALUE            | FAIR VALUE    |               |              | FAIR VALUE*   | NOMINAL VALUE            | FAIR VALUE    |               |              | FAIR VALUE*   |
|   |                          | LEVEL 1       | LEVEL 2       | LEVEL 3      |               |                          | LEVEL 1       | LEVEL 2       | LEVEL 3      |               |
| <b>A. Cash liabilities</b>                |                          |               |               |              |               |                          |               |               |              |               |
| 1. Deposits from banks                    | -                        | 581           | 1             | -            | 582           | -                        | 662           | 179           | 90           | 931           |
| 2. Deposits from customers                | 115                      | 6,178         | 182           | 4            | 6,364         | 2,272                    | 7,745         | 2,347         | 87           | 10,178        |
| 3. Debt securities                        | 4,174                    | -             | 3,654         | 293          | 3,944         | 3,290                    | -             | 3,028         | 360          | 3,382         |
| 3.1 Bonds                                 | 1,994                    | -             | 1,804         | 111          | 1,914         | 1,403                    | -             | 1,270         | 119          | 1,386         |
| 3.1.1 Structured                          | 1,499                    | -             | 1,309         | 111          | X             | 1,403                    | -             | 1,270         | 119          | X             |
| 3.1.2 Other                               | 495                      | -             | 495           | -            | X             | -                        | -             | -             | -            | X             |
| 3.2 Other securities                      | 2,180                    | -             | 1,850         | 182          | 2,030         | 1,887                    | -             | 1,758         | 241          | 1,996         |
| 3.2.1 Structured                          | 2,180                    | -             | 1,850         | 182          | X             | 1,887                    | -             | 1,758         | 241          | X             |
| 3.2.2 Other                               | -                        | -             | -             | -            | X             | -                        | -             | -             | -            | X             |
| <b>Total (A)</b>                          | <b>4,289</b>             | <b>6,759</b>  | <b>3,837</b>  | <b>297</b>   | <b>10,890</b> | <b>5,562</b>             | <b>8,407</b>  | <b>5,554</b>  | <b>537</b>   | <b>14,491</b> |
| <b>B. Derivatives instruments</b>         |                          |               |               |              |               |                          |               |               |              |               |
| 1. Financial derivatives                  | X                        | 4,867         | 33,750        | 1,436        | X             | X                        | 5,912         | 30,332        | 531          | X             |
| 1.1 Trading derivatives                   | X                        | 4,867         | 33,367        | 1,423        | X             | X                        | 5,912         | 29,967        | 512          | X             |
| 1.2 Linked to fair value option           | X                        | -             | 62            | -            | X             | X                        | -             | 130           | -            | X             |
| 1.3 Other                                 | X                        | -             | 321           | 13           | X             | X                        | -             | 235           | 19           | X             |
| 2. Credit derivatives                     | X                        | 8             | 118           | 162          | X             | X                        | 57            | 185           | 93           | X             |
| 2.1 Trading derivatives                   | X                        | 8             | 118           | 162          | X             | X                        | 57            | 185           | 93           | X             |
| 2.2 Linked to fair value option           | X                        | -             | -             | -            | X             | X                        | -             | -             | -            | X             |
| 2.3 Other                                 | X                        | -             | -             | -            | X             | X                        | -             | -             | -            | X             |
| <b>Total (B)</b>                          | <b>X</b>                 | <b>4,875</b>  | <b>33,868</b> | <b>1,598</b> | <b>X</b>      | <b>X</b>                 | <b>5,969</b>  | <b>30,517</b> | <b>624</b>   | <b>X</b>      |
| <b>Total (A+B)</b>                        | <b>X</b>                 | <b>11,634</b> | <b>37,705</b> | <b>1,895</b> | <b>X</b>      | <b>X</b>                 | <b>14,376</b> | <b>36,071</b> | <b>1,161</b> | <b>X</b>      |
| <b>Total Level 1, Level 2 and Level 3</b> |                          |               |               |              | <b>51,234</b> |                          |               |               |              | <b>51,608</b> |

## Note:

Fair value\* = Fair value calculated excluding the value changes due to the change of credit worthiness of the issuer compared to the issue date.

Valuations at fair value were classified according to a hierarchy of levels reflecting the observability of the valuations input.

For further information refer to the paragraph "A.4 - Information on fair value" of the Notes to the consolidated accounts, Part A - Accounting Policies.

The financial assets and liabilities relating to OTC Derivatives and repos managed through Central Counterparty Clearing Houses (CCPs) are offset when (i) the clearing systems of CCPs guarantee the elimination or reduce to immaterial the credit and liquidity risks of these contracts and (ii) the entity intends to settle these contracts on a net basis, in accordance with IAS32 - Offsetting, in order to better present the liquidity profile and counterparty risk connected with them.

The offset effect as at 31 December 2022, already included in the net presentation of these transactions, totaled €237,693 million increased in comparison to €42,509 million as at 31 December 2021 due to the evolution of reference market conditions, relating to the activities of the subsidiary UniCredit Bank AG.

The sub-items "Deposits from banks" and "Deposits from customers" include short selling totaling €6,831 million as at 31 December 2022 (€8,772 million as at 31 December 2021), in respect of which no nominal amount was attributed.

## 2.2 Breakdown of "Financial liabilities held for trading": subordinated liabilities

No data to be disclosed.

## Part B - Consolidated balance sheet - Liabilities

### 2.3 Breakdown of "Financial liabilities held for trading": structured debts

|                         | AMOUNTS AS AT |              |
|-------------------------|---------------|--------------|
|                         | 31.12.2022    | 31.12.2021   |
| Deposits from banks     | 22            | 22           |
| Deposits from customers | -             | -            |
| Debt securities         | 3,679         | 3,290        |
| <b>Total</b>            | <b>3,701</b>  | <b>3,312</b> |

## Section 3 - Financial liabilities designated at fair value - Item 30

### 3.1 Financial liabilities designated at fair value: breakdown by product

| TYPE OF TRANSACTIONS/VALUES               | AMOUNTS AS AT 31.12.2022 |            |         |               |               | AMOUNTS AS AT 31.12.2021 |            |         |              |              |
|---|--------------------------|------------|---------|---------------|---------------|--------------------------|------------|---------|--------------|--------------|
|   | NOMINAL VALUE            | FAIR VALUE |         |               | FAIR VALUE*   | NOMINAL VALUE            | FAIR VALUE |         |              | FAIR VALUE*  |
|   |                          | LEVEL 1    | LEVEL 2 | LEVEL 3       |               |                          | LEVEL 1    | LEVEL 2 | LEVEL 3      |              |
| <b>1. Deposits from banks</b>             | <b>3</b>                 | -          | 2       | 1             | <b>3</b>      | <b>3</b>                 | -          | 2       | 1            | <b>3</b>     |
| 1.1 Structured                            | -                        | -          | -       | -             | X             | -                        | -          | -       | -            | X            |
| 1.2 Other                                 | 3                        | -          | 2       | 1             | X             | 3                        | -          | 2       | 1            | X            |
| of which:                                 |                          |            |         |               |               |                          |            |         |              |              |
| - loan commitments given                  | -                        | X          | X       | X             | X             | -                        | X          | X       | X            | X            |
| - financial guarantees given              | -                        | X          | X       | X             | X             | -                        | X          | X       | X            | X            |
| <b>2. Deposits from customers</b>         | <b>733</b>               | -          | 620     | 38            | <b>651</b>    | <b>724</b>               | -          | 702     | 56           | <b>748</b>   |
| 2.1 Structured                            | -                        | -          | -       | -             | X             | -                        | -          | -       | -            | X            |
| 2.2 Other                                 | 733                      | -          | 620     | 38            | X             | 724                      | -          | 702     | 56           | X            |
| of which:                                 |                          |            |         |               |               |                          |            |         |              |              |
| - loan commitments given                  | -                        | X          | X       | X             | X             | -                        | X          | X       | X            | X            |
| - financial guarantees given              | -                        | X          | X       | X             | X             | -                        | X          | X       | X            | X            |
| <b>3. Debt securities</b>                 | <b>10,432</b>            | -          | 9,093   | 438           | <b>9,426</b>  | <b>8,632</b>             | -          | 8,203   | 592          | <b>8,607</b> |
| 3.1 Structured                            | 9,852                    | -          | 8,514   | 438           | X             | 8,047                    | -          | 7,581   | 592          | X            |
| 3.2 Other                                 | 580                      | -          | 579     | -             | X             | 585                      | -          | 622     | -            | X            |
| <b>Total</b>                              | <b>11,168</b>            | -          | 9,715   | 477           | <b>10,080</b> | <b>9,359</b>             | -          | 8,907   | 649          | <b>9,358</b> |
| <b>Total Level 1, Level 2 and Level 3</b> |                          |            |         | <b>10,192</b> |               |                          |            |         | <b>9,556</b> |              |

**Note:**

Fair value\* = Fair value calculated excluding the value changes due to the change of credit worthiness of the issuer compared to the issue date.

The classification of Liabilities in this item aims to reduce the accounting mismatch related to the use of financial instruments measured with changes in fair value in the income statement in order to manage the risk profile.

Valuations at fair value are classified according to a hierarchy of levels reflecting the observability of the valuations input.

For further information refer to the paragraph "A.4 - Information on fair value" of the Notes to the consolidated accounts, Part A - Accounting policies.

The sub-item "3.1 Debt securities - Structured" includes "Certificates", structured debt securities, issued by UniCredit S.p.A. and by other Group's legal entities. These instruments are designated at fair value as the embedded derivatives cannot be bifurcated.

### 3.2 Breakdown of "Financial liabilities designated at fair value": subordinated liabilities

No data to be disclosed.

## Part B - Consolidated balance sheet - Liabilities

## Section 4 - Hedging derivatives - Item 40

## 4.1 Hedging derivatives: breakdown by type of hedging and by levels

(€ million)

|   | AMOUNTS AS AT 31.12.2022 |            |              |              | AMOUNTS AS AT 31.12.2021 |            |              |              |
|---|--------------------------|------------|--------------|--------------|--------------------------|------------|--------------|--------------|
|   | NOTIONAL AMOUNT          | FAIR VALUE |              |              | NOTIONAL AMOUNT          | FAIR VALUE |              |              |
|   |                          | LEVEL 1    | LEVEL 2      | LEVEL 3      |                          | LEVEL 1    | LEVEL 2      | LEVEL 3      |
| <b>A. Financial derivatives</b>           | <b>508,744</b>           | <b>335</b> | <b>3,062</b> | <b>6</b>     | <b>294,454</b>           | <b>51</b>  | <b>4,252</b> | <b>-</b>     |
| 1) Fair value                             | 469,794                  | 335        | 1,736        | 4            | 260,022                  | 51         | 3,709        | -            |
| 2) Cash flows                             | 37,914                   | -          | 1,299        | 2            | 34,432                   | -          | 543          | -            |
| 3) Net investment in foreign subsidiaries | 1,036                    | -          | 27           | -            | -                        | -          | -            | -            |
| <b>B. Credit derivatives</b>              | <b>-</b>                 | <b>-</b>   | <b>-</b>     | <b>-</b>     | <b>-</b>                 | <b>-</b>   | <b>-</b>     | <b>-</b>     |
| 1) Fair value                             | -                        | -          | -            | -            | -                        | -          | -            | -            |
| 2) Cash flows                             | -                        | -          | -            | -            | -                        | -          | -            | -            |
| <b>Total</b>                              | <b>508,744</b>           | <b>335</b> | <b>3,062</b> | <b>6</b>     | <b>294,454</b>           | <b>51</b>  | <b>4,252</b> | <b>-</b>     |
| <b>Total Level 1, Level 2 and Level 3</b> |                          |            |              | <b>3,403</b> |                          |            |              | <b>4,303</b> |

Valuations at fair value were classified according to a hierarchy of levels reflecting the observability of the valuations input. For further information refer to paragraph "A.4 - Information on fair value" of the Notes to the consolidated accounts, Part A - Accounting policies.

## 4.2 Hedging derivatives: breakdown by hedged portfolios and type of hedging

(€ million)

| TRANSACTIONS/HEDGE TYPES   | AMOUNTS AS AT 31.12.2022                |  |                   |             |             |          |            |             |              |             |                     |
|--|---|--|-------------------|-------------|-------------|----------|------------|-------------|--------------|-------------|---------------------|
|  | FAIR VALUE                              |  |                   |             |             |          |            | CASH FLOW   |              |             | FOREIGN INVESTMENTS |
|  | MICRO-HEDGE                             |  |                   |             |             |          |            | MACRO-HEDGE | MICRO-HEDGE  | MACRO-HEDGE |                     |
|  | DEBT SECURITIES AND INTEREST RATES RISK | EQUITY INSTRUMENTS AND EQUITY INDICES RISK | CURRENCY AND GOLD | CREDIT RISK | COMMODITIES | OTHER    |            |             |              |             |                     |
| 1. Financial assets at fair value through other comprehensive income | 42                                      | -  | -                 | -           | X           | X        | X          | -           | X            | X           |                     |
| 2. Financial assets at amortised cost                                | 46                                      | X  | -                 | -           | X           | X        | X          | -           | X            | X           |                     |
| 3. Portfolio   | X                                       | X  | X                 | X           | X           | X        | 406        | X           | 1,068        | X           |                     |
| 4. Other transactions  | -                                       | -  | -                 | -           | -           | -        | X          | -           | X            | 27          |                     |
| <b>Total assets</b>  | <b>88</b>                               | <b>-</b>                                   | <b>-</b>          | <b>-</b>    | <b>-</b>    | <b>-</b> | <b>406</b> | <b>-</b>    | <b>1,068</b> | <b>27</b>   |                     |
| 1. Financial liabilities   | 988                                     | X  | -                 | -           | -           | -        | X          | 43          | X            | X           |                     |
| 2. Portfolio   | X                                       | X  | X                 | X           | X           | X        | 435        | X           | 188          | X           |                     |
| <b>Total liabilities</b>   | <b>988</b>                              | <b>-</b>                                   | <b>-</b>          | <b>-</b>    | <b>-</b>    | <b>-</b> | <b>435</b> | <b>43</b>   | <b>188</b>   | <b>-</b>    |                     |
| 1. Expected transactions   | X                                       | X  | X                 | X           | X           | X        | X          | -           | X            | X           |                     |
| 2. Financial assets and liabilities portfolio                        | X                                       | X  | X                 | X           | X           | X        | 158        | X           | 2            | -           |                     |

## Part B - Consolidated balance sheet - Liabilities

### Section 5 - Value adjustment of hedged financial liabilities - Item 50

#### 5.1 Changes to hedged financial liabilities

| CHANGES TO HEDGED LIABILITIES/GROUP COMPONENTS | AMOUNTS AS AT   |            |
|--|-----------------|------------|
|  | 31.12.2022      | 31.12.2021 |
| 1. Positive changes to financial liabilities   | 10,832          | 5,531      |
| 2. Negative changes to financial liabilities   | (32,336)        | (4,568)    |
| <b>Total</b>                                   | <b>(21,504)</b> | <b>963</b> |

(€ million)

The decrease in the item is mainly attributable to the evolution in the markets interest rate curves observed in 2022.

### Section 6 - Tax liabilities - Item 60

Refer to the paragraph "Section 11 - Tax assets and tax liabilities - Item 110 (Assets) and Item 60 (Liabilities)" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part B - Consolidated balance sheet - Assets.

### Section 7 - Liabilities associated with assets classified as held for sale - Item 70

See the paragraph "Section 12 - Non-current assets and disposal group classified as held for sale and Liabilities associated with assets classified as held for sale - Item 120 (Assets) and Item 70 (Liabilities)" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part B - Consolidated balance sheet - Assets.



## Part B - Consolidated balance sheet - Liabilities

### Section 8 - Other liabilities - Item 80

#### 8.1 Other liabilities: breakdown

| ITEMS/VALUES  | AMOUNTS AS AT |               |
|---|---------------|---------------|
|   | 31.12.2022    | 31.12.2021    |
| Liabilities in respect of financial guarantees issued   | 3             | 3             |
| Accrued expenses and deferred income other than those to be capitalised for the financial liabilities concerned | 523           | 503           |
| Negative value of management agreements (so-called servicing assets)  | -             | -             |
| Payment agreements based on the value of own capital instruments classified as deposits pursuant to IFRS2       | 4             | 4             |
| Other liabilities due to employees  | 2,229         | 2,611         |
| Other liabilities due to other staff  | 14            | 11            |
| Other liabilities due to Directors and Statutory Auditors   | 1             | 1             |
| Interest and amounts to be credited to  | 209           | 73            |
| - Customers   | 193           | 54            |
| - Banks   | 16            | 19            |
| Items in transit between branches and not yet allocated to destination accounts                                 | 14            | 6             |
| Available amounts to be paid to others  | 249           | 316           |
| Items in processing   | 1,201         | 680           |
| Entries relating to securities transactions   | 400           | 113           |
| Definitive items but not attributable to other lines  | 4,417         | 3,710         |
| - Accounts payable - suppliers  | 1,275         | 1,282         |
| - Provisions for tax withholding on accrued interest, bond coupon payments or dividends                         | 5             | 8             |
| - Other entries   | 3,137         | 2,420         |
| Liabilities for miscellaneous entries related to tax collection service   | -             | -             |
| Adjustments for unpaid portfolio entries  | 2             | 1,213         |
| Tax items different from those included in item 60  | 960           | 1,659         |
| Other entries   | 2,811         | 2,701         |
| <b>Total</b>  | <b>13,037</b> | <b>13,604</b> |

Item "Accrued expenses and deferred income other than those to be capitalised for the financial liabilities" includes the contract liabilities recognised in accordance with IFRS15.

In this context, deferred income represents the portion of performance obligations not yet satisfied through the services provided by the Group but already settled during the period or in previous periods.

In this regard, it is worth to specify that the majority of this amount relates to performance obligations expected to be satisfied by the end of the following year.

Refer to the paragraph "Section 13 - Other assets - Item 130" of the Notes to the consolidated accounts Part B - Consolidated balance sheet - Assets for information about the changes in deferred income and accrued expenses occurred in the period.

### Section 9 - Provision for employee severance pay - Item 90

The "TFR" provision for Italy-based employee benefits is to be construed as a "post-retirement defined benefit", therefore its recognition in financial statements has required the estimate, through actuarial techniques, of the amount of benefit accrued by employees and its discount to present value. This benefit is calculated by an external actuary using the "projected unit credit" method (refer to the paragraph "Part A.2 - Main items of the accounts" of the Notes to the consolidated accounts Part A - Accounting policies).

## Part B - Consolidated balance sheet - Liabilities

### 9.1 Provisions for employee severance pay: annual changes

|  | CHANGES IN  |            |
|--|-------------|------------|
|  | 2022        | 2021       |
|  | (€ million) |            |
| <b>A. Opening balance</b>              | <b>520</b>  | <b>592</b> |
| <b>B. Increases</b>                    | <b>25</b>   | <b>20</b>  |
| B.1 Provisions for the year            | 4           | 3          |
| B.2 Other increases                    | 21          | 17         |
| <i>of which: business combinations</i> | -           | -          |
| <b>C. Reductions</b>                   | <b>177</b>  | <b>92</b>  |
| C.1 Severance payments                 | 66          | 89         |
| C.2 Other decreases                    | 111         | 3          |
| <i>of which: business combinations</i> | -           | -          |
| <b>D. Closing Balance</b>              | <b>368</b>  | <b>520</b> |

### 9.2 Other information

|   | CHANGES IN  |           |
|---|-------------|-----------|
|   | 2022        | 2021      |
|   | (€ million) |           |
| <b>Cost Recognised in P&amp;L:</b>                            | <b>4</b>    | <b>3</b>  |
| - Current Service Cost  | -           | -         |
| - Interest Cost on the DBO                                    | 4           | 3         |
| - Settlement (gains)/losses                                   | -           | -         |
| - Past Service Cost   | -           | -         |
| <b>Remeasurement Effects (Gains) Losses Recognised in OCI</b> | <b>(90)</b> | <b>14</b> |
| <b>Annual weighted average assumptions</b>                    |             |           |
| - Discount rate   | 3.80%       | 0.75%     |
| - Price inflation   | 2.15%       | 1.60%     |

Financial duration of defined benefit obligation equals to 10 years; Valuation Reserve negative balance, net of tax, move from -€173 million as at 31 December 2021 to -€109 million as at 31 December 2022.

A change of -25 basis points of discount rate would result in an increase of the liability of €9 million (+2.45%); a correspondent increase of discount rate, on the other hand, would result in a reduction in the liability of €9 million (-2.38%). A change of -25 basis points of price inflation rate would result in a reduction of the liability of €6 million (-1.51%); a correspondent increase of price inflation rate, on the other hand, would result in an increase of the liability of €6 million (+1.53%).

## Part B - Consolidated balance sheet - Liabilities

## Section 10 - Provisions for risks and charges - Item 100

## 10.1 Provisions for risks and charges: breakdown

| ITEMS/COMPONENTS  | AMOUNTS AS AT |               |
|---|---------------|---------------|
|   | 31.12.2022    | 31.12.2021    |
| 1. Provisions for credit risk on commitments and financial guarantees given | 1,295         | 1,285         |
| 2. Provisions for other commitments and other guarantees given              | 107           | 142           |
| 3. Pensions and other post-retirement benefit obligations                   | 2,959         | 4,742         |
| 4. Other provisions for risks and charges                                   | 3,453         | 3,859         |
| 4.1 Legal and tax disputes  | 761           | 889           |
| 4.2 Staff expenses  | 1,635         | 1,804         |
| 4.3 Other   | 1,057         | 1,166         |
| <b>Total</b>  | <b>7,814</b>  | <b>10,028</b> |

The item "4. Other provisions for risks and charges" consists of provisions for:

- legal disputes: cases in which the Group is a defendant, and post-insolvency clawback petitions (more information on litigation is set out in the paragraph "B. Legal risks" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part E - Information on risks and related hedging policies, 2.5 Operational risks, Qualitative information). In particular it is worth to note that such sub-item includes provisions posted by Zagrebacka Banka related to CHF loans;
- staff expenses including the restructuring costs associated with the update of the Strategic Plan for the portion that has not been either settled or reclassified to "Other liabilities" as a result of the incurrence of a specific debt toward the employees;
- other: provisions for risks and charges not attributable to the above items, whose details are illustrated in the following table 10.6.

## 10.2 Provisions for risks and charges: annual changes

|  | CHANGES IN 2022   |   |  | TOTAL        |
|--|---|---|--|--------------|
|  | PROVISIONS FOR OTHER OFF-BALANCE SHEET COMMITMENTS AND OTHER GUARANTEES GIVEN | PENSION AND POST-RETIREMENT BENEFIT OBLIGATIONS | OTHER PROVISIONS FOR RISKS AND CHARGES |              |
| <b>A. Opening balance</b>                    | 142   | 4,742   | 3,859                                  | <b>8,743</b> |
| <b>B. Increases</b>                          | (29)  | 212   | 866                                    | <b>1,049</b> |
| B.1 Provisions for the year                  | (32)  | 100   | 571                                    | 639          |
| B.2 Changes due to the passing time          | -   | 47  | 5                                      | 52           |
| B.3 Differences due to discount-rate changes | -   | -   | -                                      | -            |
| B.4 Other changes                            | 3   | 65  | 290                                    | 358          |
| <i>of which: business combinations</i>       | -   | -   | -                                      | -            |
| <b>C. Decreases</b>                          | 6   | 1,995   | 1,272                                  | <b>3,273</b> |
| C.1 Use during the year                      | -   | 222   | 565                                    | 787          |
| C.2 Differences due to discount-rate changes | -   | -   | 43                                     | 43           |
| C.3 Other changes                            | 6   | 1,773   | 664                                    | 2,443        |
| <i>of which: business combinations</i>       | -   | -   | -                                      | -            |
| <b>D. Closing balance</b>                    | <b>107</b>  | <b>2,959</b>                                    | <b>3,453</b>                           | <b>6,519</b> |

The sub-item "B.1 Provisions for the year" referred to "provision for other off-balance sheet commitments and other guarantees given" includes amounts reversed during the year.

## Part B - Consolidated balance sheet - Liabilities

### 10.3 Provisions for credit risk on commitments and financial guarantees given

(€ million)

|                            | AMOUNTS AS AT 31.12.2022   |            |            |  |              |
|----------------------------|--|------------|------------|--|--------------|
|                            | PROVISIONS FOR CREDIT RISK ON COMMITMENTS AND FINANCIAL GUARANTEES GIVEN |            |            |  |              |
|                            | STAGE 1  | STAGE 2    | STAGE 3    | PURCHASED OR<br>ORIGINATED CREDIT-<br>IMPAIRED FINANCIAL<br>ASSETS | TOTAL        |
| Loan commitments given     | 145  | 208        | 197        | -  | 550          |
| Financial guarantees given | 71   | 165        | 509        | -  | 745          |
| <b>Total</b>               | <b>216</b>   | <b>373</b> | <b>706</b> | <b>-</b>   | <b>1,295</b> |

### 10.4 Provisions on other commitments and other issued guarantees

(€ million)

|                            | AMOUNTS AS AT |            |
|----------------------------|---------------|------------|
|                            | 31.12.2022    | 31.12.2021 |
| 1. Other issued guarantees | 107           | 142        |
| 2. Other commitments       | -             | -          |
| <b>Total</b>               | <b>107</b>    | <b>142</b> |

### 10.5 Pensions and other post-retirement defined-benefit obligations

#### 1. Pensions and other post-retirement benefit obligations

There are several defined-benefit plans within the Group, i.e. plans whose benefit is linked to salary and employee length of service both in Italy and abroad. The Austrian, German and Italian plans account for over 90% of the Group's pension obligations.

The 60% of the total obligations for defined benefit plans are financed with segregated assets. These plans are established in (i) Germany, among others "Direct Pension Plan" (i.e. an external fund managed by independent trustees), the "HVB Trust Pensionfonds AG" and the "Pensionkasse der Hypovereinsbank WaG", all created by UniCredit Bank AG (UCB AG), and (ii) in the United Kingdom, Italy and Luxembourg created by UCB AG and UniCredit S.p.A.

The Group's defined-benefit plans are mainly closed to new recruits where most new recruits join defined-contribution plans instead and the related contributions are charged to the income statement.

According to IAS19, obligations arising from defined-benefit plans are determined using the "projected unit credit" method, while segregated assets are measured at fair value at Balance sheet reporting date. The balance sheet obligation is the result of the deficit or surplus (i.e., the difference between obligations and assets) net of any impacts of the asset ceiling; actuarial gains and losses are recognised in shareholders' equity and shown in a specific item of revaluation reserves in the financial year in which they are recorded.

The actuarial assumptions used to determine obligations vary from country to country and from plan to plan; the discount rate is determined, depending on the currency of denomination of the commitments and the maturity of the liability, by reference to market yields on a basket of "high quality corporate bonds".

In light of evolving common interpretation about "high quality corporate bonds" identification and persisting interest rates decreasing trend, UCG refined its Discount Rate setting methodology by referencing AA rated corporate bonds basket. In addition, it is worth to mention that, instead of econometric models, a Nelson Siegel Svensson methodology has been applied in modelling the yield-curve expressed by the basket of securities (by adjusting the long-term segment of the curve above the last liquid point - defined as the average maturity of the last 5 available bonds - relying on the slope of a Treasury curve build with AA Govies).

The remeasurement of commitments, performed on the basis of the methodology described above, as at 31 December 2022 leads to a decrease in the negative balance of the valuation reserve relating to actuarial gains/losses on defined benefit plans of €1,322 million, net of deferred taxes, for a negative balance which move from -€3,621 million as at 31 December 2021 to -€2,299 million as at 31 December 2022.

## Part B - Consolidated balance sheet - Liabilities

## 2. Changes of net defined benefit liability/asset and any reimbursement rights

## 2.1 Breakdown of defined benefit net obligation

|  | (€ million)  |              |
|--|--------------|--------------|
|  | 31.12.2022   | 31.12.2021   |
| Current value of the defined benefit obligation                        | 7,425        | 10,168       |
| Current value of the plan assets                                       | (4,493)      | (5,452)      |
| <b>Deficit/(Surplus)</b>   | <b>2,932</b> | <b>4,716</b> |
| Irrecoverable surplus (effect of asset ceiling)                        | -            | -            |
| <b>Net defined benefit liability/(asset) as of the period end date</b> | <b>2,932</b> | <b>4,716</b> |

## 2.2 Changes in defined benefit obligations

|  | (€ million)  |               |
|--|--------------|---------------|
|  | 31.12.2022   | 31.12.2021    |
| Initial defined benefit obligation                                     | 10,168       | 10,716        |
| Current service cost   | 96           | 107           |
| Settlement (gain)/loss   | -            | (30)          |
| Past service cost  | 1            | -             |
| Interest expense on the defined benefit obligation                     | 115          | 82            |
| Write-downs for actuarial (gains)/losses on defined benefit plans      | (2,556)      | (274)         |
| Employees' contributions for defined benefit plans                     | 9            | 9             |
| Disbursements from plan assets   | (182)        | (157)         |
| Disbursements directly paid by the fund                                | (226)        | (228)         |
| Settlements  | -            | (70)          |
| Other increases (decreases)  | -            | 13            |
| <b>Net defined benefit liability/(asset) as of the period end date</b> | <b>7,425</b> | <b>10,168</b> |

## 2.3 Changes to plan assets

|  | (€ million)  |              |
|--|--------------|--------------|
|  | 31.12.2022   | 31.12.2021   |
| Initial fair value of plan assets  | 5,452        | 5,061        |
| Interest income on plan assets   | 68           | 43           |
| Administrative expenses paid from plan assets  | -            | -            |
| Write-downs on the fair value of plan assets for actuarial gains (losses) on the discount rate | (873)        | (13)         |
| Employer contributions   | 23           | 530          |
| Disbursements from plan assets   | (182)        | (157)        |
| Settlements  | -            | (33)         |
| Other increases (decreases)  | 5            | 21           |
| <b>Final fair value of plan assets</b>   | <b>4,493</b> | <b>5,452</b> |

## 3. Main plan asset classes

|                              | (€ million)  |              |
|------------------------------|--------------|--------------|
|                              | 31.12.2022   | 31.12.2021   |
| 1. Shares                    | 279          | 240          |
| 2. Bonds                     | 266          | 349          |
| 3. Units in investment funds | 3,864        | 4,768        |
| 4. Real estate properties    | 24           | 26           |
| 5. Derivative instruments    | -            | -            |
| 6. Other assets              | 60           | 69           |
| <b>Total</b>                 | <b>4,493</b> | <b>5,452</b> |

## Part B - Consolidated balance sheet - Liabilities

### 4. Significant actuarial assumptions used to determine the current value of defined benefit obligation

|   | 31.12.2022 | 31.12.2021 |
|---|------------|------------|
|   | %          | %          |
| Discount rate                                   | 3.84       | 1.16       |
| Expected return on plan assets                  | 3.84       | 1.16       |
| Expected compensation increase rate             | 2.68       | 2.07       |
| Future increases relating to pension treatments | 2.59       | 1.94       |
| Expected inflation rate                         | 2.67       | 2.57       |

### 5. Impact of changes in financial/demographic assumptions on DBOs and financial duration

|  | (€ million) |        |
|--|-------------|--------|
|  | 31.12.2022  |        |
| - Impact of changes in financial/demographic assumptions on DBOs |             |        |
| <b>A. Discount rate</b>  |             |        |
| A1. -25 basis points   |             | 243    |
|  |             | 3.28%  |
| A2. +25 basis points   |             | (230)  |
|  |             | -3.09% |
| <b>B. Future increase rate relating to pension treatments</b>    |             |        |
| B1. -25 basis points   |             | (180)  |
|  |             | -2.42% |
| B2. +25 basis points   |             | 187    |
|  |             | 2.52%  |
| <b>C. Mortality</b>  |             |        |
| C.1 Life expectancy + 1 year                                     |             | 192    |
|  |             | 2.58%  |
| - Financial duration (years)                                     |             | 12.8   |

### 10.6 Provisions for risks and charges - other provisions

|  | (€ million)   |              |
|--|---------------|--------------|
|  | AMOUNTS AS AT |              |
|  | 31.12.2022    | 31.12.2021   |
| <b>4.3 Other provisions for risks and charges - other</b>      |               |              |
| Real estate risks/charges                                      | 116           | 106          |
| Restructuring costs  | 81            | 81           |
| Allowances payable to agents                                   | 78            | 95           |
| Disputes regarding financial instruments and derivatives       | 15            | 15           |
| Costs for liabilities arising from equity investment disposals | 13            | 16           |
| Other  | 754           | 853          |
| <b>Total</b>   | <b>1,057</b>  | <b>1,166</b> |

The item "Other" includes provisions:

- posted in order to cope with the probable risks of loss relating to the purchases of diamonds, that could be carried out under the "customer care" initiative promoted by UniCredit S.p.A. For the sake of completeness refer to the related paragraph "Diamond offer" of the Company financial statements of UniCredit S.p.A., Notes to the accounts Part E - Information on risks and related hedging policies, Section 5 - Operational risks, Qualitative information, E. Other claims by customers;
- aimed to cover the risks related to certain standard contractual terms contained in the documentary frameworks (i.e. reps & warranties), including securitisation transactions with derecognition of non-performing loans, signed with the SPVs, of which UniCredit S.p.A. is Originator, pending the analysis and assessments to be completed within the deadlines established.

## Part B - Consolidated balance sheet - Liabilities

### Section 11 - Technical reserves - Item 110

No data to be disclosed.

### Section 12 - Redeemable Shares - Item 130

No data to be disclosed.

### Section 13 - Group shareholders' equity - Items 120, 130, 140, 150, 160, 170 and 180

As at 31 December 2022 the Group shareholders' equity, including the result for the year of +€6,458 million, amounted to €63,339 million, against €62,185 million at the end of 2021.

The table below shows the breakdown of Group equity and the changes over the previous year.

#### Group shareholders' equity: breakdown

|                          | AMOUNTS AS AT |               | CHANGES      |             |
|--------------------------|---------------|---------------|--------------|-------------|
|                          | 31.12.2022    | 31.12.2021    | AMOUNT       | %           |
|                          | (€ million)   |               |              |             |
| 1. Share capital         | 21,220        | 21,133        | 87           | 0.4%        |
| 2. Share premium reserve | 2,516         | 5,446         | -2,930       | -53.8%      |
| 3. Reserves              | 31,657        | 31,451        | 206          | 0.7%        |
| 4. Treasury shares       | -             | (200)         | 200          | -100.0%     |
| a. Parent Company        | -             | (199)         | 199          | -100.0%     |
| b. Subsidiaries          | -             | (1)           | 1            | -100.0%     |
| 5. Valuation reserve     | (4,612)       | (4,336)       | -276         | 6.4%        |
| 6. Equity instruments    | 6,100         | 6,595         | -495         | -7.5%       |
| 7. Net profit (loss)     | 6,458         | 2,096         | 4,362        | n.m.        |
| <b>Total</b>             | <b>63,339</b> | <b>62,185</b> | <b>1,154</b> | <b>1.9%</b> |

## Part B - Consolidated balance sheet - Liabilities

The +€1,154 million change in Group equity resulted from:

|  | (€ million) |
|--|-------------|
| Change in capital:   |             |
| · withdrawal from the specifically constituted reserve, for the issue of the shares connected to the medium-term incentive plan for Group personnel following the resolution of the Board of Directors of 15 February 2022   | 87          |
| Use of share premium reserve:  |             |
| · for (i) the allocation to specific unavailable reserve in relation to the purchases of treasury shares in execution of "First Tranche of the Buy-Back Programme 2021" and "Second Tranche of the Buy-Back Programme 2021" both related to the distribution of 2021 for the maximum amount authorized (-€2,580 million); (ii) coverage of the negative reserves to eliminate the negative components related to the payment of AT1 coupons (-€350 million)  | (2,930)     |
| Change in reserves, including those one in treasury shares arising from:   | 406         |
| · the attribution to the reserve of the result of the previous year of the Group, net of dividends and other allocations   | 922         |
| · (i) the allocation of a portion of the Share Premium Reserve to set up the specific unavailable reserve for the execution of the "First Tranche of the Buy-Back Programme 2021" and "Second Tranche of the Buy-Back Programme 2021" both related to the distribution of 2021 (+€2,580 million); (ii) coverage of the negative reserves to eliminate the components related to the payment of AT1 coupons (+€350 million)   | 2,930       |
| · (i) the purchases of UniCredit S.p.A. ordinary shares executed upon completion of the "Second Buy-Back Programme 2021" related to the distribution of 2020 (-€452 million). This amount together with the treasury shares purchased in 2021 in execution of the above mentioned Buy-Back Programme for €199 million were cancelled without reducing the share capital on 2 March 2022 for the overall amount of €651 million; (ii) the execution of "First and Second Tranche of the Buy-Back Programme 2021" related to the distribution of 2021 for which the ordinary share of UniCredit S.p.A. have been purchased (-€2,580 million). The unavailable reserve was consequently used for cancellation of the treasury shares in portfolio registered on 19 July 2022 and 14 December 2022. All afore mentioned cancellations correspond to the maximum expenditure authorized | (3,032)     |
| · the allocation to the reserves of the coupon paid to subscribers of the Additional Tier 1 instruments, net of the related taxes  | (298)       |
| · the withdrawal from the specifically constituted reserves, for the capital increase connected to the medium term incentive plan for Group personnel following the resolution of the Board of Directors of 15 February 2022   | (87)        |
| · the charge to reserves for the disbursements made in connection with cash-out of usufruct contract signed with Mediobanca S.p.A. on UniCredit shares supporting the issuance of convertible securities denominated "Cashes" referring to the results of the year 2021  | (74)        |
| · change in reserves connected to Share Based Payments   | 55          |
| · other changes  | (10)        |
| Change in valuation reserves related to:   | (276)       |
| · actuarial gains (losses) on defined-benefit plans  | 1,391       |
| · exchange rate differences  | 222         |
| · tangible assets  | 65          |
| · hedging of foreign investments   | (148)       |
| · the valuation of companies carried at equity   | (269)       |
| · hedging for financial risks  | (289)       |
| · financial assets and liabilities valued at fair value  | (1,250)     |
| · non-current assets classified held-for-sale  | 2           |
| Change in equity instruments:  |             |
| · early redemption of the Additional Tier 1 instruments issued in 2016 exercising the redemption option in accordance with the relevant terms and conditions of the securities, net of the related placement costs   | (495)       |
| Change of the profit for the year compared with that of 31 December 2021   | 4,362       |



## Part B - Consolidated balance sheet - Liabilities

## 13.1 "Share capital" and "treasury shares": breakdown

|                           | AMOUNT AS AT 31.12.2022 |  | AMOUNT AS AT 31.12.2021 |  |
|---------------------------|-------------------------|--|-------------------------|--|
|                           | ISSUED SHARES           | UNDERWRITTEN AND NOT YET FULLY PAID SHARES | ISSUED SHARES           | UNDERWRITTEN AND NOT YET FULLY PAID SHARES |
| <b>A. Share Capital</b>   |                         |  |                         |  |
| A.1 Ordinary shares       | 21,220                  | -  | 21,133                  | -  |
| A.2 Savings shares        | -                       | -  | -                       | -  |
| <b>Total A</b>            | <b>21,220</b>           | <b>-</b>                                   | <b>21,133</b>           | <b>-</b>                                   |
| <b>B. Treasury Shares</b> | <b>-</b>                | <b>-</b>                                   | <b>(200)</b>            | <b>-</b>                                   |

(€ million)

Reference is made to the paragraph "12.1 "Share capital" and "treasury shares": breakdown" of the Company financial statements of UniCredit S.p.A., Notes to the accounts, Part B - Balance sheet - Liabilities, Section 12 - Shareholders' equity - Item 110, 130, 140, 150, 160, 170 and 180 which is herewith quoted entirely.

## 13.2 Share capital - number of shares owned by the Parent Company: annual changes

| ITEMS/TYPES   | CHANGES IN 2022      |          |
|---|----------------------|----------|
|   | ORDINARY             | SAVINGS  |
| <b>A. Issued shares as at the beginning of the year</b> | <b>2,226,129,520</b> | <b>-</b> |
| - Fully paid  | 2,226,129,520        | -        |
| - Not fully paid  | -                    | -        |
| A.1 Treasury shares (-)                                 | (15,048,642)         | -        |
| A.2 Shares outstanding: opening balance                 | 2,211,080,878        | -        |
| <b>B. Increases</b>                                     | <b>6,811,312</b>     | <b>-</b> |
| B.1 New issues  | 6,811,312            | -        |
| - Against payment                                       | -                    | -        |
| - Business combinations                                 | -                    | -        |
| - Bonds converted                                       | -                    | -        |
| - Warrants exercised                                    | -                    | -        |
| - Other   | -                    | -        |
| - Free  | 6,811,312            | -        |
| - To employees  | 6,811,312            | -        |
| - To directors  | -                    | -        |
| - Other   | -                    | -        |
| B.2 Sales of treasury shares                            | -                    | -        |
| B.3 Other changes                                       | -                    | -        |
| <b>C. Decreases</b>                                     | <b>282,622,449</b>   | <b>-</b> |
| C.1 Cancellation  | -                    | -        |
| C.2 Purchase of treasury shares                         | 282,622,449          | -        |
| C.3 Business transferred                                | -                    | -        |
| C.4 Other changes                                       | -                    | -        |
| <i>of which: business combinations</i>                  | -                    | -        |
| <b>D. Shares outstanding: closing balance</b>           | <b>1,935,269,741</b> | <b>-</b> |
| D.1 Treasury shares (+)                                 | -                    | -        |
| D.2 Shares outstanding as at the end of the year        | 1,935,269,741        | -        |
| - Fully paid  | 1,935,269,741        | -        |
| - Not fully paid  | -                    | -        |

Reference is made to the paragraph "12.2 Share capital - Number of shares: annual changes" of the Company financial statements of UniCredit S.p.A., Notes to the accounts, Part B - Balance sheet - Liabilities, Section 12 - Shareholders' equity - Item 110, 130, 140, 150, 160, 170 and 180 which is herewith quoted entirely.

## Part B - Consolidated balance sheet - Liabilities

**13.3 Share capital: other information**

Reference is made to the paragraph “12.3 Capital: other information” of the Company financial statements of UniCredit S.p.A., Notes to the accounts, Part B - Balance sheet - Liabilities, Section 12 - Shareholders' equity - Item 110, 130, 140, 150, 160, 170 and 180 which is herewith quoted entirely.

**13.4 Reserves from profits: other information**

(€ million)

|                   | AMOUNTS AS AT |               |
|-------------------|---------------|---------------|
|                   | 31.12.2022    | 31.12.2021    |
| Legal reserve     | 1,518         | 1,518         |
| Statutory reserve | 15,754        | 6,828         |
| Other reserves    | 6,450         | 14,568        |
| <b>Total</b>      | <b>23,722</b> | <b>22,914</b> |

For further information on Legal reserve, reference is made to the paragraph “12.4 Reserves from profit: other information” of the Company financial statements of UniCredit S.p.A., Notes to the accounts, Part B - Balance sheet - Liabilities, Section 12 - Shareholders' equity - Item 110, 130, 140, 150, 160, 170 and 180.

**13.5 Equity instruments: breakdown and annual changes**

Reference is made to the paragraph “12.5 Equity instruments: composition and annual changes” of the Company financial statements of UniCredit S.p.A., Notes to the accounts, Part B - Balance sheet - Liabilities, Section 12 - Shareholders' equity - Item 110, 130, 140, 150, 160, 170 and 180 which is herewith quoted entirely.

**13.6 Other Information****Valuation reserves: breakdown**

(€ million)

| ITEM/TYPES   | AMOUNTS AS AT  |                |
|--|----------------|----------------|
|  | 31.12.2022     | 31.12.2021     |
| 1. Equity instruments designated at fair value through other comprehensive income                    | (146)          | (200)          |
| 2. Financial assets (other than equity instruments) at fair value through other comprehensive income | (621)          | 743            |
| 3. Hedging of equity instruments at fair value through other comprehensive income                    | -              | -              |
| 4. Financial liabilities at fair value through profit or loss (changes in own credit risk)           | (81)           | (141)          |
| 5. Hedging instruments (non-designated elements)   | -              | -              |
| 6. Property, plant and equipment   | 1,778          | 1,713          |
| 7. Intangible assets   | -              | -              |
| 8. Hedges of foreign investments   | (148)          | -              |
| 9. Cash-flow hedges  | (626)          | (337)          |
| 10. Exchange differences   | (2,442)        | (2,664)        |
| 11. Non-current assets classified as held for sale   | 2              | -              |
| 12. Actuarial gains (losses) on defined-benefit plans  | (2,405)        | (3,796)        |
| 13. Part of valuation reserves of investments valued at net equity                                   | (200)          | 69             |
| 14. Special revaluation laws   | 277            | 277            |
| <b>Total</b>   | <b>(4,612)</b> | <b>(4,336)</b> |

The FX currency reserves as at 31 December 2022 mainly refer to the Russian Ruble for -€2,116 million included in the item “Exchange differences” and -€31 million included in the item “Part of valuation reserves of investments valued at net equity”.

The main variations in comparison to 31 December 2021 refer to the following reserves:

- “Actuarial gains (losses) on defined-benefit plans” for +€1,391 million mainly referred to the increase in discount rate induced by the reduction in prices of High Quality Corporate Bonds, partially offset by (i) plan assets performance and (ii) salary and pension trend increases to reflect outstanding macroeconomic scenario, characterized by a significant inflation pressure driven by energy and commodities prices;
- “Financial assets (other than equity instruments) at fair value through other comprehensive income” for -€1,364 million mainly due to Government securities.

## Part B - Consolidated balance sheet - Liabilities

### Section 14 - Minority shareholders' equity - Item 190

The table below shows the breakdown of minorities as at 31 December 2022.

#### 14.1 Breakdown of item 190 "Shareholders' equity: minorities"

|   | (€ million) |            |
|---|-------------|------------|
|   | 2022        | 2021       |
| <b>Equity investments in consolidated companies with significant minority interests</b> | <b>136</b>  | <b>470</b> |
| Zagrebacka Banka D.D.   | 90          | 389        |
| UniCredit Bank D.D.   | 14          | 49         |
| UniCredit Bank Austria AG Sub-Group   | 32          | 32         |
| <b>Other equity investments</b>   | <b>22</b>   | <b>(5)</b> |
| <b>Total</b>  | <b>158</b>  | <b>465</b> |

The shareholders' equity attributable to minority interests for 2022 amounted to +€158 million.

The main contributions are attributable to the minority shareholders of Zagrebacka Banka D.D. and its subsidiary UniCredit Bank D.D. and UniCredit Bank Austria AG Sub-Group, mainly referring to Card Complete Service Bank AG.

The decrease in the item is mainly due to the purchase by UniCredit S.p.A. of 11.72% stake in Zagrebacka Banka D.D. previously owned by Allianz SE.

#### 14.2 Capital instruments: breakdown and annual changes

There are no equity instruments.

## Part B - Consolidated balance sheet - Liabilities

## Other information

## 1. Commitments and financial guarantees given (different from those designated at fair value)

(€ million)

|   | AMOUNTS AS AT 31.12.2022                                       |               |              |   |                | AMOUNTS AS AT<br>31.12.2021 |
|---|--|---------------|--------------|---|----------------|-----------------------------|
|   | NOTIONAL AMOUNTS OF COMMITMENTS AND FINANCIAL GUARANTEES GIVEN |               |              |   | TOTAL          |                             |
|   | STAGE 1  | STAGE 2       | STAGE 3      | PURCHASED OR<br>ORIGINATED<br>CREDIT-IMPAIRED<br>FINANCIAL ASSETS |                |                             |
| <b>1. Loan commitments given</b>                | <b>161,230</b>   | <b>24,911</b> | <b>872</b>   | <b>-</b>  | <b>187,013</b> | <b>174,622</b>              |
| a) Central Banks                                | 15   | -             | -            | -   | 15             | 19                          |
| b) Governments and other Public Sector Entities | 6,707  | 796           | 47           | -   | 7,550          | 6,242                       |
| c) Banks  | 1,504  | 53            | -            | -   | 1,557          | 2,405                       |
| d) Other financial companies                    | 27,581   | 2,371         | 32           | -   | 29,984         | 29,456                      |
| e) Non-financial companies                      | 116,519  | 19,558        | 769          | -   | 136,846        | 124,824                     |
| f) Households                                   | 8,904  | 2,133         | 24           | -   | 11,061         | 11,676                      |
| <b>2. Financial guarantees given</b>            | <b>38,781</b>  | <b>11,887</b> | <b>1,223</b> | <b>-</b>  | <b>51,891</b>  | <b>53,943</b>               |
| a) Central Banks                                | 4  | 1             | -            | -   | 5              | 34                          |
| b) Governments and other Public Sector Entities | 128  | 9             | -            | -   | 137            | 252                         |
| c) Banks  | 6,547  | 561           | 59           | -   | 7,167          | 9,119                       |
| d) Other financial companies                    | 3,299  | 768           | 12           | -   | 4,079          | 4,715                       |
| e) Non-financial companies                      | 28,543   | 10,392        | 1,149        | -   | 40,084         | 39,345                      |
| f) Households                                   | 260  | 156           | 3            | -   | 419            | 478                         |

## 2. Others commitments and others guarantees given

(€ million)

|   | AMOUNTS AS AT    |                  |
|---|------------------|------------------|
|   | 31.12.2022       | 31.12.2021       |
|   | NOTIONAL AMOUNTS | NOTIONAL AMOUNTS |
| <b>1. Others guarantees given</b>               | <b>26,319</b>    | <b>22,811</b>    |
| <i>of which: non-performing loans</i>           | 196              | 240              |
| a) Central Banks                                | -                | -                |
| b) Governments and other Public Sector Entities | 4                | 4                |
| c) Banks  | 3,138            | 1,530            |
| d) Other financial companies                    | 3,191            | 2,418            |
| e) Non-financial companies                      | 19,935           | 18,842           |
| f) Households                                   | 51               | 17               |
| <b>2. Others commitments</b>                    | <b>101,647</b>   | <b>99,237</b>    |
| <i>of which: non-performing loans</i>           | 436              | 740              |
| a) Central Banks                                | 567              | 405              |
| b) Governments and other Public Sector Entities | 2,180            | 1,245            |
| c) Banks  | 11,269           | 17,051           |
| d) Other financial companies                    | 13,952           | 13,468           |
| e) Non-financial companies                      | 68,237           | 61,930           |
| f) Households                                   | 5,442            | 5,138            |

Table "1. Commitments and financial guarantees given" shows commitments and guarantees evaluated according to the IFRS9 requirements. Table "2. Others commitments and others guarantees given" shows commitments and guarantees that are not evaluated according to the IFRS9 requirements. According to the Circular No.262 of 22 December 2005 of Banca d'Italia (and subsequent amendments), the tables also include the revocable commitments and the item "financial guarantees" also includes the commercial ones.

## Part B - Consolidated balance sheet - Liabilities

## 3. Assets used to guarantee own liabilities and commitments

| PORTFOLIOS   | AMOUNTS AS AT |            |
|--|---------------|------------|
|  | 31.12.2022    | 31.12.2021 |
|  |               |            |
| 1. Financial assets at fair value through profit or loss             | 8,634         | 14,768     |
| 2. Financial assets at fair value through other comprehensive income | 18,593        | 32,171     |
| 3. Financial assets at amortised cost                                | 141,201       | 140,114    |
| 4. Property, plant and equipment                                     | -             | -          |
| <i>of which: inventories of property, plant and equipment</i>        | -             | -          |

## 4. Breakdown of investments relating to unit-linked and index-linked policies

There were no transactions concerning unit-linked and index-linked policies.

## 5. Asset management and trading on behalf of third parties

| TYPE OF SERVICES   | AMOUNTS AS AT |              |
|--|---------------|--------------|
|  | 31.12.2022    | 31.12.2021   |
|  |               |              |
| <b>1. Execution of orders on behalf of customers</b>   |               |              |
| a) Purchases   | 83,226        | 78,878       |
| 1. Settled   | 83,209        | 78,869       |
| 2. Unsettled   | 17            | 9            |
| b) Sales   | 90,229        | 79,110       |
| 1. Settled   | 90,212        | 79,099       |
| 2. Unsettled   | 17            | 11           |
| <b>2. Portfolio management</b>   |               |              |
| a) Individual  | 20,065        | 22,854       |
| b) Collective  | 14,842        | 15,781       |
| <b>3. Custody and administration of securities</b>   |               |              |
| a) Third party securities on deposits: relating to depositary bank activities (excluding portfolio management) | 2,969         | 3,416        |
| 1. Securities issued by companies included in consolidation  | -             | -            |
| 2. Other securities  | 2,969         | 3,416        |
| b) Third party securities held in deposits (excluding portfolio management): other                             | 233,762       | 237,186      |
| 1. Securities issued by companies included in consolidation  | 10,769        | 5,968        |
| 2. Other securities  | 222,993       | 231,218      |
| c) Third party securities deposited with third parties   | 156,840       | 152,882      |
| d) Property securities deposited with third parties  | 115,468       | 119,534      |
| <b>4. Other transactions</b>   | <b>7,354</b>  | <b>7,669</b> |

## Part B - Consolidated balance sheet - Liabilities

## 6. Financial assets subject to accounting offsetting or under master netting agreements and similar agreements

(€ million)

| INSTRUMENT TYPE         | GROSS AMOUNTS<br>OF FINANCIAL<br>ASSETS<br>(A) | FINANCIAL<br>LIABILITIES<br>OFFSET IN<br>BALANCE SHEET<br>(B) | NET BALANCE<br>SHEET VALUES<br>OF FINANCIAL<br>ASSETS<br>(C=A-B) | RELATED AMOUNTS NOT SUBJECT<br>TO ACCOUNTING OFFSETTING |                                       | NET AMOUNT<br>31.12.2022<br>(F=C-D-E) | NET AMOUNT<br>31.12.2021 |
|-------------------------|--|---|--|---|---------------------------------------|---------------------------------------|--------------------------|
|                         |  |   |  | FINANCIAL<br>INSTRUMENTS<br>(D)                         | CASH<br>COLLATERAL<br>RECEIVED<br>(E) |                                       |                          |
| 1. Derivatives          | 280,481  | 246,745   | 33,736   | 21,935  | 8,528                                 | 3,273                                 | 6,608                    |
| 2. Reverse repos        | 36,864   | -   | 36,864   | 36,269  | 19                                    | 576                                   | 11,684                   |
| 3. Securities lending   | -  | -   | -  | -   | -                                     | -                                     | -                        |
| 4. Others               | 130,012  | 3,994   | 126,018  | -   | -                                     | 126,018                               | 124,729                  |
| <b>Total 31.12.2022</b> | <b>447,357</b>                                 | <b>250,739</b>  | <b>196,618</b>   | <b>58,204</b>   | <b>8,547</b>                          | <b>129,867</b>                        | <b>X</b>                 |
| <b>Total 31.12.2021</b> | <b>241,527</b>                                 | <b>46,638</b>   | <b>194,889</b>   | <b>42,766</b>   | <b>9,102</b>                          | <b>X</b>                              | <b>143,021</b>           |

The amount of financial derivative assets offset in balance sheet by financial liabilities (column "B" item 1. Derivatives) mainly refers to derivative contracts settled with Central Clearing Counterparties (CCPs).

## 7. Financial liabilities subject to accounting offsetting or under master netting agreements and similar agreements

(€ million)

| INSTRUMENT TYPE         | GROSS AMOUNTS<br>OF FINANCIAL<br>LIABILITIES<br>(A) | FINANCIAL<br>ASSETS OFFSET<br>IN BALANCE<br>SHEET<br>(B) | NET BALANCE<br>SHEET VALUES<br>OF FINANCIAL<br>LIABILITIES<br>(C=A-B) | RELATED AMOUNTS NOT SUBJECT<br>TO ACCOUNTING OFFSETTING |                                       | NET AMOUNT<br>31.12.2022<br>(F=C-D-E) | NET AMOUNT<br>31.12.2021 |
|-------------------------|---|--|---|---|---------------------------------------|---------------------------------------|--------------------------|
|                         |   |  |   | FINANCIAL<br>INSTRUMENTS<br>(D)                         | CASH<br>COLLATERAL<br>RECEIVED<br>(E) |                                       |                          |
| 1. Derivatives          | 282,035   | 247,760  | 34,275  | 22,112  | 7,299                                 | 4,864                                 | 4,444                    |
| 2. Reverse repos        | 32,141  | -  | 32,141  | 31,765  | 103                                   | 273                                   | 22,178                   |
| 3. Securities lending   | -   | -  | -   | -   | -                                     | -                                     | -                        |
| 4. Others               | 198,072   | 2,979  | 195,093   | -   | -                                     | 195,093                               | 192,839                  |
| <b>Total 31.12.2022</b> | <b>512,248</b>                                      | <b>250,739</b>   | <b>261,509</b>  | <b>53,877</b>   | <b>7,402</b>                          | <b>200,230</b>                        | <b>X</b>                 |
| <b>Total 31.12.2021</b> | <b>315,286</b>                                      | <b>46,639</b>  | <b>268,647</b>  | <b>40,987</b>   | <b>8,199</b>                          | <b>X</b>                              | <b>219,461</b>           |

The amount of financial derivative liabilities offset in balance sheet by financial assets (column "B" item 1. Derivatives) mainly refers to derivative contracts settled with Central Clearing Counterparties (CCPs).

## 8. Security borrowing transactions

(€ million)

| TYPE OF LENDER             | AMOUNTS AS AT 31.12.2022                                |            |                              |                |
|----------------------------|---|------------|------------------------------|----------------|
|                            | AMOUNTS OF THE SECURITIES BORROWED/TRANSACTION PURPOSES |            |                              |                |
|                            | GIVEN AS COLLATERAL<br>IN OWN FUNDING<br>TRANSACTIONS   | SOLD       | SOLD IN REPO<br>TRANSACTIONS | OTHER PURPOSES |
| A. Banks                   | 1,704   | 130        | 361                          | 6,250          |
| B. Financial companies     | -   | 75         | 155                          | 283            |
| C. Insurance companies     | -   | -          | -                            | -              |
| D. Non-financial companies | -   | 24         | 314                          | 168            |
| E. Others                  | 11  | -          | 108                          | 57             |
| <b>Total</b>               | <b>1,715</b>  | <b>229</b> | <b>938</b>                   | <b>6,758</b>   |

## Part C - Consolidated income statement

## Section 1 - Interests - Items 10 and 20

## 1.1 Interest income and similar revenues: breakdown

| ITEMS/TYPES   | YEAR 2022       |               |                    | TOTAL         | YEAR 2021<br>TOTAL |
|---|-----------------|---------------|--------------------|---------------|--------------------|
|   | DEBT SECURITIES | LOANS         | OTHER TRANSACTIONS |               |                    |
| <b>1. Financial assets at fair value through profit or loss</b>             | <b>246</b>      | <b>102</b>    | <b>845</b>         | <b>1,193</b>  | <b>943</b>         |
| 1.1 Financial assets held for trading                                       | 158             | 12            | 845                | 1,015         | 754                |
| 1.2 Financial assets designated at fair value                               | 2               | -             | -                  | 2             | 3                  |
| 1.3 Other financial assets mandatorily at fair value                        | 86              | 90            | -                  | 176           | 186                |
| <b>2. Financial assets at fair value through other comprehensive income</b> | <b>747</b>      | <b>-</b>      | <b>X</b>           | <b>747</b>    | <b>723</b>         |
| <b>3. Financial assets at amortised cost</b>                                | <b>780</b>      | <b>11,899</b> | <b>X</b>           | <b>12,679</b> | <b>9,123</b>       |
| 3.1 Loans and advances to banks   | 101             | 1,682         | X                  | 1,783         | 373                |
| 3.2 Loans and advances to customers   | 679             | 10,217        | X                  | 10,896        | 8,750              |
| <b>4. Hedging derivatives</b>   | <b>X</b>        | <b>X</b>      | <b>278</b>         | <b>278</b>    | <b>(72)</b>        |
| <b>5. Other assets</b>  | <b>X</b>        | <b>X</b>      | <b>468</b>         | <b>468</b>    | <b>362</b>         |
| <b>6. Financial liabilities</b>   | <b>X</b>        | <b>X</b>      | <b>X</b>           | <b>974</b>    | <b>1,624</b>       |
| <b>Total</b>  | <b>1,773</b>    | <b>12,001</b> | <b>1,591</b>       | <b>16,339</b> | <b>12,703</b>      |
| <i>of which: interest income on impaired financial assets</i>               | <i>2</i>        | <i>331</i>    | <i>-</i>           | <i>333</i>    | <i>383</i>         |
| <i>of which: interest income on financial lease</i>                         | <i>X</i>        | <i>463</i>    | <i>X</i>           | <i>463</i>    | <i>455</i>         |

The interests on financial liabilities, contributing to net interest margin, include positive benefit for €412 million arising from TLTRO III facilities, the calculation of which is described in paragraph "TLTRO", Notes to the consolidated accounts, Part A - Accounting policies, Section 5 - Other matters.

## 1.2 Interest income and similar revenues: other information

## 1.2.1 Interest income from financial assets denominated in currency

| ITEMS                             | YEAR 2022   |  | YEAR 2021 |
|-----------------------------------|-------------|--|-----------|
|                                   | (€ million) |  |           |
| a) Assets denominated in currency | 5,889       |  | 3,351     |

## Part C - Consolidated income statement

### 1.3 Interest expenses and similar charges: breakdown

| ITEMS/TYPES  | YEAR 2022      |                |                    | TOTAL          | YEAR 2021      |
|--|----------------|----------------|--------------------|----------------|----------------|
|  | DEBTS          | SECURITIES     | OTHER TRANSACTIONS |                | TOTAL          |
| <b>1. Financial liabilities at amortised cost</b>        | <b>(2,628)</b> | <b>(1,780)</b> | <b>X</b>           | <b>(4,408)</b> | <b>(2,794)</b> |
| 1.1 Deposits from central banks                          | (224)          | X              | X                  | (224)          | (11)           |
| 1.2 Deposits from banks                                  | (397)          | X              | X                  | (397)          | (156)          |
| 1.3 Deposits from customers                              | (2,007)        | X              | X                  | (2,007)        | (632)          |
| 1.4 Debt securities in issue                             | X              | (1,780)        | X                  | (1,780)        | (1,995)        |
| <b>2. Financial liabilities held for trading</b>         | <b>(19)</b>    | <b>(92)</b>    | <b>(991)</b>       | <b>(1,102)</b> | <b>(791)</b>   |
| <b>3. Financial liabilities designated at fair value</b> | <b>(6)</b>     | <b>(53)</b>    | <b>-</b>           | <b>(59)</b>    | <b>(56)</b>    |
| <b>4. Other liabilities and funds</b>                    | <b>X</b>       | <b>X</b>       | <b>13</b>          | <b>13</b>      | <b>(96)</b>    |
| <b>5. Hedging derivatives</b>                            | <b>X</b>       | <b>X</b>       | <b>362</b>         | <b>362</b>     | <b>1,052</b>   |
| <b>6. Financial assets</b>                               | <b>X</b>       | <b>X</b>       | <b>X</b>           | <b>(521)</b>   | <b>(927)</b>   |
| <b>Total</b>   | <b>(2,653)</b> | <b>(1,925)</b> | <b>(616)</b>       | <b>(5,715)</b> | <b>(3,612)</b> |
| <i>of which: interest expenses on lease deposits</i>     | <i>(26)</i>    | <i>X</i>       | <i>X</i>           | <i>(26)</i>    | <i>(27)</i>    |

The interests on financial liabilities towards Central Banks include a negative impact for -€168 million arising from TLTRO III facilities, with reference to the period following 23 November 2022, when the instrument has lost the negative interests framework. For further information about the calculation method refer to paragraph "TLTRO", Notes to the consolidated accounts, Part A - Accounting policies, Section 5 - Other matters.

It should be noted that Interest expenses on "Other liabilities and funds" include the positive impact resulting from the decision of German authority to reduce the interest rate applied to tax provisions that UniCredit Bank AG have recognised in 2021.

### 1.4 Interest expenses and similar charges: other information

#### 1.4.1 Interest expenses on liabilities denominated in currency

| ITEMS                                  | YEAR 2022 |  | YEAR 2021 |
|--|-----------|--|-----------|
|  |           |  |           |
| a) Liabilities denominated in currency | (3,269)   |  | (1,424)   |

#### 1.5 Differentials relating to hedging operations

| ITEMS  | YEAR 2022  |  | YEAR 2021  |
|--|------------|--|------------|
|  |            |  |            |
| A. Positive differentials relating to hedging operations | 4,963      |  | 4,322      |
| B. Negative differentials relating to hedging operations | (4,323)    |  | (3,342)    |
| <b>C. Net differential (A-B)</b>                         | <b>640</b> |  | <b>980</b> |



## Part C - Consolidated income statement

## Section 2 - Fees and commissions - Items 40 and 50

## 2.1 Fees and commissions income: breakdown

|  | (€ million)  |              |
|--|--------------|--------------|
| TYPE OF SERVICES/VALUES  | YEAR 2022    | YEAR 2021    |
| a) Financial Instruments   | 1,082        | 1,315        |
| 1. Placement of securities   | 817          | 1,032        |
| 1.1 Underwriting and/or on the basis of an irrevocable commitment              | 46           | 27           |
| 1.2 Without irrevocable commitment   | 771          | 1,005        |
| 2. Reception and transmission of orders  | 111          | 116          |
| 2.1 Reception and transmission of orders of financial instruments              | 111          | 116          |
| 2.2 Execution of orders on behalf of customers                                 | -            | -            |
| 3. Other fees related to activities linked to financial instruments            | 154          | 167          |
| of which: <i>proprietary Trading</i>   | 9            | 9            |
| of which: <i>individual portfolio management</i>                               | 144          | 158          |
| b) Corporate Finance   | 70           | 58           |
| 1. M&A advisory  | 19           | 9            |
| 2. Treasury services   | 1            | 2            |
| 3. Other fee and commission income in relation to corporate finance activities | 50           | 47           |
| c) Fee based advice  | 93           | 92           |
| d) Clearing and settlement   | -            | -            |
| e) Collective portfolio management   | 200          | 213          |
| f) Custody and administration of securities                                    | 254          | 279          |
| 1. Custodian Bank  | 82           | 121          |
| 2. Other fee and commission income in relation to corporate finance activities | 172          | 158          |
| g) Central administrative services for collective investment                   | 1            | 1            |
| h) Fiduciary transactions  | -            | -            |
| i) Payment services  | 1,567        | 1,367        |
| 1. Current accounts  | 54           | 46           |
| 2. Credit cards  | 122          | 106          |
| 3. Debits cards and other card payments  | 439          | 354          |
| 4. Transfers and other payment orders  | 450          | 412          |
| 5. Other fees in relation to payment services                                  | 502          | 449          |
| j) Distribution of third party services  | 1,552        | 1,557        |
| 1. Collective portfolio management   | 657          | 678          |
| 2. Insurance products  | 878          | 861          |
| 3. Other products  | 17           | 18           |
| of which: <i>individual portfolio management</i>                               | 2            | 3            |
| k) Structured finance  | -            | -            |
| l) Loan securitisation servicing activities                                    | 21           | 8            |
| m) Loan commitment given   | 94           | 99           |
| n) Financial guarantees  | 353          | 345          |
| of which: <i>credit derivatives</i>  | -            | -            |
| o) Lending transaction   | 517          | 512          |
| of which: <i>factoring services</i>  | 76           | 71           |
| p) Currency trading  | 262          | 197          |
| q) Commodities   | -            | -            |
| r) Other fee income  | 2,039        | 1,920        |
| of which: <i>management of sharing multilateral trading facilities</i>         | -            | -            |
| of which: <i>management of organized trading systems</i>                       | -            | -            |
| <b>Total</b>   | <b>8,105</b> | <b>7,963</b> |

## Part C - Consolidated income statement

Item "r) other fee income" mainly comprise:

- fees for ancillary services linked to current accounts (e.g., token, debt card): €845 million in 2022, €794 million in 2021 (+6.4%);
- fees for immediate funds availability: €315 million in 2022, €326 million in 2021 (-3.4%);
- fees for ATM and credit card services not included in collection and payment services: €307 million in 2022, €261 million in 2021 (+17.6%);
- fees for current accounts keeping: €124 million in 2022, €120 million in 2021 (+3.3%).

### 2.2 Fees and commissions expenses: breakdown

| SERVICES/VALUES  | (€ million)    |                |
|--|----------------|----------------|
|  | YEAR 2022      | YEAR 2021      |
| a) Financial instruments   | (99)           | (75)           |
| <i>of which: trading in financial instruments</i>                          | (73)           | (61)           |
| <i>of which: placement of financial instruments</i>                        | (19)           | (6)            |
| <i>of which: individual Portfolio management</i>                           | (9)            | (8)            |
| - own portfolio  | (1)            | (1)            |
| - third party portfolio  | (8)            | (7)            |
| b) Clearing and settlement   | (3)            | (3)            |
| c) Portfolio management: collective  | (33)           | (35)           |
| 1. Own portfolio   | (20)           | (21)           |
| 2. Third party portfolio   | (13)           | (14)           |
| d) Custody and Administration  | (172)          | (173)          |
| e) Collection and payments services  | (803)          | (668)          |
| <i>of which: debit credit card service and other payment cards</i>         | (689)          | (562)          |
| f) Loan securitisation servicing activities                                | (1)            | -              |
| g) Loan commitment given   | (10)           | (10)           |
| h) Financial guarantees received   | (120)          | (84)           |
| <i>of which: credit derivatives</i>  | -              | -              |
| i) Off - site distribution of financial instruments, products and services | (43)           | (54)           |
| j) Currency trading  | (10)           | (9)            |
| k) Other commission expenses   | (124)          | (149)          |
| <b>Total</b>   | <b>(1,418)</b> | <b>(1,260)</b> |

## Part C - Consolidated income statement

## Section 3 - Dividend income and similar revenue - Item 70

## 3.1 Dividend income and similar revenues: breakdown

(€ million)

| ITEMS/REVENUES   | YEAR 2022  |                  | YEAR 2021  |                  |
|--|------------|------------------|------------|------------------|
|  | DIVIDENDS  | SIMILAR REVENUES | DIVIDENDS  | SIMILAR REVENUES |
| A. Financial assets held for trading                                 | 322        | -                | 255        | -                |
| B. Other financial assets mandatorily at fair value                  | 60         | 21               | 35         | 24               |
| C. Financial assets at fair value through other comprehensive income | 26         | -                | 18         | -                |
| D. Equity investments  | 8          | -                | 19         | -                |
| <b>Total</b>   | <b>416</b> | <b>21</b>        | <b>327</b> | <b>24</b>        |
| <b>Total dividends and similar revenues</b>                          |            | <b>437</b>       |            | <b>351</b>       |

Dividends are recognised in the income statement when distribution is approved.

In 2022 dividend income and similar revenues totaled €437 million, as against €351 million for the previous period.

The item "A. Financial assets held for trading" includes the dividends received mainly by the subsidiary UniCredit Bank AG.

The item "B. Other financial assets mandatorily at fair value" includes mainly the dividends received relating to the investment in La Villata S.p.A. Immobiliare di Investimento e Sviluppo for €29 million (€16 million in 2021).

The item "C. Financial assets at fair value through other comprehensive income" includes mainly the dividends received relating to the investment in Banca d'Italia for €17 million (€10 million in 2021), the increase arises from the regulatory change which took place at the end of 2021 leading to an increase, starting from 2022, of the stake to 5% (compared to the previous 3%) for which the stakeholders of Banca d'Italia can benefit from dividends.

## Part C - Consolidated income statement

### Section 4 - Gains (Losses) on financial assets and liabilities held for trading - Item 80

#### 4.1 Net gains (losses) on trading: breakdown

| TRANSACTIONS/INCOME ITEMS  | YEAR 2022            |                         |                       |                        | NET PROFIT<br>[(A+B)-(C+D)] |
|--|----------------------|-------------------------|-----------------------|------------------------|-----------------------------|
|  | CAPITAL GAINS<br>(A) | REALISED PROFITS<br>(B) | CAPITAL LOSSES<br>(C) | REALISED LOSSES<br>(D) |                             |
| <b>1. Financial assets held for trading</b>                      | <b>8,174</b>         | <b>3,642</b>            | <b>(14,086)</b>       | <b>(3,697)</b>         | <b>(5,967)</b>              |
| 1.1 Debt securities  | 453                  | 989                     | (2,003)               | (905)                  | (1,466)                     |
| 1.2 Equity instruments   | 289                  | 517                     | (592)                 | (1,543)                | (1,329)                     |
| 1.3 Units in investment funds                                    | 15                   | 78                      | (230)                 | (195)                  | (332)                       |
| 1.4 Loans  | 3,226                | 1,309                   | (3,146)               | (34)                   | 1,355                       |
| 1.5 Other  | 4,191                | 749                     | (8,115)               | (1,020)                | (4,195)                     |
| <b>2. Financial liabilities held for trading</b>                 | <b>911</b>           | <b>1,407</b>            | <b>(368)</b>          | <b>(1,304)</b>         | <b>646</b>                  |
| 2.1 Debt securities  | 649                  | 1,108                   | (186)                 | (189)                  | 1,382                       |
| 2.2 Deposits   | -                    | -                       | (1)                   | (3)                    | (4)                         |
| 2.3 Other  | 262                  | 299                     | (181)                 | (1,112)                | (732)                       |
| <b>3. Financial assets and liabilities: exchange differences</b> | <b>X</b>             | <b>X</b>                | <b>X</b>              | <b>X</b>               | <b>190</b>                  |
| <b>4. Derivatives</b>  | <b>648,422</b>       | <b>125,490</b>          | <b>(636,521)</b>      | <b>(132,251)</b>       | <b>5,990</b>                |
| 4.1 Financial derivatives  | 648,083              | 125,185                 | (636,154)             | (131,829)              | 6,135                       |
| - On debt securities and interest rates                          | 623,546              | 101,825                 | (619,525)             | (104,867)              | 979                         |
| - On equity securities and share indices                         | 6,936                | 6,487                   | (6,140)               | (6,064)                | 1,219                       |
| - On currencies and gold   | X                    | X                       | X                     | X                      | 850                         |
| - Other  | 17,601               | 16,873                  | (10,489)              | (20,898)               | 3,087                       |
| 4.2 Credit derivatives   | 339                  | 305                     | (367)                 | (422)                  | (145)                       |
| <i>of which: economic hedges linked to the fair value option</i> | X                    | X                       | X                     | X                      | -                           |
| <b>Total</b>   | <b>657,507</b>       | <b>130,539</b>          | <b>(650,975)</b>      | <b>(137,252)</b>       | <b>859</b>                  |

### Section 5 - Fair value adjustments in hedge accounting - Item 90

#### 5.1 Net gains (losses) on hedge accounting: breakdown

| INCOME COMPONENT/VALUES  | YEAR 2022       |  | YEAR 2021       |
|--|-----------------|--|-----------------|
|  |                 |  |                 |
| <b>A. Gains on</b>   |                 |  |                 |
| A.1 Fair value hedging instruments                                       | 26,627          |  | 8,392           |
| A.2 Hedged financial assets (in fair value hedge relationship)           | 99              |  | 208             |
| A.3 Hedged financial liabilities (in fair value hedge relationship)      | 20,386          |  | 4,877           |
| A.4 Cash-flow hedging derivatives  | 33              |  | 5               |
| A.5 Assets and liabilities denominated in currency                       | -               |  | -               |
| <b>Total gains on hedging activities (A)</b>                             | <b>47,145</b>   |  | <b>13,482</b>   |
| <b>B. Losses on</b>  |                 |  |                 |
| B.1 Fair value hedging instruments                                       | (33,710)        |  | (10,326)        |
| B.2 Hedged financial assets (in fair value hedge relationship)           | (12,863)        |  | (2,979)         |
| B.3 Hedged financial liabilities (in fair value hedge relationship)      | (126)           |  | (121)           |
| B.4 Cash-flow hedging derivatives  | (79)            |  | (7)             |
| B.5 Assets and liabilities denominated in currency                       | -               |  | -               |
| <b>Total losses on hedging activities (B)</b>                            | <b>(46,778)</b> |  | <b>(13,433)</b> |
| <b>C. Net hedging result (A-B)</b>                                       | <b>367</b>      |  | <b>49</b>       |
| <i>of which: net gains (losses) of hedge accounting on net positions</i> | -               |  | -               |

The increase in the items gain and losses on the hedging derivatives is mainly attributable to the evolution in the markets interest rate curves observed in 2022.

## Part C - Consolidated income statement

### Section 6 - Gains (Losses) on disposals/repurchases - Item 100

Net profit from gains/losses on disposals/repurchases of financial assets/liabilities as at 31 December 2022 is equal to +€457 million (+€244 million in 2021), of which +€266 million on financial assets and +€191 million on financial liabilities.

Net result recognised under sub-item "1. Financial assets at amortised cost" equal to +€133 million is mainly due to loan and advances to customers basically attributable to sale of bonds by UniCredit S.p.A.

The sub-item "2. Financial assets at fair value through other comprehensive income - 2.1 Debt securities" is equal to +€133 million and includes mainly gains on disposal of UniCredit S.p.A., for the most part due to Italian Government securities.

The sub-item "1. Deposits from banks" equal to +€153 million is mainly originated by the derecognition of TLTRO III facilities as a result of the remodulation by ECB of contractual terms occurred in November 2022 of UniCredit Bank Austria AG (+€79 million), of UniCredit S.p.A. (+€41 million) and of UniCredit Bank AG (+€23 million).

The sub-item "3. Debt securities in issue" equal to +€35 million mainly includes gains for buy-back of bonds issued by UniCredit S.p.A.

#### 6.1 Gains (Losses) on disposal/repurchase: breakdown

| ITEMS/INCOME ITEMS   | YEAR 2022    |              |            | YEAR 2021  |              |            |
|--|--------------|--------------|------------|------------|--------------|------------|
|  | GAINS        | LOSSES       | NET PROFIT | GAINS      | LOSSES       | NET PROFIT |
| <b>A. Financial assets</b>   |              |              |            |            |              |            |
| 1. Financial assets at amortised cost                                | 478          | (345)        | 133        | 250        | (197)        | 53         |
| 1.1 Loans and advances to banks                                      | -            | (58)         | (58)       | 11         | (29)         | (18)       |
| 1.2 Loans and advances to customers                                  | 478          | (287)        | 191        | 239        | (168)        | 71         |
| 2. Financial assets at fair value through other comprehensive income | 615          | (482)        | 133        | 341        | (200)        | 141        |
| 2.1 Debt securities  | 615          | (482)        | 133        | 341        | (200)        | 141        |
| 2.2 Loans  | -            | -            | -          | -          | -            | -          |
| <b>Total assets (A)</b>  | <b>1,093</b> | <b>(827)</b> | <b>266</b> | <b>591</b> | <b>(397)</b> | <b>194</b> |
| <b>B. Financial liabilities at amortised cost</b>                    |              |              |            |            |              |            |
| 1. Deposits from banks   | 508          | (355)        | 153        | -          | -            | -          |
| 2. Deposits from customers   | 4            | (1)          | 3          | 66         | (2)          | 64         |
| 3. Debt securities in issue  | 59           | (24)         | 35         | 2          | (16)         | (14)       |
| <b>Total liabilities (B)</b>   | <b>571</b>   | <b>(380)</b> | <b>191</b> | <b>68</b>  | <b>(18)</b>  | <b>50</b>  |
| <b>Total financial assets/liabilities</b>                            |              |              | <b>457</b> |            |              | <b>244</b> |

Net profit from gains/losses on disposals/repurchases of financial assets/liabilities as at 31 December 2021 was equal to +€244 million, of which +€194 million on financial assets and +€50 million on financial liabilities.

Net result recognised under sub-item "1. Financial assets at amortised cost" equal to +€53 million was mainly due to loan and advances to customers basically attributable to sale of bonds by UniCredit S.p.A.

The sub-item "2. Financial assets at fair value through other comprehensive income - 2.1 Debt securities" was equal to +€141 million and included mainly gains on disposal of UniCredit S.p.A. for +€93 million, for the most part due to Italian Government securities.

## Part C - Consolidated income statement

### Section 7 - Net gains (losses) on other financial assets/liabilities at fair value through profit or loss - Item 110

#### 7.1 Net gains (losses) on other financial assets/liabilities at fair value through profit or loss: breakdown of financial assets and liabilities designated at fair value

(€ million)

| TRANSACTIONS/INCOME ITEMS  | YEAR 2022            |                         |                       |                        | NET PROFIT<br>[(A+B)-(C+D)] |
|--|----------------------|-------------------------|-----------------------|------------------------|-----------------------------|
|  | CAPITAL GAINS<br>(A) | REALISED PROFITS<br>(B) | CAPITAL LOSSES<br>(C) | REALISED LOSSES<br>(D) |                             |
| <b>1. Financial assets</b>   | -                    | -                       | (85)                  | (18)                   | (103)                       |
| 1.1 Debt securities  | -                    | -                       | (85)                  | (18)                   | (103)                       |
| 1.2 Loans  | -                    | -                       | -                     | -                      | -                           |
| <b>2. Financial liabilities</b>  | <b>1,410</b>         | <b>127</b>              | <b>(162)</b>          | <b>(133)</b>           | <b>1,242</b>                |
| 2.1 Debt securities  | 1,240                | 125                     | (152)                 | (129)                  | 1,084                       |
| 2.2 Deposits from banks  | 61                   | 2                       | (10)                  | -                      | 53                          |
| 2.3 Deposits from customers  | 109                  | -                       | -                     | (4)                    | 105                         |
| <b>3. Financial assets and liabilities in foreign currency: exchange differences</b> | <b>X</b>             | <b>X</b>                | <b>X</b>              | <b>X</b>               | <b>-</b>                    |
| <b>Total</b>   | <b>1,410</b>         | <b>127</b>              | <b>(247)</b>          | <b>(151)</b>           | <b>1,139</b>                |

Some financial derivatives entered into for economic hedge purposes are linked to financial liabilities represented by debt securities and their economic results are included into table "4.1 Net gains (losses) on trading: breakdown" of the Notes to the consolidated account, Part C - Consolidated income statement, Section 4 - Gain (Losses) on financial assets and liabilities held for trading - Item 80.

#### 7.2 Net change in other financial assets/liabilities at fair value through profit or loss: breakdown of other financial assets mandatorily at fair value

(€ million)

| TRANSACTIONS/INCOME ITEMS                        | YEAR 2022            |                         |                       |                        | NET PROFIT<br>[(A+B)-(C+D)] |
|--|----------------------|-------------------------|-----------------------|------------------------|-----------------------------|
|  | CAPITAL GAINS<br>(A) | REALISED PROFITS<br>(B) | CAPITAL LOSSES<br>(C) | REALISED LOSSES<br>(D) |                             |
| <b>1. Financial assets</b>                       | <b>229</b>           | <b>90</b>               | <b>(766)</b>          | <b>(129)</b>           | <b>(576)</b>                |
| 1.1 Debt securities                              | 51                   | 14                      | (409)                 | (125)                  | (469)                       |
| 1.2 Equity securities                            | 75                   | 72                      | (113)                 | -                      | 34                          |
| 1.3 Units in investment funds                    | 65                   | 2                       | (87)                  | (2)                    | (22)                        |
| 1.4 Loans  | 38                   | 2                       | (157)                 | (2)                    | (119)                       |
| <b>2. Financial assets: exchange differences</b> | <b>X</b>             | <b>X</b>                | <b>X</b>              | <b>X</b>               | <b>-</b>                    |
| <b>Total</b>                                     | <b>229</b>           | <b>90</b>               | <b>(766)</b>          | <b>(129)</b>           | <b>(576)</b>                |

OICR quotes include economic effects from Atlante fund and Italian Recovery Fund (IRF - former Atlante II), for which refer to specific comment in table "2.5 Financial assets mandatory at fair value: breakdown by product" of the Notes to the consolidated accounts, Part B - Consolidated balance sheet - Assets, Section 2 - Financial asset at fair value through profit or loss - Item 20.

## Part C - Consolidated income statement

### Section 8 - Net losses/recoveries on credit impairment - Item 130

As at 31 December 2022, Net losses on credit impairment include:

- the update of the macro-economic scenario which has led to the recognition of write-downs for -€535 million;
- material changes in IRB Models for PD and LGD calculation that led to recognize write-downs for -€48 million and enhancement to methodological framework in order to consider for bullet/balloon portfolios the peculiar elements of risks that determined the recognition of additional write-downs for an amount of -€322 million;
- the update in the selling scenario that determined the recognition of write backs for €19 million;
- the Downgrading of Loans held by the Russian subsidiaries and Russian government bonds that has determined the recognition of write downs for respectively<sup>52</sup> -€217 million and -€209 million. Furthermore on credit exposures held by the Russian subsidiaries, overlays for € -48million were recognised.

In addition to the above geopolitical overlays having a balance of €1.8 billion were recognised, following the new risk assessment the previous overlays, having a balance of €0.9 billion, were subject to.

For additional details on Loan loss provisions refer to the Section 2 - Risks of the prudential consolidated perimeter, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, while for additional details on Implications of geopolitical tensions between Russia and Ukraine, refer to the Section 5 - Other matters, Implications of geopolitical tensions between Russia and Ukraine, Notes to the consolidated accounts, Part A - Accounting policies.

#### 8.1 Net impairment losses for credit risk relating to financial assets at amortised cost: breakdown

| TRANSACTIONS/INCOME ITEMS          | YEAR 2022    |                |  |                |           |             |             |              |              |          | TOTAL          | YEAR 2021      |  |
|------------------------------------|--------------|----------------|--|----------------|-----------|-------------|-------------|--------------|--------------|----------|----------------|----------------|--|
|                                    | WRITE-DOWNS  |                |  |                |           |             | WRITE-BACKS |              |              |          |                |                |  |
|                                    | STAGE 3      |                | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS |                | STAGE 1   |             | STAGE 2     |              | STAGE 3      |          |                |                | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS |
|                                    | STAGE 1      | STAGE 2        | WRITE-OFF  | OTHER          | WRITE-OFF | OTHER       | STAGE 1     | STAGE 2      | STAGE 3      |          |                |                |  |
| A. Loans and advances to banks     | (5)          | (82)           | -  | (21)           | -         | (9)         | 8           | 27           | 1            | -        | (81)           | 2              |  |
| - Loans                            | (5)          | (82)           | -  | (21)           | -         | (9)         | 7           | 26           | 1            | -        | (83)           | 3              |  |
| - Debt securities                  | -            | -              | -  | -              | -         | -           | 1           | 1            | -            | -        | 2              | (1)            |  |
| B. Loans and advances to customers | (889)        | (2,882)        | (87)   | (2,732)        | -         | (8)         | 865         | 1,658        | 2,119        | 6        | (1,950)        | (1,632)        |  |
| - Loans                            | (884)        | (2,696)        | (87)   | (2,732)        | -         | (8)         | 858         | 1,653        | 2,119        | 6        | (1,771)        | (1,637)        |  |
| - Debt securities                  | (5)          | (186)          | -  | -              | -         | -           | 7           | 5            | -            | -        | (179)          | 5              |  |
| <b>Total</b>                       | <b>(894)</b> | <b>(2,964)</b> | <b>(87)</b>  | <b>(2,753)</b> | <b>-</b>  | <b>(17)</b> | <b>873</b>  | <b>1,685</b> | <b>2,120</b> | <b>6</b> | <b>(2,031)</b> | <b>(1,630)</b> |  |

#### 8.1a Net impairment losses for credit risk relating to financial assets at amortised cost subject to Covid-19 measures: breakdown

| TRANSACTIONS/INCOME ITEMS  | YEAR 2022             |              |            |              |           |            |   | TOTAL | YEAR 2021 |  |
|--|-----------------------|--------------|------------|--------------|-----------|------------|---|-------|-----------|--|
|  | NET IMPAIRMENT LOSSES |              |            |              |           |            |   |       |           |  |
|  | STAGE 1               |              | STAGE 2    |              | STAGE 3   |            | PURCHASED OR ORIGINATED CREDIT IMPAIRED |       |           |  |
|  | STAGE 1               | STAGE 2      | WRITE-OFF  | OTHER        | WRITE-OFF | OTHER      |   |       |           |  |
| 1. EBA-compliant moratoria loans and advances  | 1                     | 1            | -          | -            | -         | -          | 2                                       | 5     |           |  |
| 2. Loans under moratorium no longer compliant to the GL requirements and not valued as forborne exposure | 11                    | -            | -          | 13           | -         | -          | 24                                      | (148) |           |  |
| 3. Loans and advances with other forbearance measures  | -                     | 14           | -          | 35           | -         | (1)        | 48                                      | (382) |           |  |
| 4. Newly originated loans and advances   | 14                    | (14)         | (7)        | (60)         | -         | -          | (67)                                    | (90)  |           |  |
| <b>Total 12.31.2022</b>  | <b>26</b>             | <b>1</b>     | <b>(7)</b> | <b>(12)</b>  | <b>-</b>  | <b>(1)</b> | <b>7</b>                                |       |           |  |
| <b>Total 12.31.2021</b>  | <b>11</b>             | <b>(304)</b> | <b>-</b>   | <b>(322)</b> | <b>-</b>  | <b>-</b>   | <b>(615)</b>                            |       |           |  |

<sup>52</sup> The reported amount shows the increase in LLP occurred at the moment of reclassification in Stage 2 and rating downgrade.

## Part C - Consolidated income statement

### 8.2 Net change for credit risk relating to financial assets at fair value through other comprehensive income: breakdown

| TRANSACTIONS/INCOME ITEMS         | YEAR 2022   |         |  |       |           |       |             |   |         |         | YEAR<br>2021<br>TOTAL |       |
|-----------------------------------|-------------|---------|--|-------|-----------|-------|-------------|---|---------|---------|-----------------------|-------|
|                                   | WRITE-DOWNS |         |  |       |           |       | WRITE-BACKS |   |         |         |                       | TOTAL |
|                                   | STAGE 3     |         | PURCHASED OR<br>ORIGINATED CREDIT-<br>IMPAIRED FINANCIAL<br>ASSETS |       | STAGE 3   |       |             | PURCHASED<br>OR<br>ORIGINATED<br>CREDIT-<br>IMPAIRED<br>FINANCIAL<br>ASSETS |         |         |                       |       |
|                                   | STAGE 1     | STAGE 2 | WRITE-OFF  | OTHER | WRITE-OFF | OTHER | STAGE 1     |   | STAGE 2 | STAGE 3 |                       |       |
| <b>A. Debt securities</b>         | (11)        | (30)    | -  | -     | -         | -     | 5           | 6   | -       | -       | (30)                  | (18)  |
| <b>B. Loans</b>                   | -           | -       | -  | -     | -         | -     | -           | -   | -       | -       | -                     | -     |
| - Loans and advances to customers | -           | -       | -  | -     | -         | -     | -           | -   | -       | -       | -                     | -     |
| - Loans and advances to banks     | -           | -       | -  | -     | -         | -     | -           | -   | -       | -       | -                     | -     |
| <b>Total</b>                      | (11)        | (30)    | -  | -     | -         | -     | 5           | 6   | -       | -       | (30)                  | (18)  |

For additional information on this section refer to paragraph A. Credit quality, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies.

## Section 9 - Gains/Losses from contractual changes with no cancellations - Item 140

### 9.1 Gains (Losses) from contractual changes: breakdown

|   | YEAR 2022 |        |       | YEAR<br>2021<br>TOTAL |
|---|-----------|--------|-------|-----------------------|
|   | GAINS     | LOSSES | TOTAL |                       |
| <b>A. Financial assets at amortised costs</b>                               |           |        |       |                       |
| A.1 Debt securities   | -         | -      | -     | -                     |
| A.2 Loans to banks  | -         | -      | -     | -                     |
| A.3 Loans to customers  | 16        | (19)   | (3)   | (5)                   |
| <b>Total (A)</b>  | 16        | (19)   | (3)   | (5)                   |
| <b>B. Financial assets at fair value through other comprehensive income</b> |           |        |       |                       |
| B.1 Debt securities   | -         | -      | -     | -                     |
| B.2 Loans to banks  | -         | -      | -     | -                     |
| B.3 Loans to customers  | -         | -      | -     | -                     |
| <b>Total (B)</b>  | -         | -      | -     | -                     |
| <b>Total (A+B)</b>  | 16        | (19)   | (3)   | (5)                   |

## Section 10 - Net premiums - Item 160

There are no amounts to be shown.

## Section 11 - Other net insurance income/expenses - Item 170

There are no amounts to be shown.



## Part C - Consolidated income statement

## Section 12 - Administrative expenses - Item 190

## 12.1 Staff expenses: breakdown

| TYPE OF EXPENSES/VALUES  | (€ million)    |                |
|--|----------------|----------------|
|  | YEAR 2022      | YEAR 2021      |
| <b>1) Employees</b>  | <b>(6,155)</b> | <b>(6,990)</b> |
| a) Wages and salaries  | (4,245)        | (4,325)        |
| b) Social charges  | (982)          | (1,014)        |
| c) Severance pay   | (20)           | (20)           |
| d) Social security costs   | -              | -              |
| e) Allocation to employee severance pay provision                          | (10)           | (8)            |
| f) Provision for retirements and similar provisions                        | (147)          | (118)          |
| - Defined contribution   | (3)            | (2)            |
| - Defined benefit  | (144)          | (116)          |
| g) Payments to external pension funds                                      | (201)          | (209)          |
| - Defined contribution   | (200)          | (208)          |
| - Defined benefit  | (1)            | (1)            |
| h) Costs arising from share-based payments                                 | (57)           | (69)           |
| i) Other employee benefits   | (493)          | (1,227)        |
| <b>2) Other non-retired staff</b>  | <b>(32)</b>    | <b>(29)</b>    |
| <b>3) Directors and Statutory Auditors</b>                                 | <b>(7)</b>     | <b>(8)</b>     |
| <b>4) Early retirement costs</b>   | <b>-</b>       | <b>-</b>       |
| <b>5) Recoveries of payments for seconded employees to other companies</b> | <b>16</b>      | <b>17</b>      |
| <b>6) Refund of expenses for seconded employees to the company</b>         | <b>(30)</b>    | <b>(35)</b>    |
| <b>Total</b>   | <b>(6,208)</b> | <b>(7,045)</b> |

## 12.2 Average number of employees by category

|                                | YEAR 2022     | YEAR 2021     |
|--------------------------------|---------------|---------------|
| <b>Employees</b>               | <b>83,512</b> | <b>87,565</b> |
| a) Senior managers             | 911           | 978           |
| b) Managers                    | 24,876        | 25,566        |
| c) Remaining employees staff   | 57,725        | 61,021        |
| <b>Other non-retired staff</b> | <b>1,569</b>  | <b>1,436</b>  |
| <b>Total</b>                   | <b>85,080</b> | <b>89,001</b> |

## Employees by category at year end

|                                | AMOUNTS AS AT |               |
|--------------------------------|---------------|---------------|
|                                | 31.12.2022    | 31.12.2021    |
| <b>Employees</b>               | <b>81,348</b> | <b>85,675</b> |
| a) Senior managers             | 874           | 948           |
| b) Managers                    | 24,521        | 25,230        |
| c) Remaining employees staff   | 55,953        | 59,497        |
| <b>Other non-retired staff</b> | <b>1,647</b>  | <b>1,490</b>  |
| <b>Total</b>                   | <b>82,995</b> | <b>87,165</b> |

## Part C - Consolidated income statement

## 12.3 Defined benefit company retirement funds: costs and revenues

|  | (€ million)  |              |
|--|--------------|--------------|
|  | YEAR 2022    | YEAR 2021    |
| Current service cost                             | (96)         | (107)        |
| Settlement gains (losses)                        | -            | 30           |
| Past service cost                                | (1)          | -            |
| Interest cost on the DBO                         | (115)        | (82)         |
| Interest income on plan assets                   | 68           | 43           |
| Other costs/revenues                             | -            | -            |
| Administrative expenses paid through plan assets | -            | -            |
| <b>Total recognised in profit or loss</b>        | <b>(144)</b> | <b>(116)</b> |

## 12.4 Other employee benefits

|                      | (€ million)  |                |
|----------------------|--------------|----------------|
|                      | YEAR 2022    | YEAR 2021      |
| - Seniority premiums | 2            | (3)            |
| - Leaving incentives | (239)        | (1,023)        |
| - Other              | (256)        | (201)          |
| <b>Total</b>         | <b>(493)</b> | <b>(1,227)</b> |

The net balance in the sub-item Leaving incentives for 2022 is mainly determined by the update of strategic plan that envisages a reduction of the workforce over the plan horizon and the recognition of restructuring costs as at 31 December 2022 in force of specific communications to Workers Council.

The main impacted countries are Germany, Russia and Italy. In detail:

- in Germany and in Russia the exits will be realised on individual basis;
- in Italy the exits for restructuring will be realised on a voluntary basis, in this regard, an agreement with the Trade Unions has been signed on 1 December 2022.

It should be noted that these expenses are initially recognised as provisions for risks and charges and will be reclassified to "Other liabilities" when a specific debt toward the employees will arise.

In addition, it is worth to note that the amount related to the sub-item "Seniority premiums" includes the positive impact stemming from change in discount rate applied on the related provision.

## Part C - Consolidated income statement

## 12.5 Other administrative expenses: breakdown

| TYPE OF EXPENSES/SECTORS   | (€ million)    |                |
|--|----------------|----------------|
|  | YEAR 2022      | YEAR 2021      |
| <b>1) Indirect taxes and duties</b>  | <b>(596)</b>   | <b>(568)</b>   |
| 1a. Settled  | (596)          | (566)          |
| 1b. Unsettled  | -              | (2)            |
| <b>2) Contributions to Resolution Funds and Deposit Guarantee Schemes (DGS)</b>                    | <b>(901)</b>   | <b>(910)</b>   |
| <b>3) Guarantee fee for DTA conversion</b>   | <b>(104)</b>   | <b>(104)</b>   |
| <b>4) Miscellaneous costs and expenses</b>   | <b>(2,493)</b> | <b>(2,630)</b> |
| a) Advertising marketing and communication   | (116)          | (153)          |
| b) Expenses relating to credit risk  | (84)           | (119)          |
| c) Indirect expenses relating to personnel   | (68)           | (55)           |
| d) Information & Communication Technology expenses   | (1,175)        | (1,142)        |
| Lease of ICT equipment and software  | (74)           | (73)           |
| Software expenses: lease and maintenance   | (322)          | (270)          |
| ICT communication systems  | (67)           | (72)           |
| Services ICT in outsourcing  | (588)          | (605)          |
| Financial information providers  | (124)          | (122)          |
| e) Consulting and professionals services   | (114)          | (182)          |
| Consulting   | (75)           | (136)          |
| Legal expenses   | (39)           | (46)           |
| f) Real estate expenses  | (394)          | (405)          |
| Premises rentals   | (47)           | (48)           |
| Utilities  | (140)          | (132)          |
| Other real estate expenses   | (207)          | (225)          |
| g) Operating costs   | (542)          | (574)          |
| Surveillance and security services   | (48)           | (59)           |
| Money counting services and transport  | (51)           | (49)           |
| Printing and stationery  | (33)           | (27)           |
| Postage and transport of documents   | (66)           | (75)           |
| Administrative and logistic services   | (174)          | (186)          |
| Insurance  | (64)           | (68)           |
| Association dues and fees and contributions to the administrative expenses deposit guarantee funds | (69)           | (65)           |
| Other administrative expenses - other  | (37)           | (45)           |
| <b>Total (1+2+3+4)</b>   | <b>(4,094)</b> | <b>(4,212)</b> |

With specific reference to the item "Indirect taxes and duties" it is worth to note that it includes €41 million as a result of Hungarian government decision to introduce sector-specific taxes for companies generating "extra profits" in the current adverse situation starting from 1 July 2022. For further details refer to the paragraph "Hungarian Government Decree" in the Consolidated report on operations, Other information, Group activities development operations and other corporate transactions, Other information on Group activities.

## Part C - Consolidated income statement

### Contributions to Resolution and Guarantee funds

Item "Other administrative expenses" includes the Group contributions to resolution funds ("SRF") and guarantee funds ("DGS"), harmonised and non-harmonised, due pursuant to the Directives No.49 and No.59 of 2014.

In more details:

- With the introduction of the European Directive 2014/59/EU, the Regulation on the Single Resolution Mechanism ("BRRD Directive" Regulation (EU) No.806/2014 of the European Parliament and of the Council dated 15 July 2014) established a framework for the recovery and resolution of crises in credit institutions, by setting up a single resolution committee and a single resolution fund for banks (Single Resolution Fund, "SRF"). The Directive provides for the launch of a compulsory contribution mechanism that entails the collection of the target level of resources by 31 December 2023, equal at least to 1% of the amount of the covered deposits of all the authorised institutions in the States of the European Union. The accumulation period may be extended for further four years if the funding mechanisms have made cumulative disbursements for a percentage higher than 0.5% of the covered deposits. If the available financial resources fall below the target level after the accumulation period, the collection of contributions shall resume until that level has been recovered. Additionally, after having reached the target level for the first time and, in the event that the available financial resources fall to less than two thirds of the target level, these contributions are set at that level which allows to reach the target level within a period of six years. The contribution mechanism provides for ordinary annual contributions, with the aim of distributing the costs evenly over time for the contributing banks, and extraordinary additional contributions, of up to three times the expected annual contributions, when the available financial resources are not sufficient to cover losses and costs of interventions. A transitional phase of contributions to the national compartments of the SRF and a progressive mutualisation of these are expected.
- The Directive 2014/49/EU of 16 April 2014, in relation to the DGS - Deposit Guarantee Schemes, aims to enhance the protection of depositors through the harmonisation of the related national legislation. The Directive provides for the launch of a mandatory national contribution mechanism that will allow a target level of at least 0.8% of the amount of its members' covered deposits to be collected by 2024. The contribution resumes when the financing capacity is below the target level, at least until the target level is reached. If the available financial resources have been reduced to below two thirds of the target level after it has been reached for the first time, the regular contribution shall be set at that level which allows to reach the target level within six years. The national contribution mechanism provides for ordinary annual contribution instalments, with the aim of distributing the costs evenly over time for the contributing banks, and also extraordinary contributions, if the available financial resources are insufficient to repay depositors; the extraordinary contributions cannot exceed 0.5% of covered deposits per calendar year, but in exceptional cases and with the consent of the competent authority, the DGS may demand even higher contributions.

The Directives No.49 and No.59 specify the possibility of introducing irrevocable payment commitments as an alternative to collection of fund contributions lost through cash, up to a maximum of 30% of the total resources target.

Contributions to these schemes are accounted for in accordance with IFRIC21 "Levies". Therefore, contributions are recognised in Income statement when the obligating event identified by the legislation (i.e., having covered deposits at a certain date), that triggers the payment of the obligation, occurs. Being economically compelled to continue to have covered deposits or assumption of going concern does not represent a present obligation under IFRIC21 to pay such contributions for future periods. Future contributions will be recognised when they accrue upon occurrence of the obligating event.

As at 31 December 2022, with reference to Directive No.59 (SRF contributions), the Group contributions recognised through the Income statement totaled €606 million, entirely referred to ordinary contributions (of which, €242 million UniCredit S.p.A.).

With reference to Directive No.49 (DGS contribution), the Group contributions recognised through the Income statement totaled €295 million, of which €227 million ordinary contributions (€117 million referred to UniCredit S.p.A.) and €68 million additional contributions (entirely referred to UniCredit S.p.A.). Such contribution also includes the amounts recognised by UniCredit Bank AG and referred to the contribution to the Compensation Scheme of German Private Banks<sup>53</sup>.

As at 31 December 2022, no irrevocable payment commitments payment commitments were used.

<sup>53</sup> Entschädigungseinrichtung Deutscher Banken.

## Part C - Consolidated income statement

Here follows a table with the recap of the above-mentioned contributions.

### Contributions to Resolution and Guarantee Funds (included the ones paid through irrevocable payment commitments)

|  | (€ million) |                      |
|--|-------------|----------------------|
|  | GROUP       | o/w UniCredit S.p.A. |
| <b>Directive No.59 (SRF contributions), o/w:</b> |             |                      |
| Ordinary contributions:                          |             |                      |
| 2022   | 606         | 242                  |
| 2021   | 510         | 205                  |
| Extraordinary contributions:                     |             |                      |
| 2022   | -           | -                    |
| 2021   | 65          | 65                   |
| <b>Directive No.49 (DGS contributions), o/w:</b> |             |                      |
| Ordinary contributions:                          |             |                      |
| 2022   | 227         | 117                  |
| 2021   | 290         | 121                  |
| Extraordinary <sup>1</sup> contributions:        |             |                      |
| 2022   | 68          | 68                   |
| 2021   | 45          | 45                   |

**Note:**

<sup>1</sup> The amount includes additional contribution that the Scheme may request until 2024 to replenish to overall funds following its interventions

### Guarantee fees for DTA conversion

In order to preserve for the future the regime of conversion of DTAs into tax credits, and in order to overcome the issues raised by the European Commission in connection to the application of State Aid rules, Art.11 of DL 3 May 2016 No.59 (so-called "Banks Decree", converted into Law 30 June 2016 No.119), introduced the possibility, starting from 2016 since 2030, to elect for the payment of an annual fee equal to 1.5% levied on an aggregate amount deriving from the difference between:

- the increase in convertible DTAs recognized at the end of the fiscal year and the convertible DTA existing as at 31 December 2007, for IRES tax, and as at 31 December 2012 for IRAP tax, taking into account the amounts already converted into tax credits;
- taxes:
  - IRES paid by Tax Group starting from 1 January 2008;
  - IRAP paid starting from 1 January 2013 by legal entities included in Tax Group with convertible DTAs;
  - substitute taxes that generated convertible DTAs.

The fee due for the financial year 2022 has been paid on 24 June 2022 for an overall amount of €103.8 million relating to the whole Italian Tax Group, of which €99.6 million for UniCredit S.p.A., €4.0 million for UniCredit Leasing S.p.A. and €0.2 million for UniCredit Factoring S.p.A.

### Fees paid to the auditing firm

Pursuant to article 2427, first paragraph of the Italian Civil Code, the fees paid to the auditing firm KPMG S.p.A. (and firms in its network) by UniCredit S.p.A. and the Italian entities of the UniCredit group relating to financial year 2022 were as follows:

- legal audit of annual accounts (including the audit of the first half financial report): €3.9 million;
- other checks: €1.0 million;
- other non-audit services: €0.2 million.

The above amounts are net of VAT and expenses.

## Section 13 - Net provisions for risks and charges - Item 200

### 13.1 Net provisions for credit risk from loans commitments and financial guarantees given: breakdown

|                            | YEAR 2022  |                          |       |
|----------------------------|------------|--------------------------|-------|
|                            | PROVISIONS | SURPLUS<br>REALLOCATIONS | TOTAL |
| Loan commitments           | (373)      | 431                      | 58    |
| Financial guarantees given | (414)      | 366                      | (48)  |

## Part C - Consolidated income statement

### 13.2 Net provisions for other commitments and guarantees given: breakdown

|  | YEAR 2022  |                       | TOTAL |
|--|------------|-----------------------|-------|
|  | PROVISIONS | SURPLUS REALLOCATIONS |       |
| Other commitments  | (12)       | 21                    | 9     |
| <i>of which: commitment related to contribution for Resolution funds and Guarantee schemes</i> | -          | -                     | -     |
| Other guarantees given   | (46)       | 69                    | 23    |

### 13.3 Net provisions for risks and charges: breakdown

| ASSETS/INCOME ITEMS        | YEAR 2022    |                       |            | YEAR 2021    |
|----------------------------|--------------|-----------------------|------------|--------------|
|                            | PROVISIONS   | SURPLUS REALLOCATIONS | TOTAL      | TOTAL        |
| <b>1. Other provisions</b> |              |                       |            |              |
| 1.1 Legal disputes         | (234)        | 210                   | (24)       | (281)        |
| 1.2 Staff costs            | -            | -                     | -          | (1)          |
| 1.3 Other                  | (210)        | 225                   | 15         | (69)         |
| <b>Total</b>               | <b>(444)</b> | <b>435</b>            | <b>(9)</b> | <b>(351)</b> |

Net provisions for risks and charges are referred to revocatory action, claims for compensation, legal and other disputes, and are updated on the basis of the evolution of cases in progress and to the assessment of their foreseen outcomes.

The item "1.1 Legal disputes" is mainly contributed by provisions made by the parent company UniCredit S.p.A. and its subsidiaries UniCredit Bank AG and Zagrebacka Banka (for further information refer to Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter - 2.5 Operational risks, Qualitative information - B. Legal risks).

The item "1.3 Other" is mainly contributed by provisions made by the parent company UniCredit S.p.A. and its subsidiary UniCredit Bank AG for various types of risks (refer to paragraph B. Legal risks, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.5 Operational risks).

## Section 14 - Net value adjustments/write-backs on property, plant and equipment - Item 210

### 14.1 Net value adjustments/write-backs on property, plant and equipment: breakdown

| ASSETS/INCOME ITEMS   | YEAR 2022        |                       |                 | NET PROFIT (A+B-C) |
|---|------------------|-----------------------|-----------------|--------------------|
|   | DEPRECIATION (A) | IMPAIRMENT LOSSES (B) | WRITE-BACKS (C) |                    |
| <b>A. Property, plant and equipment</b>                         |                  |                       |                 |                    |
| <b>A.1 Used in the business</b>                                 | <b>(733)</b>     | <b>(60)</b>           | <b>32</b>       | <b>(761)</b>       |
| - Owned   | (422)            | (15)                  | 5               | (432)              |
| - Right of use of Leased Assets                                 | (311)            | (45)                  | 27              | (329)              |
| <b>A.2 Held for investment</b>                                  | -                | -                     | -               | -                  |
| - Owned   | -                | -                     | -               | -                  |
| - Right of use of Leased Assets                                 | -                | -                     | -               | -                  |
| <b>A.3 Inventories</b>  | -                | (5)                   | 2               | (3)                |
| <b>Total A</b>  | <b>(733)</b>     | <b>(65)</b>           | <b>34</b>       | <b>(764)</b>       |
| <b>B. Non-current assets and groups of assets held for sale</b> | <b>X</b>         | -                     | -               | -                  |
| - Used in the business  | X                | -                     | -               | -                  |
| - Held for investments  | X                | -                     | -               | -                  |
| - Inventories   | X                | -                     | -               | -                  |
| <b>Total (A+B)</b>  | <b>(733)</b>     | <b>(65)</b>           | <b>34</b>       | <b>(764)</b>       |

## Part C - Consolidated income statement

### Section 15 - Net value adjustments/write-backs on intangible assets - Item 220

In 2022 net value adjustments/write-backs on intangible assets were -€550 million.

The amortization and the impairment losses are mainly referred to UniCredit S.p.A., related to activities incorporated activities following the merger of UniCredit Services S.C.p.A.

For further details refer to Section 10 - Intangible assets - Item 100, Notes to the consolidated account, Part B - Consolidated balance sheet - Assets.

#### 15.1 Net value adjustments/write-backs on intangible assets: breakdown

| ASSETS/INCOME ITEMS                      | YEAR 2022           |                          |                    | NET PROFIT<br>(A+B-C) |
|--|---------------------|--------------------------|--------------------|-----------------------|
|  | AMORTISATION<br>(A) | IMPAIRMENT LOSSES<br>(B) | WRITE-BACKS<br>(C) |                       |
| <b>A. Intangible assets</b>              |                     |                          |                    |                       |
| <i>of which: software</i>                | (500)               | (47)                     | -                  | (547)                 |
| <b>A.1 Owned</b>                         | <b>(502)</b>        | <b>(48)</b>              | <b>-</b>           | <b>(550)</b>          |
| - Generated internally by the company    | (371)               | (39)                     | -                  | (410)                 |
| - Other                                  | (131)               | (9)                      | -                  | (140)                 |
| <b>A.2 Right of use of Leased Assets</b> | -                   | -                        | -                  | -                     |
| <b>Total</b>                             | <b>(502)</b>        | <b>(48)</b>              | <b>-</b>           | <b>(550)</b>          |

### Section 16 - Other operating expenses/income - Item 230

#### Other net operating income: breakdown

| INCOME ITEMS/VALUE                     | YEAR 2022  | YEAR 2021  |
|--|------------|------------|
| Total of other operating expenses      | (615)      | (670)      |
| Total of other operating income        | 1,216      | 1,236      |
| <b>Other operating expenses/income</b> | <b>601</b> | <b>566</b> |

#### 16.1 Other operating expenses: breakdown

| TYPE OF EXPENSE/VALUES                                      | YEAR 2022    | YEAR 2021    |
|---|--------------|--------------|
| Costs for operating leases                                  | (3)          | (3)          |
| Non-deductible tax and other fiscal charges                 | (2)          | (2)          |
| Write-downs on leasehold improvements                       | (53)         | (89)         |
| Costs relating to the specific service of financial leasing | (37)         | (45)         |
| Other   | (520)        | (531)        |
| <b>Total other operating expenses</b>                       | <b>(615)</b> | <b>(670)</b> |

The item "Other" includes:

- various settlements and indemnities for €132 million;
- trading of gold, precious metals and diamonds for €51 million;
- non-deductible VAT for €55 million;
- additional costs relating to customer accounts for €17 million;
- non banking business costs for €16 million;
- additional costs for the leasing business for €15 million.

## Part C - Consolidated income statement

## 16.2 Other operating income: breakdown

| TYPE OF REVENUE/VALUES                                 | (€ million)  |              |
|--|--------------|--------------|
|  | YEAR 2022    | YEAR 2021    |
| <b>A) Recovery of costs</b>                            | <b>513</b>   | <b>512</b>   |
| <b>B) Other revenues</b>                               | <b>703</b>   | <b>724</b>   |
| Revenues from administrative services                  | 36           | 35           |
| Revenues from operating leases                         | 184          | 183          |
| Recovery of miscellaneous costs paid in previous years | 80           | 20           |
| Revenues on financial leases activities                | 61           | 68           |
| Other  | 342          | 418          |
| <b>Total other operating income (A+B)</b>              | <b>1,216</b> | <b>1,236</b> |

The sub-item "Others" includes:

- trading of gold and precious metals for €103 million;
- payments of indemnities and compensation of €34 million;
- income received from non-banking business for €26 million
- additional income received from leasing business for €17 million.

## Section 17 - Gains (Losses) of equity investments - Item 250

In 2022 profit (loss) of equity investments amounts to +€297 million (-€1,462 million in 2021), exclusively attributable to companies subject to significant influence.

This result consists of "A. Income" of +€537 million and "B. Expenses" of -€240 million. In more detail:

- sub-item "A. Income" includes:
  - +€274 million of revaluations related to gain on companies valued at Equity method, mainly: UniCredit Allianz Vita S.p.A. (former Creditras Vita S.p.A., +€47 million), Bank Fuer Tirol Und Vorarlberg Aktiengesellschaft (+€44 million), Cnp UniCredit Vita S.p.A. (+€40 million), Oberbank AG (+€31 million), Oesterreichische Kontrollbank Aktiengesellschaft (+€26 million), Bks Bank AG (+€17 million), Cnp Vita Assicura S.p.A. (former Aviva S.p.A., +€17 million);
  - +€202 million of gain on disposal, mainly attributable to the disposal of Cnp Vita Assicura S.p.A. (former Aviva S.p.A., +€193 million);
  - +€61 million of write-backs mainly related to Cnp UniCredit Vita (+€55 million).
- sub-item "B. Expenses" includes -€238 million of impairment losses, mainly attributable to write-downs on investments valued at Equity method, of which: Barn BV (-€111 million), Bank Fuer Tirol Und Vorarlberg Aktiengesellschaft (-€86 million), Bks Bank AG (-€22 million).

During 2022 no transactions were carried out that would have entailed significant recognition of gains and losses attributable to measurement at fair value of any equity interests retained at the date of losing control.



## Part C - Consolidated income statement

## 17.1 Gains (Losses) of equity investments: breakdown

| INCOME ITEMS/SECTORS                            | (€ million) |           |
|---|-------------|-----------|
|   | YEAR 2022   | YEAR 2021 |
| <b>1) Jointly owned companies - Equity</b>      |             |           |
| <b>A. Income</b>                                | -           | 17        |
| 1. Revaluations                                 | -           | -         |
| 2. Gains on disposal                            | -           | 17        |
| 3. Write-backs                                  | -           | -         |
| 4. Other gains                                  | -           | -         |
| <b>B. Expenses</b>                              | -           | -         |
| 1. Write-downs                                  | -           | -         |
| 2. Impairment losses                            | -           | -         |
| 3. Losses on disposal                           | -           | -         |
| 4. Other expenses                               | -           | -         |
| <b>Net profit</b>                               | -           | 17        |
| <b>2) Companies under significant influence</b> |             |           |
| <b>A. Income</b>                                | 537         | 577       |
| 1. Revaluations                                 | 274         | 486       |
| 2. Gains on disposal                            | 202         | 2         |
| 3. Write-backs                                  | 61          | 89        |
| 4. Other gains                                  | -           | -         |
| <b>B. Expenses</b>                              | (240)       | (2,056)   |
| 1. Write-downs                                  | (2)         | (2)       |
| 2. Impairment losses                            | (238)       | (438)     |
| 3. Losses on disposal                           | -           | (1,616)   |
| 4. Other expenses                               | -           | -         |
| <b>Net profit</b>                               | 297         | (1,479)   |
| <b>Total</b>                                    | 297         | (1,462)   |

In 2021 profit (loss) of equity investments amounted to -€1,462 million, attributable to jointly owned companies for +€17 million and to companies subject to significant influence for -€1,479 million.

This result consisted of "A. Income" of +€594 million and "B. Expenses" of -€2,056 million. In more detail:

- sub-item "A. Income" included:
  - +€486 million of revaluations related to gain on companies valued at Equity method, mainly: Yapi Ve Kredi Bankasi A.S. (+€135 million, which contribution stopped starting from November following the reclassification of the stake in assets held for sale), Creditras Vita S.p.A. (+€70 million), Oberbank AG (+€64 million), Bank Fuer Tirol Und Vorarlberg Aktiengesellschaft (+€38 million), Aviva S.p.A. (+€35 million), Oesterreichische Kontrollbank Aktiengesellschaft (+€30 million), Bks Bank AG (+€30 million), Cnp UniCredit Vita S.p.A. (+€25 million), Creditras Assicurazioni S.p.A. (+€18 million);
  - +€19 million of gain on disposal, mainly attributable to the disposal price adjustment of Capital Dev S.p.A. (+€17 million);
  - +€89 million of write-backs mainly related to Oberbank AG (+€43 million) e Bks Bank AG (+€37 million).
- sub-item "B. Expenses" included:
  - -€2 million of write-downs referred to losses on companies valued at Equity method;
  - -€438 million of impairment losses, attributable to write-downs on investments valued at Equity method, mainly: Yapi Ve Kredi Bankasi A.S. (for -€265 million related to the impairment of the stake of 20% classified in item "Equity Investments" and for -€76 million related to the impairment following the classification of the stake of 18% in item "Non-current assets and disposal group classified as held for sale"), and Bank Fuer Tirol Und Vorarlberg Aktiengesellschaft (-€86 million);
  - -€1,616 million of loss on disposal, due to the following transactions related to 20% stake in Yapi Ve Kredi Bankasi A.S.: (i) -€155 million referred to the disposal of the stake of 2% in the Market; (ii) -€1,461 million to the deconsolidation of the stake of 18% following the loss of the significant influence of UniCredit S.p.A. over Yapi Ve Kredi Bankasi A.S., resulting in the consequent recognition of a financial instrument in Financial assets measured at fair value through profit or loss.

The impact due to the to the deconsolidation of the stake of 18% of Yapi Ve Kredi Bankasi A.S. was entirely related to the valuation at fair value (equal to the price in Turkish Lira for TRY 2.298 per share, already defined in the contest of the negotiation with Koç Holding) of the remaining share retained at the date of loss of significant influence and implied the recycle through profit or loss of the reserves basically referred to exchange rate differences on Turkish Lira.

## Part C - Consolidated income statement

### Section 18 - Net gains (losses) on property, plant and equipment and intangible assets measured at fair value - Item 260

#### 18.1 Net gains (losses) on property, plant and equipment and intangible assets measured at fair value: breakdown

| ASSETS/INCOME ITEMS                      | YEAR 2022           |                   |                      |                 | NET PROFIT<br>(A-B+C-D) |
|--|---------------------|-------------------|----------------------|-----------------|-------------------------|
|  | REVALUATIONS<br>(A) | WRITEDOWNS<br>(B) | EXCHANGE DIFFERENCES |                 |                         |
|  |                     |                   | POSITIVE<br>(C)      | NEGATIVE<br>(D) |                         |
| <b>A. Property, plant and equipment</b>  | <b>76</b>           | <b>(67)</b>       | <b>2</b>             | <b>-</b>        | <b>11</b>               |
| <b>A.1 Used in the business</b>          | <b>36</b>           | <b>(25)</b>       | <b>-</b>             | <b>-</b>        | <b>11</b>               |
| - Owned                                  | 36                  | (25)              | -                    | -               | 11                      |
| - Right of use of Leased Assets          | -                   | -                 | -                    | -               | -                       |
| <b>A.2 Held for investment</b>           | <b>40</b>           | <b>(42)</b>       | <b>2</b>             | <b>-</b>        | <b>-</b>                |
| - Owned                                  | 40                  | (33)              | 2                    | -               | 9                       |
| - Right of use of Leased Assets          | -                   | (9)               | -                    | -               | (9)                     |
| <b>A.3 Inventories</b>                   | <b>-</b>            | <b>-</b>          | <b>-</b>             | <b>-</b>        | <b>-</b>                |
| <b>B. Intangible assets</b>              | <b>-</b>            | <b>-</b>          | <b>-</b>             | <b>-</b>        | <b>-</b>                |
| <b>B.1 Owned</b>                         | <b>-</b>            | <b>-</b>          | <b>-</b>             | <b>-</b>        | <b>-</b>                |
| - Generated internally by the company    | -                   | -                 | -                    | -               | -                       |
| - Other                                  | -                   | -                 | -                    | -               | -                       |
| <b>B.2 Right of use of Leased Assets</b> | <b>-</b>            | <b>-</b>          | <b>-</b>             | <b>-</b>        | <b>-</b>                |
| <b>Total (A+B)</b>                       | <b>76</b>           | <b>(67)</b>       | <b>2</b>             | <b>-</b>        | <b>11</b>               |

For additional information on the evaluation of Group real estate portfolio refer to Section 9 - Property, plant and equipment - Item 90, Notes to the consolidated accounts, Part B - Consolidated balance sheet - Assets.

### Section 19 - Goodwill impairment - Item 270

There is no impairment of goodwill in 2022, following the total impairment booked in 2020.

#### 19.1 Impairment of goodwill: breakdown

No data to be disclosed.

Reference is made to the paragraph 7 - Intangible assets - Goodwill. Notes to the consolidated account, Part A - Accounting policies - A.2 - Main items of the accounts for a description of the methods used to measure impairment of goodwill.

## Part C - Consolidated income statement

## Section 20 - Gains (Losses) on disposals on investments - Item 280

## 20.1 Gains and losses on disposal of investments: breakdown

| INCOME ITEMS/SECTORS   | (€ million) |           |
|------------------------|-------------|-----------|
|                        | YEAR 2022   | YEAR 2021 |
| <b>A. Property</b>     |             |           |
| - Gains on disposal    | 27          | 19        |
| - Losses on disposal   | (2)         | (5)       |
| <b>B. Other assets</b> |             |           |
| - Gains on disposal    | 21          | 43        |
| - Losses on disposal   | (13)        | (46)      |
| <b>Net profit</b>      | <b>33</b>   | <b>11</b> |

As at 31 December 2022 gains (losses) on disposals of investments are +€33 million (+€11 million in 2021) and refer to:

## A. Property

Net gains of +€25 million (+€14 million in 2021) include the results of property sales carried out by some Group companies.

## B. Other assets

Net gains of +€8 million (-€3 million in 2021) mainly include the positive result of sales of assets underlying leasing contracts with customers being terminated (+€17 million) and losses from deconsolidation of some equity investments (-€9 million).

During 2022 (as in 2021) no transactions were carried out that would have entailed significant recognition of gains and losses attributable to measurement at fair value of any equity interests retained at the date of losing control.

## Section 21 - Tax expenses (income) for the period from continuing operations - Item 300

Each country has an autonomous tax system where the determination of the tax base, the level of tax rates, nature, type, and timing of tax obligations might differ, even significantly. Such differences also exist amongst EU Member States.

Italy, Germany, Austria, the main countries where the UniCredit group operates, all have domestic income tax consolidation regimes. Tax consolidation rules differ among countries, sometimes markedly. The main and common benefit of a domestic tax consolidation regime is the faculty of offsetting profits and losses of companies and entities belonging to the same tax consolidation perimeter. The requirements to be included in a domestic tax consolidation regime can be very different from those set for the purpose of accounting consolidation for a banking group according to the international IAS/IFRS or local accounting standards.

The nominal corporate income tax rates in the key countries for the Group are: 31.8% in Germany (also taking into account the "solidarity surcharge" and the municipal trade tax), 25% in Austria, 10% in Bulgaria, 18% in Croatia, 19% in Slovenia, 15% in Serbia and 10% in Bosnia and Herzegovina, 16% in Romania, 19% in the Czech Republic, 21% in Slovak Republic, 20% in Russia, 9% in Hungary. Corporate income tax rate in non-key countries are: 27% in the United Kingdom (including the 8% surcharge applied to Banking institutions), 12.5% in Ireland, 24.94% in Luxembourg, 21% of federal tax in the United States and 25% in China.

In Italy the standard corporate income tax rate (IRES) is equal to 24%, to be increased by a 3.5% surcharge applicable to banking and other financial entities. Therefore, for UniCredit S.p.A. and for the other banks and financial entities belonging to the Group, the applicable tax rate is equal to 27.5%.

The Italian Regional Tax on Productive Activities (IRAP) is levied at a rate of 4.65% to be increased by a surcharge applied separately by each Region reaching a maximum nominal rate of 5.57%. To the resulting amount, an additional surcharge of 0.15% decided autonomously by each Region with an healthcare deficit status, can be applied. For UniCredit S.p.A. the nominal IRAP tax rate is 5.45%. IRAP has a slightly different taxable base than IRES and does not allow the offsetting of its taxable base with tax losses carried forward.

For Tax expenses (income) for the period of the Parent Company reference is made to paragraph "Section 19 - Tax expenses (income) for the period from continuing operations - Item 270" of the Company financial statements of UniCredit S.p.A., Notes to the accounts Part C - Income statement which is herewith quoted entirely.

## Part C - Consolidated income statement

### 21.1 Tax expense (income) relating to profit or loss from continuing operations: breakdown

| (€ million)   |              |            |
|---|--------------|------------|
| INCOME ITEMS/SECTORS  | YEAR 2022    | YEAR 2021  |
| 1. Current taxes (-)  | (1,306)      | (720)      |
| 2. Change of current taxes of previous years (+/-)                                  | 42           | 78         |
| 3. Reduction of current taxes for the year (+)                                      | 21           | 132        |
| 3.bis Reduction of current taxes for the year due tax credit under Law 214/2011 (+) | 164          | 877        |
| 4. Change of deferred tax assets (+/-)  | 360          | (104)      |
| 5. Change of deferred tax liabilities (+/-)   | (100)        | 80         |
| <b>6. Tax expenses for the year (-) (-1+/-2+3+3bis+/-4+/-5)</b>                     | <b>(819)</b> | <b>343</b> |

Item tax expense (income) relating to profit or loss from continuing operations includes the effects related to the Deferred Tax Assets sustainability test, for which refer to the paragraph "Section 11 - Tax assets and tax liabilities - Item 110 (Assets) and Item 60 (Liabilities)", Notes to the consolidated accounts Part B - Consolidated balance sheet - Assets.

### 21.2 Reconciliation of theoretical tax charge to actual tax charge

| (€ million)  |                |              |
|--|----------------|--------------|
|  | YEAR 2022      | YEAR 2021    |
| <b>Profit (Loss) before tax from continuing operations (income statement item)</b> | <b>7,289</b>   | <b>1,779</b> |
| Theoretical tax rate   | 27.5%          | 27.5%        |
| <b>Theoretical computed taxes on income</b>  | <b>(2,004)</b> | <b>(489)</b> |
| 1. Different tax rates   | 230            | 11           |
| 2. Non-taxable income - permanent differences                                      | 151            | (435)        |
| 3. Non-deductible expenses - permanent differences                                 | (198)          | (368)        |
| 4. Different fiscal laws/IRAP  | (118)          | (89)         |
| a) IRAP (italian companies)  | (59)           | (50)         |
| b) Other taxes (foreign companies)   | (59)           | (39)         |
| 5. Previous years and changes in tax rates   | 89             | 171          |
| a) Effects on current taxes  | 66             | 247          |
| - Tax loss carryforward/unused Tax credit  | 21             | 132          |
| - Other effects of previous periods  | 45             | 115          |
| b) Effects on deferred taxes   | 23             | (76)         |
| - Changes in tax rates   | 6              | -            |
| - New taxes incurred (+) previous taxes revocation (-)                             | -              | -            |
| - True-ups/adjustments of the calculated deferred taxes                            | 17             | (76)         |
| 6. Valuation adjustments and non-recognition of deferred taxes                     | 685            | 1,347        |
| a) Deferred tax assets write-down  | (138)          | (46)         |
| b) Deferred tax assets recognition   | 795            | 1,397        |
| c) Deferred tax assets non-recognition   | 43             | (11)         |
| d) Deferred tax assets non-recognition according to IAS12.39 and 12.44             | (3)            | 12           |
| e) Other   | (12)           | (5)          |
| 7. Amortisation of goodwill  | -              | -            |
| 8. Non-taxable foreign income  | 18             | 15           |
| 9. Other differences   | 328            | 180          |
| <b>Recognised taxes on income</b>  | <b>(819)</b>   | <b>343</b>   |

## Part C - Consolidated income statement

### Section 22 - Profit (Loss) after tax from discontinued operations - Item 320

#### 22.1 Profit (Loss) after tax from discontinued operations: breakdown

| INCOME ITEMS/SECTORS  | (€ million) |           |
|---|-------------|-----------|
|   | YEAR 2022   | YEAR 2021 |
| 1. Income   | -           | 24        |
| 2. Expenses   | -           | (18)      |
| 3. Valuation of discontinued operations and related liabilities | -           | (2)       |
| 4. Profit (Loss) on disposal                                    | 3           | -         |
| 5. Tax  | -           | -         |
| <b>Profit (Loss)</b>  | <b>3</b>    | <b>4</b>  |

The item "Profit (Loss) after tax from discontinued operations" as at 31 December 2022, equal to €3 million, refers to the realized gain from sale of the company OT-Optima Telekom DD.

As at 31 December 2021 the item included mainly the profit of the period of the company OT-Optima Telekom DD.

#### 22.2 Breakdown of tax on discontinued operations

There are no amounts to be shown.

### Section 23 - Minority profit (loss) of the year - Item 340

The profit for 2022 attributable to minority interests is equal to +€15 million.

The main contributions are attributable to the minority shareholders of Zagrebacka Banka D.D. and its subsidiary UniCredit Bank D.D.

The profit for 2021 attributable to minority interests was equal to +€30 million.

The decrease in the item is mainly due to the purchase by UniCredit S.p.A. of 11.72% stake in Zagrebacka Banka D.D. previously owned by Allianz SE.

#### 23.1 Breakdown of item 340 "Minority gains (losses)"

|  | (€ million) |           |
|--|-------------|-----------|
|  | 2022        | 2021      |
| <b>Consolidated equity investments with significant minority interests</b> | <b>10</b>   | <b>30</b> |
| Zagrebacka Banka D.D.  | 7           | 23        |
| UniCredit Bank D.D.  | 3           | 7         |
| <b>Other equity investments</b>  | <b>5</b>    | <b>-</b>  |
| <b>Total</b>   | <b>15</b>   | <b>30</b> |

## Part C - Consolidated income statement

## Section 24 - Other information

**Disclosure regarding the transparency of public funding required by article 1, paragraph 125 of the Law 124/2017**

Pursuant to Art.1, paragraph 125 of Law 124/2017, during 2022 the UniCredit group collected the following public contributions granted by Italian entities:

**Contributions for the recruitment/stabilisation of personnel deriving from the application of the CCNL of the Credit in force from time to time**

| (€ million)  |   |                            |
|--|---|----------------------------|
| LENDING ENTITY   | LEGAL ENTITY BENEFICIARY                | PUBLIC CONTRIBUTION AMOUNT |
| Fondo Nazionale per il sostegno dell'occupazione nel settore del credito | UNICREDIT S.P.A.                        | 4.14                       |
| Fondo Nazionale per il sostegno dell'occupazione nel settore del credito | UNICREDIT LEASING S.P.A.                | 0.01                       |
| Fondo Nazionale per il sostegno dell'occupazione nel settore del credito | UNICREDIT FACTORING S.P.A.              | 0.01                       |
| Fondo Nazionale per il sostegno dell'occupazione nel settore del credito | CORDUSIO SOCIETA' FIDUCIARIA PER AZIONI | 0.00                       |
| Fondo Nazionale per il sostegno dell'occupazione nel settore del credito | UNICREDIT BANK AG (Milan Branch)        | 0.03                       |
| Fondo Nazionale per il sostegno dell'occupazione nel settore del credito | UC LEASED ASSET MGMT SPA                | 0.00                       |
| <b>Total</b>   |   | <b>4.19</b>                |

**Contributions for new recruits/stabilisations, introduced by the stability law 2018 (law No.205/2017)**

| (€ million)                                 |   |                            |
|---|---|----------------------------|
| LENDING ENTITY                              | LEGAL ENTITY BENEFICIARY                | PUBLIC CONTRIBUTION AMOUNT |
| Istituto Nazionale della Previdenza Sociale | UNICREDIT S.P.A.                        | 0.92                       |
| Istituto Nazionale della Previdenza Sociale | UNICREDIT LEASING S.P.A.                | 0.00                       |
| Istituto Nazionale della Previdenza Sociale | UNICREDIT FACTORING S.P.A.              | 0.00                       |
| Istituto Nazionale della Previdenza Sociale | CORDUSIO SOCIETA' FIDUCIARIA PER AZIONI | 0.00                       |
| Istituto Nazionale della Previdenza Sociale | UNICREDIT BANK AG (Milan Branch)        | 0.06                       |
| Istituto Nazionale della Previdenza Sociale | UC LEASED ASSET MGMT SPA                | 0.00                       |
| <b>Total</b>                                |   | <b>0.99</b>                |

## Part C - Consolidated income statement

Article 8 of Legislative Decree 30/9/2005, n.203 converted, with modifications, from the law 2 December 2005, n.248. Compensatory measures for companies that assign the TFR to supplementary pension schemes and/or to the Fund for the payment of the TFR

| (€ million)                                 |   |                            |
|---|---|----------------------------|
| LENDING ENTITY                              | LEGAL ENTITY BENEFICIARY                | PUBLIC CONTRIBUTION AMOUNT |
| Istituto Nazionale della Previdenza Sociale | UNICREDIT S.P.A.                        | 9.04                       |
| Istituto Nazionale della Previdenza Sociale | UNICREDIT LEASING S.P.A.                | 0.09                       |
| Istituto Nazionale della Previdenza Sociale | UNICREDIT FACTORING S.P.A.              | 0.07                       |
| Istituto Nazionale della Previdenza Sociale | CORDUSIO SOCIETA' FIDUCIARIA PER AZIONI | 0.01                       |
| Istituto Nazionale della Previdenza Sociale | UNICREDIT BANK AG (Milan Branch)        | 0.16                       |
| Istituto Nazionale della Previdenza Sociale | UC LEASED ASSET MGMT SPA                | 0.01                       |
| <b>Total</b>                                |   | <b>9.38</b>                |

Result awards decontribution for year 2021 - Decree 50 of 24/4/2017 - article 55; converted into law 96 of 21/6/2017

| (€ million)                                 |   |                            |
|---|---|----------------------------|
| LENDING ENTITY                              | LEGAL ENTITY BENEFICIARY                | PUBLIC CONTRIBUTION AMOUNT |
| Istituto Nazionale della Previdenza Sociale | UNICREDIT S.P.A.                        | 2.97                       |
| Istituto Nazionale della Previdenza Sociale | UNICREDIT LEASING S.P.A.                | 0.03                       |
| Istituto Nazionale della Previdenza Sociale | UNICREDIT FACTORING S.P.A.              | 0.03                       |
| Istituto Nazionale della Previdenza Sociale | CORDUSIO SOCIETA' FIDUCIARIA PER AZIONI | 0.00                       |
| Istituto Nazionale della Previdenza Sociale | UNICREDIT BANK AG (Milan Branch)        | 0.01                       |
| Istituto Nazionale della Previdenza Sociale | UC LEASED ASSET MGMT SPA                | 0.00                       |
| <b>Total</b>                                |   | <b>3.04</b>                |

Solidarity Fund for professional reconversion and requalification, for employment support and benefit of employees - Ordinary Section

| (€ million)                                 |   |                            |
|---|---|----------------------------|
| LENDING ENTITY                              | LEGAL ENTITY BENEFICIARY                | PUBLIC CONTRIBUTION AMOUNT |
| Istituto Nazionale della Previdenza Sociale | UNICREDIT S.P.A.                        | 4.43                       |
| Istituto Nazionale della Previdenza Sociale | UNICREDIT LEASING S.P.A.                | 0.12                       |
| Istituto Nazionale della Previdenza Sociale | UNICREDIT FACTORING S.P.A.              | 0.07                       |
| Istituto Nazionale della Previdenza Sociale | CORDUSIO SOCIETA' FIDUCIARIA PER AZIONI | 0.00                       |
| Istituto Nazionale della Previdenza Sociale | UNICREDIT BANK AG (Milan Branch)        | 0.00                       |
| Istituto Nazionale della Previdenza Sociale | UC LEASED ASSET MGMT SPA                | 0.00                       |
| <b>Total</b>                                |   | <b>4.62</b>                |

For further information, refer to the National State Aid Register "Transparency".

## Part C - Consolidated income statement

## Section 25 - Earnings per share

## 25.1 and 25.2 Average number of diluted shares and other information

|   | YEAR 2022     | YEAR 2021     |
|---|---------------|---------------|
| Net profit (Loss) attributable to the Group (€ million) | 6,384         | 2,066         |
| Average number of outstanding shares                    | 2,069,491,895 | 2,221,699,263 |
| Average number of potential dilutive shares             | 19,044,374    | 14,329,935    |
| Average number of diluted shares                        | 2,088,536,269 | 2,236,029,199 |
| <b>Earnings per share (€)</b>                           | <b>3.085</b>  | <b>0.930</b>  |
| <b>Diluted earnings per share (€)</b>                   | <b>3.056</b>  | <b>0.924</b>  |

€74 million has been deducted from the 2022 net profit attributable to the Group of €6,458 million due to the disbursements (charged to net equity and referring to the results of the year 2021) in connection with the usufruct contract signed with Mediobanca S.p.A. on UniCredit shares supporting the issuance of convertible securities denominated "Cashes" (€30 million was deducted from 2021 net profit attributable to the Group and relating to the last coupon referred to the results of the year 2019).

Net of the average number of treasury shares, considering the shares buyback made during the 2022 (totally cancelled as at 31 December 2022), and of further average No.9,675,640 shares held under a contract of usufruct.



## Part D - Consolidated other comprehensive income

## Consolidated analytical statement of other comprehensive income

(€ million)

| ITEMS   | YEAR         |              |
|---|--------------|--------------|
|   | 2022         | 2021         |
| <b>10. Profit (Loss) for the year</b>   | <b>6,473</b> | <b>2,126</b> |
| <b>Other comprehensive income not reclassified to profit or loss</b>  |              |              |
| 20. Equity instruments designated at fair value through other comprehensive income:                         | 50           | 145          |
| a) fair value changes   | (6)          | 121          |
| b) transfers to other shareholders' equity items  | 56           | 24           |
| 30. Financial liabilities designated at fair value through profit or loss (own creditworthiness changes):   | 90           | 39           |
| a) fair value changes   | 84           | (28)         |
| b) transfers to other shareholders' equity items  | 6            | 67           |
| 40. Hedge accounting of equity instruments measured at fair value through other comprehensive income:       | -            | -            |
| a) fair value change (hedged instrument)  | -            | -            |
| b) fair value change (hedging instrument)   | -            | -            |
| 50. Property, plant and equipment   | 56           | 123          |
| 60. Intangible assets   | -            | -            |
| 70. Defined benefit plans   | 1,779        | 270          |
| 80. Non-current assets and disposal groups classified as held for sale                                      | 3            | 6            |
| 90. Part of valuation reserves from investments valued at equity method                                     | 39           | 27           |
| 100. Tax expenses (income) relating to items not reclassified to profit or loss                             | (420)        | 40           |
| <b>Other comprehensive income reclassified to profit or loss</b>  |              |              |
| 110. Foreign investments hedging:   | (148)        | -            |
| a) fair value changes   | (148)        | -            |
| b) reclassification to profit or loss   | -            | -            |
| c) other changes  | -            | -            |
| 120. Foreign exchange differences:  | 225          | 287          |
| a) value changes  | 225          | 285          |
| b) reclassification to profit or loss   | -            | 2            |
| c) other changes  | -            | -            |
| 130. Cash flow hedging:   | (338)        | (356)        |
| a) fair value changes   | (335)        | (360)        |
| b) reclassification to profit or loss   | 5            | -            |
| c) other changes  | (8)          | 4            |
| <i>of which: net position</i>   | -            | -            |
| 140. Hedging instruments (non-designated items):  | -            | -            |
| a) value changes  | -            | -            |
| b) reclassification to profit or loss   | -            | -            |
| c) other changes  | -            | -            |
| 150. Financial assets (different from equity instruments) at fair value through other comprehensive income: | (1,586)      | (512)        |
| a) fair value changes   | (1,282)      | (341)        |
| b) reclassification to profit or loss:  | (310)        | (181)        |
| - impairment losses   | 26           | 17           |
| - gains/losses on disposals   | (336)        | (198)        |
| c) other changes  | 6            | 10           |
| 160. Non-current assets and disposal groups classified as held for sale:                                    | 38           | 1,585        |
| a) fair value changes   | -            | (34)         |
| b) reclassification to profit or loss   | 38           | 1,619        |
| c) other changes  | -            | -            |
| 170. Part of valuation reserves from investments valued at equity method:                                   | (482)        | (1)          |
| a) fair value changes   | (536)        | (1)          |
| b) reclassification to profit or loss:  | (5)          | (8)          |
| - impairment losses   | -            | -            |
| - gains/losses on disposals   | (5)          | (8)          |
| c) other changes  | 59           | 8            |
| 180. Tax expenses (income) relating to items reclassified to profit or loss                                 | 397          | 170          |
| <b>190. Total other comprehensive income</b>  | <b>(297)</b> | <b>1,823</b> |
| <b>200. Other comprehensive income (Item 10+190)</b>  | <b>6,176</b> | <b>3,949</b> |
| 210. Minority consolidated other comprehensive income   | (9)          | (30)         |
| <b>220. Parent Company's consolidated other comprehensive income</b>  | <b>6,167</b> | <b>3,919</b> |

## Part E - Information on risks and related hedging policies

### Introduction

UniCredit group monitors and manages its risks through tight methodologies and procedures proving to be effective through all phases of the economic cycle.

The steering, coordination and control role of the Group's risks is performed by the Parent Company's Risk Management function.

The structure's "Risk Management" mission, under the responsibility of the Group Risk Officer (Group CRO) is to:

- optimise the quality of the Group's assets, minimising the risk cost in accordance with the risk/profitability goals set for the business areas;
- ensure the strategic steering and definition of the Group's risk management policies;
- define and supply the Heads of the Business Functions and Entities with the criteria for assessing, managing, measuring, monitoring and communicating risk. It also ensures that the procedures and systems designed to control risk at Group and individual Entity level are coherent;
- help to build a risk culture across the Group by training and developing highly qualified staff, in conjunction with the competent People & Culture functions;
- help to find ways to rectify asset imbalances, where needed in conjunction with Group CFO functions;
- help the Business Functions to achieve their goals, including by assisting in the development of products and businesses (e.g. innovation of credit products, competitive opportunities linked to Basel accords, etc.);
- support the CEO in defining the Group Risk Appetite proposal, to be shared in the Group Risk Committee and submitted for approval to the Board of Directors, as preliminary and preparatory step for the yearly and multi-yearly budget plan pertaining to the Group CFO. The Group Risk Appetite will include a series of parameters defined by the CRO, with the contribution of Group CFO and other relevant functions; each parameter can be complemented by limits and thresholds proposed by the CRO<sup>54</sup> and targets proposed by the Group CFO and/or by the relevant Group functions, each respecting their mission and internal regulations. The Group CRO is responsible for ensuring the overall coherence of the proposed parameters and values. Furthermore, Group CRO is responsible for ensuring the CEO and the Board of Directors the coherence of the Group Risk Appetite with the Group strategic guidelines, as well as the coherence of the budget goals with the Group Risk Appetite setting and the periodical monitoring of the RAF. Group CFO remains responsible for monitoring the performances of the Group and of the business functions, in order to identify possible underperforming areas and the related corrective measures;

Such mission is accomplished by coordinating the Group's risk management as a whole. More specifically, it involves carrying out the following macro-functions<sup>55</sup>:

- governing and checking credit, cross-border, market, balance sheet, liquidity, operational and reputational risk for the Group as well as any other risks relating to Basel II Pillar II (e.g. strategic, real estate, financial investment, business risks), by defining risk strategies and limits, developing risk measurement methodologies<sup>56</sup>, performing stress tests and portfolio analysis;
- supervising, on a Group level and for UniCredit S.p.A., Basel accords related activities;
- coordinating the internal capital measurement process within the "Internal Capital Adequacy Assessment Process" ("ICAAP") and coordinating activities for drawing up the "ICAAP Regulatory Report";
- performing internal validation activities, at Group level<sup>57</sup>, on systems for measuring, credit, operating and market risks, or Pillar II risks<sup>58</sup> on related processes and data quality and IT components, as well as on models for pricing financial instruments, in order to check that they conform to regulatory requirements and in-house standards, overseeing consequently the non-compliance risk regarding to such regulatory requirements;
- ensuring that the competent Bodies/Functions get adequate reports;
- developing the strategy and oversee the management, process, targets and disposals of Non-Performing Exposures/NPE, repossessed assets and any other distressed assets for the entire Group<sup>59</sup>. The Group CRO define the criteria/rules for identifying the exposures and assets for sale and portfolio targets;
- drafting and managing risk policies, both at Group level (Group Rules) and at Parent Company level, on the performance of risk-related activities for which UniCredit S.p.A. is competent as well as ensuring the monitoring;
- performing second-level checks on the risks of the treasury and credit treasury portfolios within the Group and the Parent company;
- assigning ratings for banks and for the Group's major exposures, carrying out the relevant mapping, at Group level, and managing the "rating override" process with regard to Group-wide rating systems as well as those for measuring the credit risk of UniCredit S.p.A.'s counterparts;

<sup>54</sup> Possible triggers and limits on profitability parameters must be agreed between CRO and Group CFO.

<sup>55</sup> Where applicable, the below listed responsibilities are inclusive of the Foreign Branches of UniCredit S.p.A., as detailed in the Organizational Book - Application.

<sup>56</sup> Directly or by issuing guidelines to Group Entities to be developed depending on type of methodology (direct supervision of Group-wide methodologies and risk measurement methodologies for the counterparties of UniCredit S.p.A., through guidelines on methodologies developed locally).

<sup>57</sup> Directly validating with direct supervision on group-wide methodologies for which UniCredit S.p.A. is competent, indirect on local methodologies.

<sup>58</sup> Liquidity, Business, Real Estate, Financial Investments, Reputational, Strategic.

<sup>59</sup> "Non-Performing Exposure: exposures (loans, debt securities, off-balance-sheet items) other than held for trading that satisfy either or both of the following criteria: (a) material exposures which are more than 90 days past-due; (b) the debtor is assessed as unlikely to pay its credit obligations in full without realization of collateral, regardless of the existence of any past-due amount or the number of days past due. Non-performing exposures include the defaulted and impaired exposures. The total NPE is given by the sum of non-performing loans, non-performing debt securities and nonperforming off-balance-sheet items" (source: ECB NPL Guidance).

## Part E - Information on risks and related hedging policies

- defining the minimum standards and guidelines for validating IT infrastructures and data quality, credit risks, operating risks and Pillar II risks, for feeding Group and Parent Company reports on credit risk and for feeding credit risk measurement models;
- analysing and controlling, at Italian perimeter level, credit, operating and reputational risks generated by the activities of Italy Division;
- carrying out the functional coordination of Legal Entities in its area of competence.

Moreover, the Risk Management structure has direct responsibilities<sup>60</sup> for UniCredit S.p.A. in particular:

- release “risk opinions” by assessing creditworthiness of the counterparties under the responsibility of Italy following defined processes to support the decisions of the competent functions/body (and, in relation to the delegated powers, coordinate and manage the underwriting and credit-granting activities);
- coordinating and handling the post-decision phase and ensuring that outstanding positions and the credit portfolio of UniCredit S.p.A. are properly monitored;
- coordinating and managing restructuring and workout files including the Debt to Equity and Debt to Asset transactions and the related equity participations/assets;
- evaluating, monitoring and making supervision, at Group level, of the Large Credit Transactions<sup>61</sup> and managing the Global Credit Model of Financial Institutions, Banks and Sovereigns (FIBS). Furthermore, it is responsible for the assessment, approval and daily management of Country Risks and Cross-Border credit risk-taking;
- contributing to the management of risks through the definition and improvement of credit processes (e.g. underwriting, monitoring, collection e loan administration) for the perimeter of UniCredit S.p.A., in line with strategic guidelines and credit policies;
- performing second-level controls on risks.

In order to strengthen the capacity of independent steering, coordination and control of Group risks, to improve the efficiency and the flexibility on the risk decision process and to address the interaction among the relevant risk stakeholders, specific Committees are in place.

The Group Executive Committee (GEC), the Group Financial and Credit Risk Committee (GFRC) and Group Non Financial Risks and Controls Committee (GNFRC) support the CEO in the role of steering, coordinating and monitoring the strategic and all categories of risks (included compliance risk), at Group level, as well as defining the Group Recovery Plan.

The Group Executive Committee (GEC) - “Risk” session, which has approval as well as consulting and proposal functions, aims at supporting the CEO in its role of steering, coordinating and monitoring all categories of risks (included compliance risk), managing and overseeing the internal control system also at a Group level, as well as discussing and approving strategic risk topics such as Group Risk Appetite Framework, ICAAP, ILAAP, SREP, key highlights from Internal Control Systems, NPE, ESG.

The Group Executive Committee (GEC) - “Group Recovery Plan” session support the CEO to deal with the Group Recovery Plan, defining the proposal to be submitted to the Board of Directors’ final decision and to solve issues emerged during the production and the maintenance of the Plan.

The “Group Financial and Credit Risks Committee” (GFRC) supports the CEO in the steering, coordination and control of the risks at Group level and consists of the following sessions: (i) Credit Risk session, responsible for defining policies, operational limits and methodologies for the measurement, management and control of the credit risks, (ii) Rating approval session, responsible for approving rating overrides (iii) Market Risk session, responsible for approving strategies, policies and methodologies for Market Risks and for the monitoring of related risks, (iv) ALCO session, responsible for approving strategies, policies and methodologies for Financial Risks and for the monitoring of risks related to Fund Transfer Pricing.

The Group Non-Financial Risks and Controls Committee (GNFRC) supports the CEO in the role of steering and monitoring the Non-Financial Risks (NFRs) at Group level, also overseeing the related internal control system (ICS). The GNFRC enables the coordination among the three lines of defence with the aim to identify and share Group priorities concerning Non-Financial Risks (e.g. events, regulations or emerging risks), assessing and monitoring the effectiveness of initiatives put in place in order to address them.

Without prejudice to the role reserved to the Board of Directors by the provisions in being at the time, the GNFRC, in order to support the CEO in implementing the strategic guidelines and the Group general Risk Management policies, is responsible for:

- defining and approving policies, operational limits and methodologies for the measurement, management and control of Non-Financial Risks, as well as for the definition of the methodologies for the measurement, management, and control of Non-Financial Risks (Operational and Reputational Risk) internal capital;
- promoting the annual managerial self-assessment processes and evaluating its results, in order to ensure a systematic approach to operational risk assessment and to the supervision of the Internal Control System;
- overseeing Group Non-Financial Risks profile, emerging threats as well as the internal control system robustness at Group level, through the monitoring of most relevant events and incidents, weaknesses and shortcomings, also addressing and prioritizing, when needed, potential corrective actions;
- evaluating and providing guidelines for the management of risk relevant (e.g. reputational, security, data protection) single customer transactions or third party contracts, and for definition and implementation of business continuity plans.

<sup>60</sup> Where applicable, the below listed responsibilities are inclusive of the Foreign Branches of UniCredit S.p.A. as detailed in the Organizational Book - Application.

<sup>61</sup> Defined in the Group Credit Risk Management Framework.

## Part E - Information on risks and related hedging policies

Group Transactional Committee (GTC) - Group Credit Committee Session (GCC) is in charge of evaluating and approving competent credit proposals referring to all files, including restructuring/workout ones, status classification of files, relevant strategies and corrective actions to be taken for watch list files, specific limits for transactions relating to Debt Capital Markets on trading book, single issuer exposures limits on trading book, temporary/annual breaches to Single Names Concentration Risk Limits within the thresholds defined by Group regulation Debt to Equity transactions and transactions relating to Equity participations deriving from Debt to Equity transactions; the Debt Capital Market (DCM) transactions issuing Non-Binding Credit Opinion, ECM Risk transactions above specific threshold levels of transaction's value.

Group Transactional Committee (GTC) - "Group Transactional Credit Committee Session" (GTCC) has the responsibility, within its assigned sub delegations of powers for credit activities and the related thresholds, to assess and approve the underwriting and the review of the credit lines and to evaluate and approve the loan loss provisions, asset value adjustments and releases of capital and/or capitalized interests related to the Corporate Investment Banking and FIBS portfolio, reviewing and assessing debt and debt related placement transactions on the primary market for which UniCredit S.p.A. or a Group Legal Entity provides its commitment according to the sub delegation powers, by analysing the market risks and the credit risk linked to the transactions.

Additionally the Committee is responsible with approval function within the delegated powers (decision-making and/or issuing of non-binding opinions to the Group legal entities, and/or consulting function), for credit proposals referring to all the files, including restructuring, INC or workout ones, status classification of files relevant strategies and corrective actions to be taken for watching list files, single issuer exposure limits on trading book, Debt-to-Equity transactions and/or actions/rights-execution relating to equity participations resulting from Debt-to-Equity transactions, Debt-to-Assets transactions and/or actions/rights execution related to asset resulting from Debt-to-Asset transactions, proposal of distressed asset disposal, in accordance with the regulated specifications and limitations, the Debt Capital Market (DCM) transactions issuing Non-Binding Credit Opinion (NBCO), ECM Risk transactions above specific threshold levels of transaction's value; in addition, the GTCC approves temporary/annual breaches to Single Names Concentration Risk Limits within the thresholds defined by dedicated Group regulation.

Further information on Corporate Governance, is included in the document "Corporate Governance Report", published on the Group internet site in the section: Governance » Our Governance System (<https://www.unicreditgroup.eu/en/governance/our-governance-system.html>).

### **Internal Capital Adequacy Assessment Process ("ICAAP") and Risk Appetite**

UniCredit group assesses its capital adequacy under economic and normative perspective, ensuring that an adequate level of capital is maintained to continue business activities as usual even in case of severe loss events, like those caused by an economic downturn.

The Group's approach to ICAAP consists of the following phases:

1. Risk identification and mapping;
2. Risk measurement and stress testing;
3. Risk appetite setting and capital allocation;
4. Monitoring and reporting.

#### **1. Risk identification and mapping**

The first step is the identification and mapping of all the risks embedded in the Group and in the relevant legal entities, with particular focus on the risks not explicitly covered by the Pillar I framework. The output of this activity is the Group Risk Map which includes all the risk types quantifiable by Economic Capital.

#### **2. Risk measurement and stress testing**

The second phase is the identification of the internal methodologies for measurement and quantification of the different risk profiles, resulting into the calculation of Group Economic Capital. The Economic Capital measures are supported by aggregated-stress tests, which are a fundamental part of a sound risk management process. The aim of stress testing is to assess the bank's viability with respect to exceptional but plausible events. The impact of adverse economic scenarios is assessed on the capital position (solvency stress test) and/or the liquidity position (liquidity stress test) of the Group.

#### **3. Risk Appetite setting and capital allocation**

Risk Appetite is a key managerial instrument used with the purpose of setting the adequate levels of risk the Bank is willing to have and consistently steering its business evolution (see the RAF section below for details). The Group capital plays a crucial role in the main corporate governance processes that drive strategic decisions, as target and risk tolerance thresholds, in terms of regulatory and economic capital. It is also a key element of the Risk Appetite Framework of the Group.

## Part E - Information on risks and related hedging policies

### 4. Monitoring and Reporting

Capital adequacy evaluation is a dynamic process that requires a regular monitoring to support the decision-making processes.

The Bank monitors its main risk profile with a frequency consistent with the nature of each single risk. On top of this, a quarterly reporting of integrated risks and Risk Appetite evolution is reported to the relevant Risk Committees and Governing Bodies, in order to set and implement and efficient and effective ICAAP framework.

Capital adequacy is assessed considering the balance between the assumed risks and the available capital both in a regulatory and in an economic perspective. With respect to economic perspective, capital adequacy is assessed by comparing the amount of financial resources available to absorb losses and to ensure the business continuity of the Group, the so-called Available Financial Resources ("AFR"), with the economic capital internally estimated (Economic Capital - "EC"). The AFR are computed according to the Group principles and consistent with prudential regulation, in fact the regulatory capital (Own Funds) is the basis for the AFR quantification. The Group capital instruments that are included in the AFR satisfy the following three criteria:

- loss absorbency in Going Concern approach;
- permanence;
- flexibility of payments.

The ratio between AFR and EC is the Risk-Taking Capacity ("RTC"). This ratio must be above 100% (AFR>EC) in order to avoid that risk exposures are higher than the Available Financial Resources. RTC is one of the key indicators included in the Group RAF dashboard on which the Bank leverages to determine the measure of capital adequacy under economic perspective in alignment with its business strategies.

A milestone of the ICAAP is the Risk Appetite, which in UniCredit group is defined as the level of risk that the Group is willing to take and the risk-return profile it fixes to achieve in pursuing its strategic objectives and business plan, considering the interest of its stakeholders (e.g., customers, policymakers, regulators, shareholders) as well as capital and other regulatory and law requirements. The Group Risk Appetite is approved on an annual basis by the Board of Directors and is regularly monitored and reported, at least quarterly, to the relevant committees, with the aim of ensuring the consistency with the risk return profile set by the Board of Directors. At local level, the risk appetite is set for the main Legal Entities and approved by the local competent functions.

The main goals of UniCredit group's Risk Appetite are:

- assessing explicitly the risks and their interconnections UniCredit group is willing to accept or should avoid in one year horizon. Risk Appetite targets should be consistent with the ones defined in the strategic multi-year plan;
- specifying the types of risk UniCredit group intends to assume by setting the targets, triggers and limits, under both normal and stressed operating conditions;
- ensuring an "ex ante" risk-return profile consistent with long term sustainability, in coherence with multi-year strategic plan/budget;
- ensuring that the business develops within the risk tolerance set by the Parent Company Board of Directors, also in respect of national and international regulations;
- supporting the evaluation of future strategic options with reference to risk profile;
- addressing internal and external stakeholders' view on risk profile consistent with the strategic positioning;
- provide qualitative statements concerning identified risks in order to strategically guide the relevant processes, the internal control system and ensure prevention/early intervention on emerging risks.

The Group Risk Appetite is defined coherently with UniCredit group business model. For this purpose, Group Risk Appetite is integrated in the budget process, in order to guide the selection of the desired risk-return profile in alignment with the Strategic Plan guidelines and at inception of the budget process.

UniCredit Compensation Policy is coherent with the Group Risk Appetite to allow the effective implementation of risk reward remuneration for bonus definition and payments.

The structure of the Risk Appetite in UniCredit group includes the Group Risk Appetite Statement and the Group Risk Appetite KPIs Dashboard.

The Risk Appetite Statement defines the positioning of the bank in terms of strategic targets and related risk profiles to address internal and external stakeholders' expectations and includes:

- a guidance on the overall key boundaries for the Group in terms of focus of activity;
- a definition of the desired risk-return profile, in line with the Group's overall strategy;
- the risks the bank is willing to accept or should avoid both in normal and stressed conditions;
- an indication on strategies to manage key risks within the perimeter of the Group;
- qualitative statements for not quantifiable risks in order to ensure prevention/early intervention on emerging risks.

The quantitative elements of the Risk Appetite Framework are instead represented by a Dashboard, composed by a set of KPIs, based on the analysis of the expectations of UniCredit group internal and external stakeholders, including material risks to which the Group is exposed and addressing the following categories:

- Regulatory KPIs: to guarantee at any time the fulfilment of the KPIs requested by Regulators (e.g., Common Equity Tier 1 Ratio, Liquidity Coverage Ratio);
- Managerial KPIs: KPIs considered to be key from strategic and Risk Appetite standpoint and defined to ensure steering of all key financial risks (e.g., Credit Risk, Liquidity and Interest Rate Risks, Market and Sovereign Risks), Profitability, non-financial risks (e.g. Operational risk, ICT and Cyber risk, Compliance risk) and Climate & Environmental risk.

## Part E - Information on risks and related hedging policies

For each of the above dimensions, one or more KPIs are identified, in order to quantitatively measure the position of the Group in different ways: absolute values, ratios, sensitivities to defined parameters.

Various levels of thresholds are defined to act as early warning indicators anticipating potential risk situations that will be promptly escalated at relevant organisational level. If specific Risk Appetite thresholds are met, the necessary management measures have to be adopted for effectively adjusting the risk profile. The thresholds are identified as follows (on certain KPIs, not all the thresholds may be meaningful):

- *Targets* represent the amount of risk the Group is willing to take on in normal conditions in line with the Group ambition. They are the reference thresholds for the development and steering of the business;
- *Triggers* represent, from a managerial standpoint, the maximum acceptable level of deviation from the defined target thresholds, or more generally a Warning Level, and are set consistently to assure that the Group can operate, even under stress conditions;
- *Limits* are hard points that represent, from a statutory standpoint, the maximum acceptable level of risk for the Group.

Threshold's setting is evaluated by the relevant competent functions, also through managerial decision by the Board of Directors, respecting regulatory and supervisory requirements and considering *stakeholders'* expectations and positioning versus peers. In addition, UniCredit group has a series of transversal operational limits and metrics that cover the main risk profiles in order to supplement the Risk Appetite Framework.

According to the EBA guidelines, each year ICAAP information is collected for SREP purposes and sent to the Regulator. The Board of Directors, which authorises the sending of this information to the Authorities, also acknowledges that the risk governance of the Group is deemed adequate, guaranteeing that the risk management system in place is in line with the risk profile and strategy of the Group. In addition, the Board of Directors approved and signed the Capital Adequacy Statement during the last Board of Directors held on 7 April 2022. In the Capital Adequacy Statement, the Board of Directors states that the Group demonstrated to have a strong capital position, allowing to maintain under baseline scenario an adequate managerial buffer on top of combined buffer requirement (CBR) and, in case of more severe conditions, to ensure adequate buffer in addition to the total SREP capital ratio (TSCR). In light of the current geopolitical environment, the Management and the Board of Directors are taking a prudent and sustainable approach, assessing any possible impact on the capital adequacy and related mitigation actions, and in parallel proceeding with the implementation of the strategic plan.

The Group is consistently engaged in identifying areas of improvement of the ICAAP process in compliance with Supervisory expectations.

### Risk Culture in UniCredit group

UniCredit defines risk culture as the collective and individual ability to identify, understand, openly discuss, and make decisions on current and future risks.

Since the financial markets crisis, both the financial industry and regulators have been addressing the issue of risk culture, giving a definition of it, identifying its key elements, establishing principles of conduct, providing recommendations and guidelines.

In 2014 the **Financial Stability Board (FSB)** issued the document "Guidance on Supervisory Interaction with Financial Institutions on Risk Culture - A Framework for Assessing Risk Culture", which identifies the foundational elements that contribute to the promotion of a sound risk culture within financial institutions. It aims at assisting supervisors in assessing the soundness and effectiveness of a financial institution's culture in managing risks. There are several indicators of a sound risk culture which need to be considered collectively and as mutually reinforcing. These indicators include:

- *Tone from the top*: the Board of Directors and senior management are the starting point for setting the financial institution's core values and risk culture, and their behaviors must reflect the values being espoused;
- *Accountability*: a successful risk management requires employees at all levels to understand the core values of the institution's risk culture and its approach to risk, be capable of performing their prescribed roles, and be aware that they are held accountable for their actions in relation to the institution's risk-taking behavior;
- *Effective communication and challenge*: a sound risk culture promotes an environment of open communication and effective challenge in which decision-making processes encourage a range of views, allow for testing of current practices, and stimulate a positive, critical attitude among employees and an environment of open and constructive engagement;
- *Incentives*: performance and talent management should encourage and reinforce maintenance of the financial institution's desired risk management behavior. Financial and non-financial incentives should reward servicing the long-term interests of the financial institution and its clients, including sustained profitability, as opposed to short-term revenue generation.

The Group Risk Management, in line with its mission as defined by the Board of Directors of UniCredit, adopted a structured, all-inclusive approach to strengthen UniCredit's risk culture, by addressing the following areas:

1. Governance;
2. Learning and development;
3. Performance management;
4. Communication.

## Part E - Information on risks and related hedging policies

### 1. Governance

Risk Governance - One of the key elements in risk management is the Risk Appetite Framework.

Dedicated Group Risk Committees have been established in order to strengthen the capacity of independent steering, coordination and control of Group risks, to improve the efficiency and the flexibility of the risks decision process and to address the interaction between the relevant risk stakeholders.

### 2. Learning & Development

The learning framework is characterised by digital, modular and freestanding solutions and is based on adaptive learning methods. Three main streams ensure that all the participants are fully aware of the different risks. These streams are differentiated according to the target population and the required risk knowledge. At the same time, those in specific positions and risk professionals will receive further training specifically tailored to the requirements of their jobs.



Learning on the job and cross-functional rotation, in which colleagues from the business lines work in risk functions, and vice versa, have been extremely valuable and helpful. The initiatives facilitate the virtuous cycle for bringing business knowledge to risk functions and introducing risk awareness to the decision-making process of the business lines. In addition, they enable the exchange of expertise and points of view that improves the colleagues' capabilities to analyse, approach and mutually understand the different situations they both face on a daily basis.

### 3. Performance Management

**Compensation** - To reinforce the Bank's risk culture, also the link between compensation and risk represents an important element. This link is ensured by the involvement of the Risk function in compensation design and the definition of an explicit framework to base remuneration within an overarching Group Risk Appetite framework. In particular, the Board of Directors with the support of the competent Supervisory Committees and upon the input of involved functions ensures the link between profitability, risk and reward within Group incentive systems.

**Risk-based KPIs** - At Group level, the commitment to a consistent risk culture as well as the individual accountability on risk, compliance and controls is constantly promoted and enhanced. People & Culture (P&C) contributes to this, spreading Group-wide risk, compliance & control culture by leveraging on the existing framework and building selected initiatives. Over the past few years, P&C built up a framework to enhance internal control system awareness and accountability by setting processes that embed sensitivity to Risk and Compliance attitudes, such as Executive Development Plan (EDP - the annual performance management and review process of UniCredit, involving all the Executives of the Group), Group Incentive System and Learning & Development.

The **Group Incentive System** preserve a strong link between remuneration, risk and sustainable profitability and is supported by the annual performance management process assuring coherence, consistency, and clarity of performance objectives and behavioural expectation aligned with business strategy. The setting of the annual objectives (known as Goal Setting) is the initial phase of this process and is supported by a structured framework; in particular for the Group Material Risk Taker population this process provides the use of a catalogue of performance indicators (the "KPI Bluebook") annually certified by relevant Group key functions (i.e. People & Culture, Finance, Risk Management, Compliance, Group ESG Strategy & Impact Banking) and guidelines in line with regulatory provisions and group standards.

## Part E - Information on risks and related hedging policies

Also, the System provides risk adjusted metrics in order to guarantee long-term sustainability, regarding company financial position and to ensure compliance with regulations.

The remuneration framework is linked to company results and is adequately adjusted to take into account all risks, ensures that capital, funding and liquidity levels are more than adequate to support all our ongoing activities and promotes the right behaviors, avoiding distorted incentives that could lead to violation of laws or regulations, or excessive risk taking.

Individual bonus will be allocated managerially, considering the individual performance appraisal and it will be also considered the respect of provisions of law, Group's compliance rules, Company policies or Corporate values, Code of Conduct and the application of claw-back clauses, as legally enforceable. Moreover, each participant has to complete the mandatory training courses and, for impacted roles, the customer due diligence periodic.

#### 4. Communication

Within UniCredit Risk Culture framework, the aim is aligning and revamping key messages on Group mission in line with our values of Integrity, Ownership, Caring. GEC members are focused on communicating concrete actions or initiatives in which the risk culture is fully embedded. A series of virtual events have been held and a training and communication plan is in continuous development to enhance the risk culture across the Competence Line and the Group and continue to drive our mindset to win. The Right Way. Together.

#### Reconciliation between accounting perimeter and prudential perimeter

Note that Section 1 - Risks of the accounting consolidated perimeter provides information on companies included in the accounting perimeter of consolidation. Section 2 - Risks of the prudential consolidated perimeter provides information referred to the prudential perimeter of consolidation.

In this regard the accounting perimeter is composed by companies fully consolidated in accordance with IFRS10, for additional information refer to Notes to the consolidated accounts; Part A - Accounting policies - Section 3 - Consolidation scope and methods.

The prudential perimeter is composed by companies subject to full consolidation in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on "prudential requirements for credit institutions and investment firms" (CRR).

Prudential perimeter differs, as a result, from the accounting perimeter due to the accounting through the equity method of those subsidiaries that are not engaged in banking activity, financial activity of instrumental activity, which are subject to full consolidation in the accounting perimeter.

The interests held in these companies is included in item 70. Equity investments.

| (€ million)   |                      |                      |           |
|---|----------------------|----------------------|-----------|
| AMOUNTS AS AT 31.12.2022  |                      |                      |           |
| ASSETS  | ACCOUNTING PERIMETER | PRUDENTIAL PERIMETER | DELTA     |
| 10. Cash and cash balances  | 111,776              | 111,770              | (6)       |
| 20. Financial assets at fair value through profit or loss:              | 72,959               | 72,941               | (18)      |
| a) financial assets held for trading                                    | 64,443               | 64,443               | -         |
| b) financial assets designated at fair value                            | 323                  | 323                  | -         |
| c) other financial assets mandatorily at fair value                     | 8,193                | 8,175                | (18)      |
| 30. Financial assets at fair value through other comprehensive income   | 54,887               | 54,853               | (34)      |
| 40. Financial assets at amortised cost:                                 | 582,661              | 583,086              | 425       |
| a) loans and advances to banks  | 57,796               | 57,796               | -         |
| b) loans and advances to customers                                      | 524,865              | 525,291              | 426       |
| 50. Hedging derivatives   | 2,851                | 2,851                | -         |
| 60. Changes in fair value of portfolio hedged items (+/-)               | (6,576)              | (6,576)              | -         |
| 70. Equity investments  | 3,540                | 3,919                | 379       |
| 80. Insurance reserves charged to reinsurers                            | -                    | -                    | -         |
| 90. Property, plant and equipment                                       | 9,164                | 8,391                | (773)     |
| 100. Intangible assets  | 2,350                | 2,349                | (1)       |
| <i>of which: goodwill</i>   | -                    | -                    | -         |
| 110. Tax assets:  | 13,120               | 13,116               | (4)       |
| a) current  | 1,272                | 1,270                | (2)       |
| b) deferred   | 11,848               | 11,846               | (2)       |
| 120. Non-current assets and disposal groups classified as held for sale | 1,229                | 1,189                | (40)      |
| 130. Other assets   | 9,812                | 9,948                | 136       |
| <b>Total assets</b>   | <b>857,773</b>       | <b>857,837</b>       | <b>64</b> |



## Part E - Information on risks and related hedging policies

continued:

(€ million)

| LIABILITIES AND SHAREHOLDERS' EQUITY                             | AMOUNTS AS AT 31.12.2022 |                      |           |
|--|--------------------------|----------------------|-----------|
|  | ACCOUNTING PERIMETER     | PRUDENTIAL PERIMETER | DELTA     |
| 10. Financial liabilities at amortised cost:                     | 727,473                  | 727,651              | 178       |
| a) deposit from banks  | 131,341                  | 131,321              | (20)      |
| b) deposit from customers  | 511,925                  | 512,123              | 198       |
| c) debt securities in issue                                      | 84,207                   | 84,207               | -         |
| 20. Financial liabilities held for trading                       | 51,234                   | 51,235               | 1         |
| 30. Financial liabilities designated at fair value               | 10,192                   | 10,192               | -         |
| 40. Hedging derivatives  | 3,403                    | 3,403                | -         |
| 50. Value adjustment of hedged financial liabilities (+/-)       | (21,504)                 | (21,504)             | -         |
| 60. Tax liabilities:   | 1,681                    | 1,640                | (41)      |
| a) current   | 1,141                    | 1,139                | (2)       |
| b) deferred  | 540                      | 501                  | (39)      |
| 70. Liabilities associated with non-current assets held for sale | 579                      | 533                  | (46)      |
| 80. Other liabilities  | 13,036                   | 13,054               | 18        |
| 90. Provision for employee severance pay                         | 368                      | 368                  | -         |
| 100. Provision for risks and charges:                            | 7,814                    | 7,760                | (54)      |
| a) commitments and guarantees given                              | 1,402                    | 1,402                | -         |
| b) post retirement benefit obligations                           | 2,959                    | 2,958                | (1)       |
| c) other provisions for risks and charges                        | 3,453                    | 3,400                | (53)      |
| 110. Technical reserves  | -                        | -                    | -         |
| 120. Valuation reserves  | (4,612)                  | (4,612)              | -         |
| 130. Redeemable shares   | -                        | -                    | -         |
| 140. Equity instruments  | 6,100                    | 6,100                | -         |
| 150. Reserves  | 31,657                   | 31,657               | -         |
| 160. Share premium   | 2,516                    | 2,516                | -         |
| 170. Share capital   | 21,220                   | 21,220               | -         |
| 180. Treasury shares (-)   | -                        | -                    | -         |
| 190. Minority shareholders' equity (+/-)                         | 158                      | 166                  | 8         |
| 200. Net profit (Loss) for the year (+/-)                        | 6,458                    | 6,458                | -         |
| <b>Total liabilities and shareholders' equity</b>                | <b>857,773</b>           | <b>857,837</b>       | <b>64</b> |

## Part E - Information on risks and related hedging policies

### Section 1 - Risks of the accounting consolidated perimeter

#### Quantitative information

In the following tables, the volume of impaired assets according to the IFRS definition is equivalent to the one of non-performing exposures referred to in the EBA standards.

#### A. Credit quality

For the purposes of the disclosure of quantitative information about credit quality, the term "credit exposures" does not include equity instruments and units in investment funds.

##### A.1 Impaired and non-performing credit exposures: stocks, value adjustments, dynamics and economic

##### A.1.1 Breakdown of financial assets by portfolio and credit quality (carrying value)

(€ million)

| PORTFOLIOS/QUALITY   | BAD EXPOSURES | UNLIKELY TO PAY | NON-PERFORMING PAST-DUE EXPOSURES | PERFORMING PAST-DUE EXPOSURES | OTHER PERFORMING EXPOSURES | TOTAL          |
|--|---------------|-----------------|-----------------------------------|-------------------------------|----------------------------|----------------|
|  |               |                 |                                   |                               |                            |                |
| 2. Financial assets at fair value through other comprehensive income | -             | -               | -                                 | -                             | 53,587                     | 53,587         |
| 3. Financial assets designated at fair value                         | -             | -               | -                                 | -                             | 323                        | 323            |
| 4. Other financial assets mandatorily at fair value                  | -             | 28              | -                                 | 5                             | 6,057                      | 6,090          |
| 5. Financial instruments classified as held for sale                 | 137           | 344             | -                                 | -                             | 101                        | 582            |
| <b>Total 31.12.2022</b>  | <b>737</b>    | <b>5,690</b>    | <b>635</b>                        | <b>11,633</b>                 | <b>624,548</b>             | <b>643,243</b> |
| <b>Total 31.12.2021</b>  | <b>1,276</b>  | <b>6,375</b>    | <b>529</b>                        | <b>8,371</b>                  | <b>666,961</b>             | <b>683,512</b> |

##### A.1.2 Breakdown of financial assets by portfolio and credit quality (gross and net values)

(€ million)

| PORTFOLIOS/QUALITY   | NON-PERFORMING ASSETS |                    |              |                               | PERFORMING ASSETS |                    |                | TOTAL (NET EXPOSURE) |
|--|-----------------------|--------------------|--------------|-------------------------------|-------------------|--------------------|----------------|----------------------|
|  | GROSS EXPOSURE        | OVERALL WRITEDOWNS | NET EXPOSURE | OVERALL PARTIAL WRITE-OFFS(*) | GROSS EXPOSURE    | OVERALL WRITEDOWNS | NET EXPOSURE   |                      |
| 1. Financial assets at amortised cost                                | 12,592                | 6,039              | 6,553        | 1,032                         | 581,959           | 5,851              | 576,108        | 582,661              |
| 2. Financial assets at fair value through other comprehensive income | 2                     | 2                  | -            | -                             | 53,682            | 95                 | 53,587         | 53,587               |
| 3. Financial assets designated at fair value                         | -                     | -                  | -            | -                             | X                 | X                  | 323            | 323                  |
| 4. Other financial assets mandatorily at fair value                  | 117                   | 89                 | 28           | 43                            | X                 | X                  | 6,062          | 6,090                |
| 5. Financial instruments classified as held for sale                 | 1,082                 | 601                | 481          | 25                            | 101               | -                  | 101            | 582                  |
| <b>Total 31.12.2022</b>  | <b>13,793</b>         | <b>6,731</b>       | <b>7,062</b> | <b>1,100</b>                  | <b>635,742</b>    | <b>5,946</b>       | <b>636,181</b> | <b>643,243</b>       |
| <b>Total 31.12.2021</b>  | <b>17,755</b>         | <b>9,575</b>       | <b>8,180</b> | <b>2,093</b>                  | <b>670,566</b>    | <b>4,806</b>       | <b>675,332</b> | <b>683,512</b>       |

#### Note:

(\*) Value shown for information purposes.

For additional information on the matter related to evaluation on credit exposures refer to Section 2 - Risks of the prudential consolidated financial statements, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies.

The reduction in non performing exposures is mainly attributable to the sales of non performing loans "Itaca" and "Altea" executed by UniCredit S.p.A. in the first half of 2022.

For additional information on Itaca and Altea transactions, securitisation transactions of non-performing loan performed by UniCredit S.p.A., reference is made to the paragraphs "Itaca transaction" and "Altea transaction" of the Company financial statements of UniCredit S.p.A., Notes to the accounts, Part E - Information on risks and related hedging policies, Section 1 - Credit risk, Quantitative information, 2. Credit risk management policies, which is herewith quoted entirely.

## Part E - Information on risks and related hedging policies

| PORTFOLIOS/QUALITY                   | ASSETS OF EVIDENT LOW CREDIT QUALITY |              | OTHER ASSETS  |
|--------------------------------------|--------------------------------------|--------------|---------------|
|                                      | CUMULATED LOSSES                     | NET EXPOSURE | NET EXPOSURE  |
| 1. Financial assets held for trading | 2                                    | 185          | 56,836        |
| 2. Hedging derivatives               | -                                    | -            | 2,851         |
| <b>Total 31.12.2022</b>              | <b>2</b>                             | <b>185</b>   | <b>59,687</b> |
| <b>Total 31.12.2021</b>              | <b>35</b>                            | <b>97</b>    | <b>72,924</b> |

**B. Structured entities (other than entities for securitisation transaction)**
**B.1 Consolidated structured entities**

The Group has involvements in structured entities that are consolidated because it has both power on the underlying assets and exposure to variability of returns arising from the structured entities activities as a result of the financial instruments subscribed.

The consolidated structured entities of the Group belong to one of the following categories:

- **Leasing SPV:** these structured entities are set-up by the Group in order to meet the needs of customers interested into entering into finance leasing. The Group provides funding to these structured entities, both in form of equity and in form of loans. Such funding is used by structured entities to buy assets (real estate, equipment, etc.) that are leased to a customer under a finance leasing contract;
- **Project finance SPV:** these structured entities are set-up in order to finance capital intensive projects according to the need of specific customers. Typically the funds needed to develop the project are provided by the customer, in form of equity and by the Group in form of loans. The Group consolidates such structured entities as a result of deterioration of the credit worthiness of the customer and subsequent acquisition of the right to manage the project;
- **Real estate SPV:** these structured entities are entities that have been set-up in order to fund real estate projects used in the business by the Group or that have been acquired in the course of credit recovery processes;
- **Funding SPV:** these structured entities are set-up by the Group so to gather funding in specific markets that is guaranteed by a Group Legal entity. This funding is then transferred to the Group legal entity that guarantees it;
- **Investment funds:** these structured entities are open ended and closed ended investment funds that the Group controls under IFRS10 having acquired enough quotas to expose it to variability of returns and the ability to manage, directly and indirectly, the underlying portfolio;
- **Warehousing SPV:** these structured entities are set-up in order to subsequently perform securitisation transactions. In particular they purchase mortgages in specific markets and from different originators until a "critical mass" that allow to perform securitisation is reached. The purchases of mortgages are funded through loans provided by the Group.

During the period the Group has not provided financial support to consolidated structured entities, other than those for securitisation transactions, in absence of contractual obligation to do so and it doesn't have current intention to provide such support.

The following table provides on balance sheet and off-balance sheet, non revocable credit line and financial guarantees, provided by Group companies to consolidated structured entities, excluding possible exposures and Group's Legal entities classified as held for sale as at 31 December 2022.

These exposures are eliminated in the consolidation process.

| BALANCE SHEET ITEM/SPV TYPE | TOTAL ASSETS | OFF BALANCE SHEET EXPOSURES |
|-----------------------------|--------------|-----------------------------|
| Leasing SPV                 | 1,425        | -                           |
| Project Finance SPV         | -            | -                           |
| Real Estate SPV             | -            | -                           |
| Funding SPV                 | -            | -                           |
| Market Related SPV          | 402          | 331                         |
| Investment funds            | 273          | -                           |
| Warehousing SPV             | -            | -                           |
| <b>Total</b>                | <b>2,100</b> | <b>331</b>                  |

**B.2 Non-consolidated for accounting purposes structured entities**
**B.2.1. Consolidated for regulatory purposes structured entities**

The Group has not exposure toward structured entities consolidated for regulatory purpose but that are not consolidated for accounting purpose.

## Part E - Information on risks and related hedging policies

### B.2.2. Other structured entities

#### Qualitative information

The Group has exposure toward unconsolidated structured entities either as a result of its lending activities or through the investments in quotas issued by funds that are structured entities under IFRS12 definition.

In particular, unconsolidated structured entities in which the Group is exposed to belong to the following categories:

- **Acquisition and Leveraged Finance structured entities** are set up for providing funding for the acquisition of a target business, where sponsors participate with equity contribution and lenders structure their facilities according to the cash flow profile of the target. The Group provides funding to these structured entities according to the applicable internal credit policies described in the paragraph 1. General Aspects that also define the level of equity that has to be provided by the sponsor, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies - Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information.

The Group has no control over these structured entities because it neither manages the company whose acquisition is being financed nor is significantly exposed to the associated variability of returns;

- **Leasing structured entities** are set-up to buy an asset and rent it to customers (based on a financial leasing contract). The funding is provided through loans, and the structured entities are the owner of the asset. At the end of the contract the asset is usually sold to the customer at a price usually equal to the residual value defined by the contract.

The Group provides funding to these structured entities according to the applicable internal credit policies described in Part E - Information on risks and related hedging policies, Section 2, Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information, 1. General Aspects. In particular, the contracts ruling such transactions and associated guarantees ensure that the Group has no control over these structured entities because it neither manages the activities of the structured entities nor is significantly exposed to variability of returns of the leased assets;

- **Market Related structured entities** are set-up in order to allow customers to invest into financial instruments having features, in term of currency of denomination or interest rate, different from those offered in the market. In this context the Group maintains exposures against these vehicles that, however, do not transfer to the Group the main risks of the underlying;

- **Notes issuing structured entities** are structured entities that issue security different from ABS that are backed up by certain type of assets. These include covered bonds issued by third parties.

The Group does not control these structured entities as it has neither the ability to manage the underlying assets nor retains significant exposures to its variability of returns;

- **Project Finance structured entities** are structured entities set up for the financing capital intensive business initiatives, where customers participate with equity contribution. The Group provides funding to these structured entities according to the applicable internal credit policies described in the paragraph 1. General Aspects that also define the level of equity that has to be provided by the customers, Part E - Information on risks and related hedging policies, Section 2, Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information.

The Group has no control over these structured entities because it neither manages the assets being financed nor is significantly exposed to the resulting variability of returns;

- **Real Estate structured entities** are set-up for the financing of specific real estate initiatives. In these structures the customers, typically commercial and residential development companies and institutional investors set up the structured entities and provides the equity. The Group provides funding according to the applicable internal credit policies described in the paragraph 1. General Aspects that also define the level of equity that has to be provided by the customers, Part E - Information on risks and related hedging policies Section 2, Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information.

The Group has no control over these structured entities because it neither manages the assets being financed nor is significantly exposed to the resulting variability of returns;

- **Shipping and Aircraft structured entities** are set up for the building or the acquisition of a ship or an aircraft that is then used by the customers in the context of their business activities.

The Group provides funding to these structured entities according to the applicable internal credit policies described in the paragraph 1. General Aspects that also define the level of equity that has to be provided by the customers, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2, Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information.

The Group has no control over these structured entities because it neither manages the assets being financed nor is significantly exposed to the resulting variability of returns;

- **Warehousing structured entities** support subsequent securitisation transactions through the purchase of mortgages in specific markets and from different originators until a "critical mass" that allows to perform such securitisation is reached;

- **Investments funds** comprise open ended and closed ended investment funds in which the Group has subscribed quotas or provided loans.

#### Quantitative information

The following table provides indication on assets, liabilities and off-balance sheet exposures recognised in the balance sheet of the Group held towards SPVs different from non-consolidated securitisation vehicles and broken down by role of the Group.

The maximum exposure to loss has been calculated by grossing up the difference between assets and liabilities with off-balance sheet positions (irrevocable credit lines and financial guarantees) held toward these vehicles reported in column "difference between maximum exposure to loss and accounting value".

## Part E - Information on risks and related hedging policies

## Exposure to structured entities different from Securitisation SPV not consolidated for accounting purposes

(€ million)

| AMOUNTS AS AT 31.12.2022                    |                               |                  |                                    |                       |                              |                              |  |
|---|-------------------------------|------------------|------------------------------------|-----------------------|------------------------------|------------------------------|--|
| BALANCE SHEET ITEM/SPV TYPE                 | ACCOUNTING PORTFOLIO (ASSETS) | TOTAL ASSETS (A) | ACCOUNTING PORTFOLIO (LIABILITIES) | TOTAL LIABILITIES (B) | NET ACCOUNTING VALUE (C=A-B) | MAXIMUM EXPOSURE TO LOSS (D) | DIFFERENCE BETWEEN MAXIMUM EXPOSURE TO LOSS AND ACCOUNTING VALUE (E=D-C) |
| <b>Acquisition and Leverage Finance SPV</b> |                               | <b>760</b>       |                                    | <b>38</b>             | <b>722</b>                   | <b>861</b>                   | <b>139</b>   |
|   | HFT                           | -                | Deposits                           | 38                    |                              |                              |  |
|   | DFV                           | -                | Securities                         | -                     |                              |                              |  |
|   | MFV                           | -                | HFT                                | -                     |                              |                              |  |
|   | FVOCI                         | -                | DFV                                | -                     |                              |                              |  |
|   | AC                            | 760              |                                    |                       |                              |                              |  |
| <b>Leasing SPV</b>                          |                               | <b>29</b>        |                                    | <b>-</b>              | <b>29</b>                    | <b>31</b>                    | <b>2</b>   |
|   | HFT                           | -                | Deposits                           | -                     |                              |                              |  |
|   | DFV                           | -                | Securities                         | -                     |                              |                              |  |
|   | MFV                           | -                | HFT                                | -                     |                              |                              |  |
|   | FVOCI                         | -                | DFV                                | -                     |                              |                              |  |
|   | AC                            | 29               |                                    |                       |                              |                              |  |
| <b>Market Related SPV</b>                   |                               | <b>713</b>       |                                    | <b>23</b>             | <b>690</b>                   | <b>690</b>                   | <b>-</b>   |
|   | HFT                           | 414              | Deposits                           | 23                    |                              |                              |  |
|   | DFV                           | -                | Securities                         | -                     |                              |                              |  |
|   | MFV                           | -                | HFT                                | -                     |                              |                              |  |
|   | FVOCI                         | -                | DFV                                | -                     |                              |                              |  |
|   | AC                            | 299              |                                    |                       |                              |                              |  |
| <b>Notes Issuing Vehicles</b>               |                               | <b>108</b>       |                                    | <b>-</b>              | <b>108</b>                   | <b>146</b>                   | <b>38</b>  |
|   | HFT                           | 5                | Deposits                           | -                     |                              |                              |  |
|   | DFV                           | -                | Securities                         | -                     |                              |                              |  |
|   | MFV                           | -                | HFT                                | -                     |                              |                              |  |
|   | FVOCI                         | -                | DFV                                | -                     |                              |                              |  |
|   | AC                            | 103              |                                    |                       |                              |                              |  |
| <b>Project Finance SPV</b>                  |                               | <b>2,788</b>     |                                    | <b>785</b>            | <b>2,003</b>                 | <b>2,189</b>                 | <b>186</b>   |
|   | HFT                           | -                | Deposits                           | 785                   |                              |                              |  |
|   | DFV                           | -                | Securities                         | -                     |                              |                              |  |
|   | MFV                           | -                | HFT                                | -                     |                              |                              |  |
|   | FVOCI                         | -                | DFV                                | -                     |                              |                              |  |
|   | AC                            | 2,788            |                                    |                       |                              |                              |  |
| <b>Real Estate SPV</b>                      |                               | <b>3,824</b>     |                                    | <b>588</b>            | <b>3,236</b>                 | <b>3,762</b>                 | <b>526</b>   |
|   | HFT                           | -                | Deposits                           | 588                   |                              |                              |  |
|   | DFV                           | -                | Securities                         | -                     |                              |                              |  |
|   | MFV                           | -                | HFT                                | -                     |                              |                              |  |
|   | FVOCI                         | -                | DFV                                | -                     |                              |                              |  |
|   | AC                            | 3,824            |                                    |                       |                              |                              |  |
| <b>Shipping Aircraft SPV</b>                |                               | <b>68</b>        |                                    | <b>-</b>              | <b>68</b>                    | <b>81</b>                    | <b>13</b>  |
|   | HFT                           | -                | Deposits                           | -                     |                              |                              |  |
|   | DFV                           | -                | Securities                         | -                     |                              |                              |  |
|   | MFV                           | -                | HFT                                | -                     |                              |                              |  |
|   | FVOCI                         | -                | DFV                                | -                     |                              |                              |  |
|   | AC                            | 68               |                                    |                       |                              |                              |  |
| <b>Warehousing SPV</b>                      |                               | <b>-</b>         |                                    | <b>-</b>              | <b>-</b>                     | <b>-</b>                     | <b>-</b>   |
|   | HFT                           | -                | Deposits                           | -                     |                              |                              |  |
|   | DFV                           | -                | Securities                         | -                     |                              |                              |  |
|   | MFV                           | -                | HFT                                | -                     |                              |                              |  |
|   | FVOCI                         | -                | DFV                                | -                     |                              |                              |  |
|   | AC                            | -                |                                    |                       |                              |                              |  |
| <b>Total</b>                                |                               | <b>8,290</b>     |                                    | <b>1,434</b>          | <b>6,856</b>                 | <b>7,760</b>                 | <b>904</b>   |

## Notes:

HFT = Financial assets held for trading  
 DFV = Financial assets designated at fair value  
 MFV = Financial assets mandatorily at fair value  
 FVOCI = Financial assets at fair value through other comprehensive income  
 AC = Financial assets at amortised cost

Deposits = Deposits from Customers  
 Securities = Debt securities in issue  
 HFT = Financial liabilities held for trading  
 DFV = Financial liabilities designated at fair value

## Part E - Information on risks and related hedging policies

The following table provides indication on assets, liabilities and off-balance sheet exposures recognised in the balance sheet of the Group held towards not consolidated investment funds.

Exposure to structured entities different from Securitisation SPV not consolidated for accounting purposes - Investment funds

(€ million)

| AMOUNTS AS AT 31.12.2022                    |                               |                  |                                    |                       |                              |                              |  |
|---|-------------------------------|------------------|------------------------------------|-----------------------|------------------------------|------------------------------|--|
| BALANCE SHEET ITEM/SPV TYPE                 | ACCOUNTING PORTFOLIO (ASSETS) | TOTAL ASSETS (A) | ACCOUNTING PORTFOLIO (LIABILITIES) | TOTAL LIABILITIES (B) | NET ACCOUNTING VALUE (C=A-B) | MAXIMUM EXPOSURE TO LOSS (D) | DIFFERENCE BETWEEN MAXIMUM EXPOSURE TO LOSS AND ACCOUNTING VALUE (E=D-C) |
| <b>Real Estate investment funds</b>         |                               | <b>5,193</b>     |                                    | <b>1,418</b>          | <b>3,775</b>                 | <b>5,221</b>                 | <b>1,446</b>   |
|   | HFT                           | 1                | Deposits                           | 1,418                 |                              |                              |  |
|   | DFV                           | -                | Securities                         | -                     |                              |                              |  |
|   | MFV                           | 260              | HFT                                | -                     |                              |                              |  |
|   | FVOCI                         | -                | DFV                                | -                     |                              |                              |  |
|   | AC                            | 4,932            |                                    |                       |                              |                              |  |
| <b>Mixed Asset investment funds</b>         |                               | <b>629</b>       |                                    | <b>1,226</b>          | <b>(597)</b>                 | <b>(536)</b>                 | <b>61</b>  |
|   | HFT                           | 385              | Deposits                           | 1,226                 |                              |                              |  |
|   | DFV                           | -                | Securities                         | -                     |                              |                              |  |
|   | MFV                           | 30               | HFT                                | -                     |                              |                              |  |
|   | FVOCI                         | -                | DFV                                | -                     |                              |                              |  |
|   | AC                            | 214              |                                    |                       |                              |                              |  |
| <b>Equity investment funds</b>              |                               | <b>1,764</b>     |                                    | <b>214</b>            | <b>1,550</b>                 | <b>1,560</b>                 | <b>10</b>  |
|   | HFT                           | 1,514            | Deposits                           | 210                   |                              |                              |  |
|   | DFV                           | -                | Securities                         | -                     |                              |                              |  |
|   | MFV                           | 2                | HFT                                | 4                     |                              |                              |  |
|   | FVOCI                         | -                | DFV                                | -                     |                              |                              |  |
|   | AC                            | 248              |                                    |                       |                              |                              |  |
| <b>Private Equity/Debt investment funds</b> |                               | <b>485</b>       |                                    | <b>27</b>             | <b>458</b>                   | <b>458</b>                   | <b>-</b>   |
|   | HFT                           | -                | Deposits                           | 27                    |                              |                              |  |
|   | DFV                           | -                | Securities                         | -                     |                              |                              |  |
|   | MFV                           | 485              | HFT                                | -                     |                              |                              |  |
|   | FVOCI                         | -                | DFV                                | -                     |                              |                              |  |
|   | AC                            | -                |                                    |                       |                              |                              |  |
| <b>Fixed Income investment funds</b>        |                               | <b>716</b>       |                                    | <b>593</b>            | <b>123</b>                   | <b>123</b>                   | <b>-</b>   |
|   | HFT                           | 250              | Deposits                           | 592                   |                              |                              |  |
|   | DFV                           | -                | Securities                         | -                     |                              |                              |  |
|   | MFV                           | -                | HFT                                | 1                     |                              |                              |  |
|   | FVOCI                         | -                | DFV                                | -                     |                              |                              |  |
|   | AC                            | 466              |                                    |                       |                              |                              |  |
| <b>Other investment funds</b>               |                               | <b>1,078</b>     |                                    | <b>1,065</b>          | <b>13</b>                    | <b>42</b>                    | <b>29</b>  |
|   | HFT                           | 173              | Deposits                           | 1,062                 |                              |                              |  |
|   | DFV                           | -                | Securities                         | -                     |                              |                              |  |
|   | MFV                           | 702              | HFT                                | 3                     |                              |                              |  |
|   | FVOCI                         | -                | DFV                                | -                     |                              |                              |  |
|   | AC                            | 203              |                                    |                       |                              |                              |  |
| <b>Total</b>                                |                               | <b>9,865</b>     |                                    | <b>4,543</b>          | <b>5,322</b>                 | <b>6,868</b>                 | <b>1,546</b>   |

**Notes:**

HFT = Financial assets held for trading  
 DFV = Financial assets designated at fair value  
 MFV = Financial assets mandatorily at fair value  
 FVOCI = Financial assets at fair value through other comprehensive income  
 AC = Financial assets at amortised cost

Deposits = Deposits from Customers  
 Securities = Debt securities in issue  
 HFT = Financial liabilities held for trading  
 DFV = Financial liabilities designated at fair value

It should be noted that during the year the Group has recognised commission income for €41 million as a result of the management of investment funds not consolidated.

## Part E - Information on risks and related hedging policies

### Section 2 - Risks of the prudential consolidated perimeter

#### 2.1 Credit risk

##### Qualitative information

##### 1. General aspects

##### Credit policies

In UniCredit, the current governance model of credit risk, intended as risk of impairment of a credit exposure deriving from an unexpected deterioration of the counterparty's creditworthiness, provides for two levels of control:

- on the one hand, the supervision of the Parent Company functions which steer and control the credit risk and perform a managerial coordination with respect to the relevant Group legal entities' Risk Management functions;
- on the other hand, the supervision of the relevant Group legal entities' Risk Management functions which perform the control and the management of the risks portfolio at Country level.

With reference to credit risk management topics, the mechanisms of interaction between the Parent Company and the Group legal entities are defined by specific credit governance rules that, on the one hand, regulate the respective responsibilities and, on the other hand, ensure the compliance of the overall credit risk framework with the regulatory framework which the Parent Company is subject to.

Within its role of guidance, support and control, the Parent Company acts in the following areas: credit rules (principles, policies and processes), credit strategies and credit risk limits, models development, rating systems validation, large exposures management, credit risk portfolio monitoring and reporting.

In line with such credit governance rules, the Group legal entities request the Group Risk Management opinion before granting new or reviewing existing credit lines to individual borrowers or economic groups whenever these credit lines exceed defined thresholds, also with reference to the compliance with the credit risk concentration limits being measured with respect to the regulatory capital.

According to the role assigned by the Group governance to the Parent Company, specifically to the Group Risk Management function, general provisions are established ("Group General Principles for credit activities", "Group Credit Risk Management Framework", "Guidelines on Loan Categorization and Forbearance Classification", "Credit Risk Parameters and IFRS9 Modelling and Planning", "Credit Risk Strategies", "Non-Performing Exposures Risk Strategies", "Credit Risk Mitigation"), defining Group-wide rules and principles for guiding, classifying, managing, governing and standardising the credit risk assessment and management, as well as the development of its models, in line with the regulatory requirements and the Group best practice. These general provisions are further supplemented by policies which, regulating specific topics (e.g., business areas, segment activities, type of counterpart/transaction), are divided into two categories:

- policies on Group-wide topics, drafted and issued by the Parent Company and sent to all the Legal Entities;
- policies locally developed by single legal entities, fully in line with the guidelines defined at Parent Company level, that regulate credit practices relating to rules and peculiarities of the local market and that are, therefore, applicable only within the respective perimeter.

Credit policies, which usually have a static approach and are revised when necessary (e.g. in case of evolution of the external regulatory framework), are supplemented by credit risk strategies (approved by the Board of Directors in the context of the Risk Appetite Framework) which, instead, are updated at least once a year and define with which customers/products, industry segments and geographical areas the Group and the Group legal entities intend to develop their credit business.

At both legal entity and Parent Company level, the policies are further detailed through operating instructions that describe specific rules supporting the execution of day-by-day activities.

In UniCredit S.p.A., lending is governed by a regulatory framework, called the Testo Unico del Credito, which is constantly updated. This framework includes the guidelines and operating procedures for managing the various phases of the credit life cycle, taking into account potential changes in the credit strategy and progressive process and procedural improvements.

More specifically, the following process phases are regulated:

- the assessment of the creditworthiness of the borrower, including the rating assignment procedures;
- the decision to grant credit lines, their implementation and the rules for managing them;
- the acquisition, management and monitoring of the value of collaterals and guarantees;
- the performance monitoring process and the initiatives to improve the sustainability of the counterpart, the customer classification process;
- the restructuring and the credit recovery process (debt collection policy/workout) as described below:

The Non-Performing Exposure ("NPE") Strategy represents the base on which specialised debt collection processes are developed. The NPE Strategy defines, at both the Group and Legal Entity level, the qualitative NPE management approach and quantitative time-bound targets by time-horizon and dynamics (i.e., write-off, recoveries, disposals, flows etc.) with the goal of managing NPE stock in a clear, credible, and feasible manner.

## Part E - Information on risks and related hedging policies

The Group customer base is mixed and heterogeneous and is managed through segmentations which makes it possible to manage customers competently through dedicated functions, as well as through tailored products/initiatives.

The recovery initiatives are supported by a combined approach between subjective assessments and automated processes.

Depending on the strategy and organizational set-up implemented locally by the Legal Entities, Group collection rules stipulate an early transfer of files/clients to specialised functions independently from, and long before, a possible default. This is done to anticipate and avoid defaults through a relationship management framework committed to proactive risk management.

To allow proactive risk management and the related reduction of a client's existing exposure, Legal Entities may grant forbearance measures as described in the relevant section. The main objective of this activity is to protect the economic and financial structure of the borrowers. In the forbearance context, the restructuring can be conducted in a Performing or Non-Performing classification according to the related Regulatory Framework ruling the loan classification.

The co-operation of clients is a pre-condition to any restructuring activity. Close and direct interaction with the borrower, as well as with other parties/stakeholders involved, is crucial for the success of the restructuring process. UniCredit acts in line with its Code of Conduct, adopting appropriate behavior and language in order to build and maintain a relationship of trust with the customer (e.g., use of non-coercive language and a non-harassment attitude). For this reason, the relationship with the borrower is assigned to specialised functions which maintain the responsibility of the borrower as long as the restructuring is in place. In case the credit restructuring activities are not feasible or successful, or there is no improvement of the client risk profile, Workout activities aim at maximizing the credit recovery, and the credit exposure must be classified in the relevant default status, if not already done. These activities are carefully devised to ensure that the relationships fostered with clients are maintained to the best extent possible.

Recovery activities at UniCredit are carried out in compliance with EBA guidelines on the management of credit impaired and forborne exposures.

### **Credit strategies**

More in general, the Group credit strategies are an effective tool for managing credit risk, contributing to the definition of the budget objectives in line with the Group's Risk Appetite, of which they are an integral part. They also constitute a management tool as they translate the metrics defined within the Risk Appetite into concrete form.

On the basis of the macroeconomic and credit scenario, the outlook at the economic sector level, as well as the business initiatives/strategies, the credit strategies provide a set of guidelines and operational targets aimed at the countries and business segments in which the Group work and are performed on the operating structures of each Group company and included in their respective commercial policies. The ultimate goal is to ensure sustainable commercial growth, consistent with the risk profile of each company, remaining within the limits defined by the Group Risk Appetite Framework.

Within the framework of the strategies underlying credit activity, concentration risk is considered particularly important. This is the risk associated with losses generated by a single exposure or group of related exposures that (in relation to the capital of a bank, total assets, or the overall risk level) can generate potentially serious effects on the solidity and "core" operation of the Group. In compliance with the relevant regulatory framework, UniCredit group manages the concentration credit risk through specific limits that represent the maximum risk that the Group intends to accept regarding:

- individual counterparties or groups of connected counterparties (Single Name Bulk Risk);
- counterparties belonging to the same economic sector (Industry Concentration Risk).

The results of stress test simulations relating to expected loss are an integrated part of the definition of credit strategies.

### **Effects arising from Covid-19 pandemic**

With reference to credit risk, UniCredit has positively seen all the initiatives aimed at supporting the real economy that have been put in place by the EU government and has complemented them with additional measures to support customers and to reduce as much as possible the negative effects of this crisis. All concessions have been defined to respond as quickly as possible to the drawback deriving from a temporary slow-down of the economic cycle and related liquidity issues. The potential impact on the bank's risk profile has been mitigated with:

- acquisition of public guarantees in line with the mechanisms put in place by the various governments.
- an ex-ante and ongoing evaluation of the client's risk profile.

UniCredit has defined Group guiding principles for underwriting, monitoring, and management of moratorium/emergency schemes, to cope with the new challenges and to early detect potential signals of asset quality deterioration.

With specific reference to the moratorium measures, and in order to provide relief to the lockdown measures put in place for containing Covid-19 outbreak, UniCredit group arranged several initiatives available to customers, whose specific features have been different in each country in terms of scope of customers and product types, typically allowing the postponement of instalments and the increase in the residual maturity of credit exposures.



## Part E - Information on risks and related hedging policies

Among these initiatives, a number of moratoriums specifically have met the definition of “General Payment” (either legislative or assimilated non-legislative ones) in line with “Guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the Covid-19 crisis”<sup>62</sup> (issued by EBA in April 2020 and further updated in September and December 2020), as broadly applied by credit institution on the basis of national laws or industry- or sector-wide private initiatives. The Group had also implemented other moratorium initiatives not specifically referred to the above mentioned EBA guidelines and therefore granted by the Institutions as additional customer support tools to deal with the context of difficulties and independently from national law or industry- or sector-wide private initiatives.

Based on the “EBA/GL/2020/02” the Group Guidelines defined by the Parent company addressed all legal entities on regulatory treatment for the above-mentioned Moratoria and Guarantee Schemes.

Specifically, different regulatory treatments were allowed with respect to Forbearance measures as well as Default detection, particularly from the point of view of the Unlikely To Pay (“UTP” - Unlikely To Pay) assessment. In particular, General Payment moratoriums granting, in line with the EBA requirements, did not automatically activate a classification of forbearance, however a specific assessment was aimed at verifying the financial difficulty; in that case the UTP assessment had to be applied both during the moratorium period and shortly after its end. In this regard, the updates of the guidelines provided by EBA in December 2020, extended to 31 March 2021, the date by which a legislative and assimilated non-legislative one should be applied and considered as a “General Payment” and introduced a cumulative maximum limit of 9 months to the benefit from the moratoriums granted or extended after 30 September 2020. After this period, the usual forbearance and financial difficulty assessment process has been applied as other moratorium initiatives that were not in line with the specific EBA requirements (e.g., other early moratorium initiatives granted by the Bank): in that case, the financial difficulty was assessed at the time of the concession and after its end.

The guidelines established regarding the treatment of Moratorium General Payment for Forbearance and Default classification purposes had to be considered valid for the entire duration of the Covid-19 moratoriums, including their extension.

### 2. Credit risk management policies

#### 2.1 Organisational aspects

##### *Factors that generate credit risk*

During the ongoing credit and business activities, the Group is exposed to the risk that an unexpected change in a counterparty's creditworthiness may generate a corresponding unexpected change in the value of the associated credit exposure and may thus result in a partial or full write-off. This risk is always associated to the traditional lending practice, regardless of the form of the credit facility (whether cash or credit commitments, secured or unsecured, etc.).

The main reasons of a default lie in the borrower's failure to fulfil its credit obligation (due to the lack of liquidity, for insolvency reasons, etc.), as well as the occurrence of macro-economic and political events that are affecting the debtor's operating and financial conditions. Other banking operations, in addition to traditional lending and deposit activities, can constitute other credit risk factors. In this view, “non-traditional” credit risk may arise from:

- subscription of derivative contracts;
- purchase and selling of securities, futures, currencies or commodities;
- holding third-party securities.

The counterparties in these transactions or issuers of securities held by Group legal entities could default as a result of insolvency, political and economic events, lack of liquidity, operational deficiencies or other reasons. Defaults of a large number of transactions, or of one or more large transactions, could have a material adverse impact on the Group's activities, financial condition and operating profits.

The Group therefore monitors and manages the specific risk of each counterparty as well as the overall risk of loan portfolios through procedures, functions and rules that steer, govern and standardise the assessment and management of credit risk, in line with the Group principles and best practice.

##### *Organisational structure*

The credit risk management in the UniCredit group is under responsibility of Group Risk Management, and is responsible for steering, governance, control of credit risk and for the operational credit management, which internally have different organisational levels:

- functions with responsibilities at Group level;
- functions with responsibilities at Country level.

<sup>62</sup> Guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the Covid-19 crisis issued on 2 April 2020 (“EBA/GL/2020/02”) and subsequent amendment EBA/GL/2020/15.

## Part E - Information on risks and related hedging policies

Regarding Group Risk Management, Parent company functions with responsibilities at Group level include:

- **Group Credit Risk**

The structure has the following mission:

responsible for the overall steering and governance of the credit risk at Group level, including, e.g., Group credit risk strategies setting monitoring and controlling, control risk framework and methodologies, overall asset quality planning and monitoring, NPE strategy, implementation of C&E risk (Climate & Environmental) in the Credit Pillar, large credit transactions and FIBS group-wide assessment-monitoring-oversight, country risks & cross-border risks, credit risk models governance and roadmap.

The structure of “Group Credit Risk” breaks down in the following structures:

- Group NPE
- Credit Models & Risk Policies
- Credit Risk Strategies, Monitoring and Controls
- Group Credit Transactions

- Group NPE

The structure has the following mission:

develop the strategy, oversee the management, the monitoring, the process, set targets and execute disposals and platforms of Non-Performing Exposures/NPE, repossessed assets and any other distressed assets for the entire Group.

NPE is also responsible for the assessment of transactions regarding counterparties classified as restructuring or workout above defined thresholds.

- Credit Models & Risk Policies

The structure has the following mission:

responsible for guaranteeing at Group level the coordination and steering of the overall landscape of Pillar I Credit risk models (including IFRS9 and other managerial models) and the related methodologies as well as managing the credit stress testing (both regulatory and managerial).

Furthermore, it's responsible for defining rules and guidelines for the lending activity and for evaluating of the proposals regarding the revision of the credit processes which are submitted by other Group competent functions as well as for cooperating with other Group competent functions on Risk Weighted Assets/RWA contents.

- Credit Risk Strategies, Monitoring and Controls

The structure has the following mission:

responsible, at Group level, for credit risk strategies definition, monitoring and controlling as well as, within the credit processes, for the definition and application of the risk assessment methodology in order to identify the risk areas and the mitigation actions to be implemented.

Furthermore, it is responsible for supporting the definition and the promotion of the Climate and Environmental Taxonomy strategy, implementation of C&E risk (Climate & Environmental) in Credit Pillar through direct responsibility and coordinating with other structures within “Group Credit Risk”, as well as monitoring physical and transition risk in the portfolio through dedicated analysis functional to set exposure limits and credit strategies.

The structure is also responsible for controlling the risks underlying persons in conflict of interest, by monitoring and verifying predefined key indicators. The structure is also in charge of the internal reporting activity towards Related Parties Committee, to which it as given evidence for each Related Party category (defined in accordance with the existing regulations of Banca d'Italia, Consob and IAS) of the prudential limits absorbed, focusing on the main counterparties identified according to Reporting thresholds.

- Group Credit Transactions

The structure has the following mission:

responsible for the Group-Wide assessment, monitoring and oversight of Large Credit Transactions and Financial Institutions, Banks and Sovereigns (hereinafter also “FIBS”) global credit model management. Furthermore, it is responsible for (i) the assessment, approval and daily management of Country Risks and Cross-Border credit risk-taking and (ii) defining and managing the framework of Group-wide lending processes (e.g. FIBS Underwriting, GAM) ensuring alignment with other related frameworks and GRM guidelines.

- **Group Internal Validation**

The structure has the following mission:

responsible for validating, at Group level, the risk measurement methodologies, the related processes, the IT components and the data quality, for Pillar I and Pillar II risks, the main managerial models, as well as Group Risk Reporting, as defined in the Global Policy on Internal Validation, providing adequate reporting for Company Bodies and the Supervisory Authority as well as for assessing, monitoring and reporting, at Group level, the model risk for the models in scope of the Model Risk Management (MRM) framework, providing adequate reporting for competent committees and the Board of Directors.

## Part E - Information on risks and related hedging policies

### • Group Enterprise Risk Management

The structure has the following mission:

responsible for managing and monitoring major initiatives and projects within the Competence Line, implementing managerial decisions and handling of budget planning and costs analysis, promoting training projects and risk culture initiatives. Furthermore, the structure is responsible, at Group level, for integrated risk strategies definition, risk appetite and stress testing, monitoring and controlling, the integrated view across Pillar I and II risks to Top Management as well as it is responsible to embed the ESG risks into the risk management framework. The structure is directly responsible for performing “Group Financial and Credit Risk Committee/GFRC”, “Group Non-Financial Risks and Controls Committee/GNFRC” secretariat activities and “Group Executive Committee/GEC - Risk Session” Technical Secretariat and supporting the preparation of documentation for Board of Directors, “Internal Controls & Risks Committee”, “Board of Statutory Auditors” and other relevant Managerial Committees and Top Management (e.g. with CEO) meetings, as well as verifying the implementation of decisions taken together with other competent/involved structures.

### • Risk CE&EE

The structure has the following mission:

responsible for the management and control of credit operations activities and for credit risk steering in relation to Central Europe and Eastern Europe (CE&EE) portfolio booked in UniCredit S.p.A. and for the comprehensive view and the coordination of the management of different types of risks (e.g. credit, financial, operational, liquidity, reputational risks) in regard to CE&EE portfolio booked in UniCredit S.p.A. and CE&EE Legal Entities, together with the risk management responsible functions.

Furthermore, it is responsible for credit operation activities for CE&EE portfolio booked in UniCredit S.p.A., and for the control and steering and the cascading of Group standards, methodologies, policies, processes and risk framework for all different risks in CE&EE Legal Entities.

With respect to credit risk, the following specific Committees are active:

- the **Group Executive Committee (GEC) - “Risk” session**, which has approval as well as consulting and proposal functions, aims at supporting the CEO in its role of steering, coordinating and monitoring all categories of risks (included compliance risk), managing and overseeing the internal control system also at a Group level, as well as discussing and approving strategic risk topics such as Group Risk Appetite Framework, ICAAP, ILAAP, SREP, key highlights from Internal Control Systems, NPE, ESG;
- the **“Group Financial and Credit Risks Committee” (GFRC)** supports the CEO in the steering, coordination and control of the risks at Group level and consists of the following sessions: (i) *Credit Risk session*, responsible for defining policies, operational limits and methodologies for the measurement, management and control of the credit risks, (ii) *Rating approval session*, responsible for approving rating overrides, (iii) *Market Risk session*, responsible for approving strategies, policies and methodologies for Market Risks and for the monitoring of related risks, (iv) *ALCO session*, responsible for approving strategies, policies and methodologies for Financial Risks and for the monitoring of risks related to Fund Transfer Pricing;
- **Group Transactional Committee (GTC) - Group Credit Committee Session (GCC)** has consulting and proposal functions for the definition of the CEO’s proposals for the Board of Directors for the following topic: Debt-to-Equity transactions or transactions related to Equity participations resulting from Debt-to-Equity transactions for which the powers to approve or issue a Non-Binding Credit Opinion (NBCO) have not been delegated to the Group Transaction Credit Committee.

Group Transactional Committee (GTC) – “Group Credit Committee Session” (GCC) has approval/NBCO function (decision-making and/or issuing of non-binding opinions to the Group Legal Entities), within the delegated powers, for:

- sub-delegation to the Personnel of the Bank, without the right to further sub-delegate, the powers to take decisions in the matters referred to in subparagraphs A, N, O, Q and R of the Delegation of Powers by the Board of Directors;
- credit proposals referring to all files, including restructuring/workout ones;
- status classification of files;
- relevant strategies and corrective actions to be taken for watchlist files;
- specific limits for transactions related to Debt Capital Markets on Trading book;
- single issuer exposures limit on Trading book;
- temporary/annual breaches to Single Names Concentration Risk Limits within the thresholds defined by Group regulation of competence;
- Debt to Equity transactions and transactions related to Equity participations deriving from Debt-to-Equity transactions;
- the Debt Capital Market (DCM) transactions issuing Non-Binding Credit Opinion (NBCO);
- ECM Risk transactions above specific threshold levels of transaction’s value.

## Part E - Information on risks and related hedging policies

Group Transactional Committee (GTC) - "Group Transactional Credit Committee Session" (GTCC) has approval/NBCO functions (decision-making and/or issuing of non-binding opinions to the Group Legal Entities) within the delegated powers for:

- credit proposals referring to all files, including the Group NPE files;
- classification status of files;
- relevant strategies and corrective actions to be taken for watchlist counterparties;
- single issuer exposure limits on Trading book;
- Debt to Equity transactions and/or actions/rights-execution related to equity participations resulting from Debt-to-Equity transactions;
- Debt to Assets transactions and/or actions/rights execution related to asset resulting from Debt to Asset transactions;
- proposal of distressed asset disposal, in accordance with the regulated specifications and limitations in force;
- the Debt Capital Market (DCM) transactions issuing Non-Binding Credit Opinion (NBCO);
- on semiannual basis, the "DCM pre-approved list": list of a selected group of names and respective commitment amounts for which there is no need to have the NBCO on the single transaction;
- ECM Risk transactions above specific threshold levels of transaction's value;
- temporary/annual breaches to Single Names Concentration Risk Limits within the thresholds defined by dedicated Group regulation.

Specific committees related to UniCredit S.p.A. are described in the paragraph "2.1 Organisational aspects which is herewith quoted entirely" of the Company financial statements of UniCredit S.p.A., Notes to the accounts, Part E - Information on risks and related hedging policies, Section 1 - Credit risk, Qualitative information, 2. Credit risk management policies, which is herewith quoted entirely.

### 2.2 Credit risk management, measurement and control

#### 2.2.1 Credit risk management

The credit risk, associated to the potential loss arising either from a default of the borrower/issuer or from a decrease in the market value of a financial obligation due to a deterioration in its credit quality, is measured at both single borrower/transaction and at whole portfolio level.

Credit lending to single customers, during both the approval and monitoring phases, is supported by a credit rating process, differentiated by customer segment and product. The assessment of a counterpart's creditworthiness, within the credit proposal evaluation, begins with an analysis of the financial statements and the qualitative data (competitive positioning, corporate and organisational structure, etc.), regional and industry factors and counterpart behavior within the entity or the banking system (e.g. Centrale dei Rischi of Banca d'Italia), and results in a rating, i.e. the counterpart's probability of default ("PD") on a one-year time horizon.

Each borrower's credit rating is reviewed at least annually on the basis of the new information acquired. Each borrower is also assessed in the context of the belonging economic group considering, when needed, the risk for the entire group.

The internal rating assigned to each borrower and its economic group exposure both contribute to the lending decision calculation, defined in such a way that, at a constant credit amount, the approval powers granted to each decision-making corporate body are gradually reduced in proportion to the increased borrower/related risk level.

The organisational model used by UniCredit group also includes a dedicated function, which is separated from loan approval and business functions and is responsible for the management of the so-called rating "overrides", i.e., any changes to the automatic rating calculated by the rating system (where it is foreseen).

Regular monitoring of the rating focuses on the borrower's performance management, using all the internal and external available information in order to get a score representing a synthetic assessment of the risk associated. This score is obtained using a statistical function that summarises the available information using a set of significant variables that are predictors of an event of default within a 12-months horizon.

In addition to the usual estimation of risk parameters over one-year time horizon, multi-period risk parameters are estimated to provide a more robust assessment of the risk-adjusted performance in compliance with the accounting standards requirements.

All the above-mentioned risk parameters are subject to an initial validation and a regular monitoring process for each rating system in all its components: models, processes, IT architecture and data quality. The aim is to give evidence of the systems compliance, highlighting improvement areas as well as possible misalignments in the methodologies, which could limit the full comparability among the resulting risk measures.

## Part E - Information on risks and related hedging policies

### 2.2.2 Risk parameters

Besides the methodologies summarised in the rating systems, the Group Risk Management function leverages on portfolio model enabled to measure credit risk for Basel Pillar 2 purposes on an aggregated basis and to identify the contribution of single sub-portfolio or obligor to the overall risk.

There are two fundamental portfolio credit risk measures which are calculated and evaluated on a time horizon of one year:

- Expected Loss ("EL");
- Credit Value at Risk (Credit "VaR").

The estimate of Credit VaR at overall portfolio level is derived from the distribution of losses obtained by Monte Carlo simulation on the horizon of one year, considering the correlations among counterparties. The total loss in each default scenario is the sum of the individual losses, being defined as the product of LGD TTC (Loss Given Default Through the Cycle) and EAD (Exposure at Default) for transactions related to defaulted counterparties. For most liquid exposures classified at amortised cost, in each simulated scenario, the loss estimation related to their simulated creditworthiness deterioration is added to the total loss related to the counterparties simulated in default.

Within the Credit VaR framework, the Expected Loss ("EL") at portfolio level is defined as the sum of the product of PD, LGD (both TTC) and EAD for each obligor in the considered portfolio plus a migration risk charge related to the expected creditworthiness deterioration for the most liquid exposures classified at amortised cost.

The Value at Risk ("VaR") represents the monetary threshold of the losses distribution which is overcome only with a given probability level (a 99.9% confidence level VaR implies that the loss threshold is exceeded in 1 case out of 1,000). Economic Capital is derived from Value at Risk subtracting the Expected Loss and is an input for determining Economic Capital set up to cover potential losses from all the sources of risk (Reference is made to paragraph "Other risks included in Economic Capital", Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2.6 Other risks).

The measures of Economic Capital based on Credit VaR are also a fundamental input for the design and application of credit strategies, the analysis of credit limits and risk concentration. The Economic Capital calculation engine is also one of the instruments used for the analysis of stress testing of the credit portfolio.

The internal Credit VaR model is also subject to assessment in the context of Pillar II validation.

The calculation of the credit economic capital is available on a single technological platform (Group Credit Portfolio Model, GCPM), with a shared methodology for the structures of UniCredit S.p.A. and the main entities of the Group.

In order to assess the credit risk transfer created by securitisation transactions originated by the Group, an engine (Structured Credit Analyser) has also been developed, which simulates the loss distribution of the securitised portfolio and of the tranches, both for synthetic securitisations (in which the risk is transferred through guarantees/credit derivatives) and for traditional ones (where the assets are sold to a special purpose vehicle).

### 2.2.3 Rating systems

In order to determine capital requirements for credit risks, UniCredit group uses the IRB Advanced approach, as stated by Banca d'Italia act No.365138 dated 28 March 2008.

With specific reference to credit risk, the Group has been authorised to use internal estimations of PD, LGD and EAD parameters for Group wide credit portfolios (Sovereign, Banks, Multinationals and Global Project Finance) and for local credit portfolios of relevant subsidiaries (corporate and retail). With reference to Italian mid-corporate and small business portfolios, regulatory EAD parameters are currently used.

These methodologies have been adopted by UniCredit S.p.A. (UCI S.p.A.), UniCredit Bank AG (UCB AG) and UniCredit Bank Austria AG (UCBA AG).

According to the Roll-out plan, providing a progressive extension of the IRB rating system, approved by the Group and shared with the Supervisory Authorities, these methods have been extended starting from 2008 to other Legal Entities currently, UniCredit Banka Slovenija d.d., UniCredit Bulbank AD, UniCredit Bank Czech Republic and Slovakia, a.s., UniCredit Bank Hungary Zrt., UniCredit Bank (SA) Romania and AO UniCredit Bank in Russia. In October 2021, UniCredit Leasing GMBH and Subsidiaries have been authorized to revert to the use of the Standardised Approach (Permanent Partial Use) for all former AIRB portfolios. From 1 November 2021, UniCredit Bank Ireland plc. was merged in UCI S.p.A. and for exposures coming from UniCredit Bank Ireland plc. the RWA calculation approaches authorised in UCI S.p.A. were adopted.

The following table summarises the rating systems used by the Group with an indication of the related relevant asset class and the entities where they are used. Further details on rating models are present in paragraph use of the IRB approach, Credit risk, of UniCredit Group Disclosure (Pillar III).

## Part E - Information on risks and related hedging policies

| PREVAILING ASSET CLASS                                  | RATING SYSTEM   | LEGAL ENTITY   |  |
|---|---|--|--|
| Central governments and central banks                   | Sovereign (PD, LGD, EAD)                                  | UCI S.p.A., UCB AG, UCBA AG, UCB CZ, UCB SK, UCB RO(*)   |  |
| Institutions  | Financial Institutions & Banks (PD, LGD, EAD)             | UCI S.p.A., UCB AG, UCBA AG, UCB Slo(*), UCB BG(*), UCB CZ, UCB HU(*) (**), UCB SK, UCB RO(*)          |  |
| Corporate   | Multinational (PD, LGD, EAD)                              | UCI S.p.A.(****), UCB AG, UCBA AG, UCB Slo(*), UCB BG, UCB CZ, UCB HU(*), UCB SK, UCB RO(*), AO UCB(*) |  |
|   | Global Project Finance (PD, LGD, EAD)                     | UCI S.p.A., UCB AG, UCBA AG, UCB CZ, UCB SK  |  |
|   | Local   | Integrated Corporate Rating RIC (PD, LGD)  | UCI S.p.A.   |
|   |   | Mid Corporate (PD, LGD, EAD)   | UCB AG, UCBA AG, UCB CZ, UCB BG, UCB HU(*), UCB SK(*), UCB RO(*) |
|   |   | Foreign Small and Medium Sized Enterprises (PD, LGD, EAD)  | UCB AG   |
|   |   | Income Producing Real Estate (IPRE) (PD, LGD, EAD)   | UCB AG, UCB CZ   |
|   |   | Acquisition and Leverage Finance (PD, LGD, EAD)  | UCB AG   |
|   |   | Wind Project Finance (PD, LGD, EAD)  | UCB AG   |
|   |   | Commercial Real Estate Finance (PD, LGD, EAD)  | UCB AG   |
|   |   | Real Estate Customers (PD, LGD, EAD)   | UCBA AG  |
| Income Producing Real Estate (IPRE) (Slotting criteria) |   | UCI S.p.A., UCBA AG, UCB BG, UCB SK  |  |
| Project Finance (Slotting Criteria)                     | UCB BG  |  |  |
| Retail exposures  | Integrated Small Business Rating RISB (PD, LGD)           | UCI S.p.A.   |  |
|   | Integrated Private Rating (RIP-One) (PD, LGD, EAD) (****) | UCI S.p.A.   |  |
|   | Integrated Private Rating Mortgages (RIP-MI) (PD)(*****)  | UCI S.p.A.   |  |
|   | Small Business (PD, LGD, EAD)                             | UCB AG, UCBA AG, UCB CZ, UCB BG, UCB SK  |  |
|   | Private Individuals (PD, LGD, EAD)                        | UCB AG, UCBA AG, UCB CZ, UCB BG, UCB SK  |  |
|   | Asset Backed Commercial Paper (PD, LGD, EAD)              | UCB AG   |  |
| Securitisation  |   |  |  |

**Notes:**  
 (\*) These entities are currently authorised only to use the IRB Foundation; therefore they use only PD internal estimations for the determination of capital requirements.  
 (\*\*) This entity has been authorised to adopt the Group Wide model Financial Institution & Banks (GW BANKS) only for the Commercial Bank segment with the exclusion of the Securities Industry segment.  
 (\*\*\*) Starting from 2012, the Group Wide Multinational Corporate (GW MNC) rating system (for the estimation of parameters PD, LGD and EAD) is also adopted for the Italian Large Corporate (ILC) portfolio, which includes Italian companies with an annual operating revenues between €250 and €500 million.  
 (\*\*\*\*) New RIP-ONE model with a unique PD model for Private Individuals at counterparty level.  
 (\*\*\*\*\* Applied to Natural Persons characterized by entrepreneurship risk ("Private-like") which are excluded from the scope of application of the RIP-One.

### Keywords:

UCI S.p.A.: UniCredit S.p.A.  
 UCB AG: UniCredit Bank AG  
 UCBA AG: UniCredit Bank Austria AG  
 UCB Slo: UniCredit Banka Slovenija d.d.  
 UCB BG: UniCredit Bulbank AD  
 UCB CZ: Czech portfolio of UniCredit Bank Czech Republic and Slovakia, a.s.  
 UCB HU: UniCredit Bank Hungary ZRT  
 UCB SK: Slovak portfolio of UniCredit Bank Czech Republic and Slovakia a.s.  
 UCB RO: UniCredit Bank SA (Romania)  
 AO UCB: AO UniCredit Bank (Russia)

### 2.2.4 Stress test

With reference to the strategies of credit risk management, the use of Credit Risk Stress Test is considered of particular importance because its aim is to analyse the portfolio vulnerability in case of an economic downturn or a structural change of the macroeconomic framework. In performing the stress test exercise, different scenarios are considered, based on increasing levels of severity. In addition, scenarios may also be defined based on specific economic hypotheses.

The credit stress test models (or satellite models) are set of models aimed at translating the macro-economic conditions into credit risk parameters (PD/LGD). Within the wider stress testing framework, the models serve as basis for calculating the stressed PD/LGD projections under the adverse scenarios. They are used in the same way for the estimation of Forward-Looking component within the IFRS9 framework.

As regards the modelling methodology, the current framework envisages to estimate at cluster level (Country/Asset Class) through time series and/or panel regressive analysis, the relationships between the macro-economic factors and the internal default/recovery rate historically observed. However, with regard to the low default portfolios (e.g., Multinational, Banks, Sovereigns), for which no enough defaults events are available, alternative approaches are considered. These imply to leverage either on external data (i.e., external rating) or directly stressing the input of Group Wide Rating System (i.e., Sovereign Rating System).

Model's output in terms of expected variations of PD/LGD conditional to the macro-economic scenarios are then used in order to obtain stressed PD/LGD of each credit exposure. Starting from the stressed PD/LGD the Pillar I Credit Risk metrics (LLP and RWA) are calculated through dedicated simulation engine and according to the EBA Stress test methodology, while Pillar II stress metrics (EC and AFR) are calculated according to the following methodology:

- Credit Economic Capital: stressed PDs and LGDs are used as a basis to recalculate the Credit Economic Capital using the GCPM. The result represents the Credit Economic Capital that would be obtained in the current bank portfolio if the stressed scenario is experienced;
- AFR: the amount stemming from the difference between the Stressed Expected Loss (calculated based on PD-TTC and LGD-TTC) and the actual Expected losses is deducted from AFR.

## Part E - Information on risks and related hedging policies

### 2.3 Measurement methods for expected losses

#### Risk management practices

##### 2.3.1 Staging Allocation and Expected Credit Losses Calculation

The Credit Risk Management, Measurement and Control processes described in the previous paragraph, are also used for the calculation of impairment of Loans and debt securities classified as financial assets at amortised cost, financial assets at fair value through other comprehensive income and relevant off-balance sheet exposures as required by IFRS9.

For this purpose, the calculation of impairment in accordance with expected credit losses is based on two main pillars:

- the Stage allocation of the credit exposures;
- the associated calculation of expected credit loss.

#### Stage allocation - General framework

In the UniCredit group, the Stage allocation is based on the application of qualitative and quantitative components.

With reference to the quantitative component of the stage allocation model, the Group has adopted a statistic approach based on a quantile regression, whose goal is to define a threshold in terms of maximum variation acceptable between the PD measure at the disbursement and the one at the reference date; indeed, the definition of the quantile identifies the Stage 2 quota expected on average in the long-time horizon.

The medium long-term quantile is determined based on the average expectation of portfolio deterioration calculated considering the default rate as well as one of the other stages of deterioration (e.g., past-due 30 days). The exposures amount classified in Stage 2 for each reporting date will fluctuate around the long-term quantile based on the current economic conditions as well as expectations about the future economic cycle, with potentially wider fluctuations in case macroeconomic information is specialised by industry.

In more detail among the others qualitative and quantitative elements to be assessed, the following are worth to be outlined:

- comparison, on a transaction basis, between the PD as of origination date, and the PD as of the reporting date, both calculated according to the internal models and based on a Lifetime view; the thresholds consider all the key variables that can affect the bank's expectation about PD changes over time (e.g., ageing of the credit exposures, residual maturity, PD level at the time of first origination). In the comparison between Lifetime PDs as of origination and reporting dates, beside considering the specific current and forward-looking conditions as a key element affecting the PD comparison, also the repayment structure (specifically bullet/balloon compared to amortizing loans) is taken into consideration in the PD comparison, in order to factor-in higher riskiness of financial instruments with significant repayment at maturity, where the risk of a default occurring may not necessarily decrease as time passes<sup>63</sup>;
- further quantitative criteria, in order to support the timely detection of the Significant Increase in Credit Risk, namely:
  - threefold increase in lifetime PD - Stage 2 classification is triggered in case the Lifetime PD at the reporting date results higher than three times the one at the inception date of the financial instruments, in line with Supervisory expectations;
  - adoption of a threshold value of Basel PD equal or higher than 20% as a Stage 2 criterion - such threshold, adopted considering the benchmark value retrievable within the ECB Asset Quality Review Manual, has the aim to identify financial instruments that, with little room for interpretation, have registered a significant increase of credit risk since inception date and with high risk of migration to default;
- absolute elements, such as the backstops required by law (e.g., 30 days past-due): in this case, the Group has chosen not to reject the significant deterioration presumption after 30 days past-due by allocating in Stage 2 transactions with more than 30 days past due;
- additional internal assessment, also including renegotiations of financial instruments due to financial difficulties met by the counterparty (e.g., Forborne classification) and certain kinds of credit monitoring watchlist classifications.

The Stage allocation model is tested at each reporting date, to timely capture both significant deterioration and its reverse in a symmetric way and to correctly allocate each transaction within the proper stage and related expected loss calculation model. In this regard it is noted that in order to achieve lower volatility in the migrations of the Stage classifications the following measures are in place:

- adoption of a 3-months period (so called "Probation Period") for the reclassification to Stage 1 from Stage 2 in case of overcoming of the quantitative and/or qualitative conditions underlying the Significant Increase in Credit Risk, stabilizing Staging migrations;
- full alignment of the Stage 2 classification to the Forborne Performing status, thus ensuring a minimum period of permanence for concessions to clients in financial difficulty equal to the regulatory Probation Period. Such measure makes consistent the entrance/exit criteria to/from Stage 2 due to Forborne Performing classification, avoiding potentially premature reverts to Stage 1 for obligors having yet significantly higher credit risk than the ordinary performing portfolio.

<sup>63</sup> In line with IFR9 Par. B5.5.11. In this regard, the Lifetime PD considered for bullet/balloon loans and used in the PD comparison for staging allocation is also consistently adopted for Expected Credit Loss calculation.

## Part E - Information on risks and related hedging policies

The outcome of the Stage allocation is the classification of credit exposure in Stage 1, Stage 2, or Stage 3 according to their absolute or relative credit quality with respect to the initial disbursement. Specifically:

- the Stage 1 includes:
  - newly issued or acquired credit exposures;
  - exposures for which credit risk has not significantly deteriorated since initial recognition;
  - exposures having low credit risk (low credit risk exemption), qualifiable as investment grade debt securities as well as loans on clients having a 1-year IFRS9 PD lower than 0.3%<sup>64</sup>. Such a treatment of these types of exposure allows to stabilize staging 2 migrations, reducing volatility and avoiding classification for customers characterized by a clearly low level of credit risk;
- the Stage 2 includes credit exposures that, although performing, have seen their credit risk significantly deteriorating since initial recognition;
- the Stage 3 includes impaired credit exposures. With reference to Stage 3, it should be noted that it includes impaired exposures corresponding in accordance with Banca d'Italia rules, defined in Circular No.272 of 30 July 2008 and subsequent updates, to the aggregate Non-Performing Exposures as ITS EBA (EBA/ITS/2013/03/rev1 24 July 2014). In particular, EBA<sup>65</sup> has defined as "Non-Performing" exposures that meet one or both of the following criteria:
  - material exposures more than 90 days past due;
  - exposures for which the bank assesses that is unlikely that the debtor would pay in full his credit obligations without recurring to enforcement and realisation of collaterals, regardless of past due exposures and the number of days the exposure is past due.

The result of the stage allocation affects the amount of expected credit losses recognised in financial statements (ref. to the next caption). Indeed:

- for exposures in Stage 1, impairment is equal to the expected loss calculated over a time horizon of up to one year;
- for exposures in Stages 2 or 3, impairment is equal to the expected loss calculated over a time horizon corresponding to the entire life of the exposure.

### *Expected credit loss calculation - General framework*

To calculate expected loss, the Group has developed specific models based on PD, LGD and EAD parameters and the effective interest rate.

In particular:

- PD (Probability of Default), which expresses the exposure probability of default in a given time horizon (e.g. 1 year);
- LGD (Loss Given Default), which expresses the estimated loss percentage and therefore the expected recovery rate when a default event occurs;
- EAD (Exposure at Default), expresses the level of the exposure at the time of default event;
- the effective interest rate is the base rate which expresses the time value of money.

Such parameters are calculated starting from the same parameters applied for regulatory purposes, specifically adjusted to guarantee full consistency, however respecting the different requirements between accounting and regulatory treatment. The main adjustments are aimed at:

- removing the conservatism required for regulatory purposes;
- introducing "point in time" adjustments which replace the "through-the-cycle" view required by the regulation;
- including "forward looking" information;
- extending credit risks parameters to a multi years horizon.

With reference to "lifetime" PD, PD curves calculated through-the-cycle are calibrated to reflect the point-in-time and forward-looking expectation with reference to the portfolio default rate.

The recovery rate embedded in the LGD calculated along the economic cycle ("through-the-cycle") is adjusted to remove the margin of conservatism and reflect the current trends in recovery rates as well as expectations about future trends discounted to the effective interest rate or its best approximation.

The EAD calculated along the instrument lifetime is determined by extending the prudential or managerial one-year model, removing the margin of conservatism and including expectations related to future average withdrawal levels of existing credit lines.

The forecast in terms of default rate and recovery rate, determined through models that estimate a relationship between these variables and macroeconomic indicators, is embedded in the PD and LGD parameters during the calibration phase. The credit parameters, in fact, are normally calibrated on a horizon that considers the entire economic cycle ("Through-the-cycle - TTC"), so it is necessary to calibrate them "Point-in-time - PIT" and "Forward-looking - FL" allowing to reflect in these credit parameters the current situation as well as expectations about the future evolution of the economic cycle.

<sup>64</sup> Such threshold, in addition to be a supervisory benchmark retrievable from ECB Asset Quality Review Manual, is also consistent with an Investment Grade equivalent level of risk.

<sup>65</sup> The regulatory framework for the new definition of default has been integrated with the entry into force, starting from 1 January 2021 of the "Guidelines on the application of the definition of default under article 178 of (EU) Regulation 575/2013 "(EBA/GL/2016/07).



## Part E - Information on risks and related hedging policies

The expected credit loss deriving from the parameters previously described considers macroeconomic forecasts through the application of multiple scenarios to the forward-looking components in order to compensate the partial non-linearity that is naturally embedded in the correlation between the macroeconomic changes and expected credit loss. Specifically, the non-linearity effect is incorporated by estimating a correction factor applied directly to the expected credit loss ("ECL") of the portfolio.

### *Expected credit loss calculation - overlays applied as at 31 December 2022*

As of 31 December 2022, it should be mentioned that, in addition to the specific measures adopted following up the Russia - Ukraine crises outbreak (see related Section), further overlays with impact on loan loss provisions' recognition were taken in selected geographies.

Indeed, it is worth noting that the measurement of Loan Loss Provisions as of 31 December 2022 is affected by the activities for material changes in IRB Models for PD and LGD calculation as well as for ECB Supervisory expectations inclusion, in coherence with the EBA "Guidelines on PD estimation, LGD estimation and the treatment of defaulted exposures"<sup>66</sup> and ECB Guidelines on internal models. Specifically, such activities are related to: i) LGD model for Global Project Finance transactions applied across the Group; ii) LGD Model in Austrian perimeter; iii) PD Models in Czech Republic, Slovakia and Bulgaria geographies. Despite the material model changes will go live in 2023 or later according to the approval timeline of the European Central Bank, the Group, as of 31 December 2022, was already aware of the effects resulting from model enhancements in term of PD and LGD increase on the credit risk of customers; thus, according to IFRS9, the related effects were coherently recognised as of 31 December 2022.

As of 31 December 2022, the model changes led to recognise net write-downs for an overall value of -€48 million, almost entirely attributable to the Loan portfolio.

Furthermore, Group IFRS9 methodological framework has been evolving in order to consider for bullet/balloon portfolios the peculiar elements of risks, namely the significant loan payment close to maturity and the re-financing risk of these exposures; these elements determine the credit risk to increase as these exposures are closer to maturity. Although the new methodology will punctually enter into force during 2023, the Group, as of 31 December 2022, is already aware of the related effects. Consequently, a specific post model adjustment has been recognized on bullet/balloon portfolios at Group level, with an overall impact of -€322 million additional LLP entirely attributable to Loan portfolio.

### **2.3.2 Non-performing exposures**

With reference to impaired exposures (Stage 3) the expected recoverable amount, and therefore the expected credit loss, is the present value of future cash flows expected to be recovered, discounted at the original interest rate.

Therefore, the main determinants of this value are:

- the expected cash flows;
- the expected timing of payments of these cash flows;
- the effective interest rate used for discounting.

Expected cash flows on defaulted exposures are calculated on an individual basis for "individually significant exposures".

Expected cash flows on already defaulted exposures that are not individually significant are calculated either on an individual or a collective basis. Where a Legal Entity has several individually significant exposures towards one single counterparty, each loan is individually assessed while also considering the overall position of the counterparty.

Future cash flows must be estimated considering the historical trend of recovery for exposures having similar credit risk features. The historical trend in any case is adjusted so to embeds the current economic environment and the expected economic outlooks.

<sup>66</sup> EBA/GL/2017/16. The guideline was issued by the European Banking Authority (EBA) to reduce unjustified variability of risk parameters and own funds requirements, and it is part of a broader review of Internal Ratings-Based (IRB) approach carried out by the EBA.

## Part E - Information on risks and related hedging policies

### 2.3.3 Selling scenarios

In the assessment of impaired exposures (Stage 3), possible sales scenarios are also considered where the Group's NPE strategy envisages experiencing recovery through their sale to the market.

For this purpose, the presumed recovery value of credit exposures classified as Bad Loans and Unlikely to Pay is determined as weighted average between two scenarios:

- internal recovery scenario, whose expected recovery value is estimated assuming an internal work-out process according to what has previously been described;
- sale scenario, whose expected recovery value is estimated assuming the sale of the exposures on the market. The expected sale price is determined considering market or internal information based on the following hierarchy:
  - prices deriving from past sales of impaired loans with homogeneous characteristics with those evaluated;
  - prices observable on the market for impaired loans with homogeneous characteristics with those evaluated;
  - internal evaluation models.

In line with the new strategy to maximize the non-performing portfolio through all possible levers, during 2022 deleveraging actions on positions with low recovery expectations have been launched for total GBV, as at 31 December 2022, of €3.9 billion, of which 1.4 evaluated in selling scenario.

The residual perimeter under IFRS9 "selling scenario" evaluation approach at 31 December 2022 is €507 million. With reference to the credit exposures evaluated with the selling scenario as at 31 December 2022, the prices and probabilities of default were updated in respect of those applied as at 31 December 2021, leading to LLPs release for €19 million.

### 2.3.4 Scenarios and Sensitivity

In line with the IFRS9 standard and group internal regulation, the IFRS9 parameters have been calibrated considering updated macro-economic scenarios as of 4Q2022.

Specifically, the Group selected two macroeconomic scenarios to determine the forward-looking component of expected losses (ECL):

- Baseline scenario (Mild Recession), which macro-economic assumptions are in line with those embedded in the "Mild Recession" used for the measurement of deferred tax assets (DTA). It represents the reference central scenario with the most probability of realization (60%);
- Adverse scenario (Severe Recession) represents a possible alternative in terms of macro-economic evolution with a lower probability of realization vis-à-vis the baseline (40%).

For a description of main assumptions behind "baseline" and "adverse" scenarios and related probability realization, refer to Section 2 - General preparation criteria, Notes to the consolidated account, Part A - Accounting policies, A.1 General.

Compared to the "Mild Recession" used with regard to the deferred tax assets impairment test, for IFRS9 purposes the forecast on interest rates have been upward revised in line with the announced ECB monetary policy and market evolution. The ECB Refi Rate is assumed to further rise by 30 bps (vs end-of-year levels of 250bps) in 2023 and to gradually reduce afterwards in 2024 and 2025. The same assumptions are kept for the Adverse Scenario.

Besides the update of macroeconomic scenario, the default rates and recovery rates - underlying IFRS9 PD and LGD calibration - have been updated accordingly, in line with ordinary process.

The update of the macro-economic scenarios under the rules reported above has determined in the fourth quarter of 2022 the recognition of additional impairment for €184 million which include the worsening of the economic outlook for 2023-25 partially mitigated by a growth for the second half of 2022 better than expected, leading to a cumulated impact (including the one resulting from update of macro-economic scenario in the second quarter) over the full year 2022 equal to additional impairment for €535 million, with the following break-down by geography;

- Germany: €277 million of write-downs (of which €126 million in the fourth quarter 2022);
- Central & Eastern Europe (excluding Russia): €323 million of write-downs (of which €158 million in the fourth quarter 2022);
- Russia: €90 million of write-downs over full year 2022. Such impact considers the anticipated update of macroeconomic scenario for Russia in the first quarter 2022, which resulted in approximately €112 million of additional LLP and the update in the first half of 2022, counting for approximately €56 million of write-downs. In the fourth quarter 2022, the update of macro-economic scenario has led to a partial reduction of initially booked loan loss provisions for approximately €78 million of write-backs;
- Italy: €155 million of total net write-backs (of which €22 million in the fourth quarter) to which UniCredit S.p.A. contributes for €166 million of net write-backs (of which €25 million in the fourth quarter 2022). The full year 2022 impact includes €490 million LLPs releases (occurred in June 2022), related to performing and non-performing exposures, due to "unfreezing" of scenario for Retail perimeter. More precisely, the Italian labor market variables (Wages, Unemployment Rate, Disposable Income and House Price Index) have been updated in June 2022 with respect to the fourth quarter 2021 where forecast were frozen at the fourth quarter 2020. This intervention was needed in order to sterilize the rebound observed in 2021 due to the government relief aimed at providing economic recovery (such as layoff freezing). The Retail scenario "unfreezing" has more than compensated the pure worsening of scenario update (counting for approximately -€349 million of loan loss provisions in June 2022).

## Part E - Information on risks and related hedging policies

### *Sensitivity of Expected Credit Losses (ECL)*

The sensitivity of IFRS9 ECL to scenarios change is estimated by comparing the ECL calculated alternatively weighting at 100% the adverse and baseline scenarios.

In details, with respect to the baseline, the ECL would increase by about 12% (14% for UniCredit S.p.A.) equivalent to around €630 million (of which €190 million for UniCredit S.p.A.) in the negative scenario.

Moreover, a sensitivity to GDP variations embedded in the different scenarios was also estimated as the ratio of:

- the difference between ECL estimated under the alternative and the baseline scenario;
- the GDP points deviations (on 3 years cumulative basis) between alternative and baseline scenario respectively.

Implied assumptions are:

- GDP forecast (over 3 years) is assumed to be the most relevant economic factor as indicator of scenario severity;
- for each Legal Entity the GDP of the reference country is considered for the calculation of the respective sensitivity (e.g., for UniCredit S.p.A. the Italian GDP was considered, for UniCredit Bank AG the German GDP, etc.).

Considering the current IFRS9 scenarios (baseline and adverse), the ECL at Group level is estimated to increase by +3% (+4% for UniCredit S.p.A.) for 1 point of GDP drop (cumulated over 3 years).

### **2.3.5 Changes due to Covid-19 - Assessment of the Significant Increase of the Credit Risk (SICR)**

In the fourth quarter 2022, the elements of risk connected to previous Covid-19 pandemic can be considered as substantially overcome in light of the new potential downside risk stemming from spill-over effects of Russia-Ukraine crises outbreak (see related Section). Accordingly, at the end of 2022, the overlays, primarily related to the “cliff-effect” of default risk applied on IFRS9 scenario as well as the Significant Increase of the Credit Risk collective measures, both driven by the potential delayed materialization of losses as a consequence of Covid-19 relief measures, have been overcome in light of:

- inclusion of full realization of most recent default rate in the IFRS9 calibration, thus incorporating (if any) potential delayed defaults;
- full expiration of Covid-19 relief measures, thus not making anymore relevant the proactive staging measures adopted in the context of pandemic crises.

Consequently, the new context has not made anymore necessary to keep in place the measures, introduced since 2020, due to Covid-19.

## Part E - Information on risks and related hedging policies

### 2.4 Credit risk mitigation techniques

UniCredit group uses various credit risk mitigation techniques to reduce potential credit losses in case of the obligor default, consistently with the "Revised Framework of International Convergence of Capital Measures and Rules" (Basel) on the subject of Credit Risk Mitigation techniques (hereafter "CRM").

Moreover, consistent with the "Regulation (EU) No.575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (CRR)", and with the adjustments to the EBA guidelines (EBA/GL/2020/05), entered in force in 2022, UniCredit group is firmly committed to satisfy the requirements for recognition of CRM techniques, according to the different approaches adopted (Standardised, Foundation IRB (F-IRB) or Advanced IRB (IRB-A)), both for internal use in operations and for regulatory capital purposes as necessary for the calculation of credit risk capital requirement.

At the moment specific Group guidelines are in force, issued by the Parent Company, defining group-wide rules and principles with the aim to guide, govern and standardise the credit risk mitigation management, best practice, as well as in accordance with the relevant regulatory requirements.

Such Guidelines pursue several objectives:

- to encourage collateral and guarantees optimal management;
- to maximize the mitigating effect of collateral and guarantees on defaulted loans;
- to attain positive effect on Group capital requirements, ensuring that local CRM practices meet minimum requirements provided in CRR.

Moreover, all legal entities have adopted internal regulations, specifying processes, strategies, and procedures for collateral management. In particular such internal regulations detail, according to each Country's local legal system, collateral eligibility, acquisition, valuation and monitoring rules and ensure, among others, the soundness, legal enforceability and timely liquidation of valuable collateral.

Collateral management assessments and credit risk mitigation compliance verification have been performed by the Group's legal entities, specifically as part of Internal Rating System applications, to assess the presence of adequate documentation and procedure concerning the credit risk mitigation instruments used for supervisory capital.

Credit risk mitigation instruments can be accepted only to support loans and cannot serve as a substitute for the borrower's ability to meet its obligations. For this reason, they have to be evaluated and analysed in the credit application along with the assessment of the creditworthiness, emphasizing the importance of the "legal certainty" requirement for all collaterals and guarantees, as well as their suitability, in addition to the overall analysis of the borrowers' credit worthiness and of his repayment capacity, with the aim to verify their viability to support the repayment of the exposure.

Legal Entities shall put in place all necessary actions to:

- fulfill the respect of any contractual and legal requirements, and take all steps necessary to ensure the enforceability of the collateral/guarantee arrangements under the applicable law;
- carry out sufficient legal reviews confirming the enforceability of the collateral/guarantee arrangements on the parties and in the relevant jurisdictions.

Legal Entities conduct such review, as applicable, to ensure enforceability and suitability for the entire term of the underlying collateralized credit exposure. Any collateral/guarantee can be considered adequate if it is consistent with the underlying credit exposure and, for personal guarantees, when there are no relevant risks towards the protection provider.

Collateral management assessments and Credit Risk Mitigation compliance verifications on the risk mitigations techniques are performed by the Legal Entities, specifically as part of the wider process of internal validation on rating systems and of IRB methods roll-out activities on Group Legal Entities.

## Part E - Information on risks and related hedging policies

The management system of credit risk mitigation techniques is embedded in the credit approval process and in the credit risk monitoring process, to support the evaluation and data quality checks of collaterals/guarantees and their appropriate linking to the categories defined for LGD estimates purposes. Controls and related responsibilities are duly formalised and documented in internal rules. Furthermore, processes are implemented to control that all the relevant information regarding the identification and evaluation of the credit protection are correctly registered in the system. In the collateral acquisition phase, UniCredit group emphasises the importance of processes and controls of the legal certainty requirements of the protection, as well as the assessment of the suitability of the collateral or guarantee. In case of personal guarantees, the protection provider (or the protection seller in case of credit default swap) has to be assessed in order to measure his/her credit worthiness and risk profile.

Monitoring processes of credit risk mitigation techniques ensure that general and specific requirements set by credit policies, internal and regulatory rules are met over the time.

### **Policies and processes for, and an indication of the extent to which the Group makes use of, on - and off - balance sheet netting**

In general, netting agreements on balance sheet of reciprocal credit exposures between the Bank and its counterparty are considered eligible if they are legally effective and enforceable in all relevant jurisdictions, including in the event of default or bankruptcy of counterparty, and if they meet the following operational conditions:

- provide for the netting of gains and losses on transactions cleared under the master agreement so that a single net amount is owed by one party to the other;
- fulfil the minimum requirements for recognition of financial collateral (valuation requirements and monitoring).

In general, Group Legal Entities can apply netting agreements only if they are able at any time to determine the position netting value (assets and liabilities with the same counterparty that are subject to the netting agreement), monitoring and controlling debts, credit and netting value.

UniCredit group makes use of netting instruments mainly for OTC derivatives, repos and securities lending transactions where the counterparties are, generally, Corporate and Financial Institutions. The primary objective of the bank is to cover with netting agreements as many as possible transactions in order to reduce utilization of credit lines and to release the amount of required regulatory capital. In this regard, a special policy ("Global Policy - Counterparty Credit Risk Governance") has been issued aiming at defining an efficient and comprehensive framework for collateral management to safeguard the bank from avoidable risk-taking.

The effectiveness of a collateral agreement of each individual counterparty relationship depends on the selection of appropriate assets qualifying as eligible collateral. Certain collateral types may present inherent risks related to the price volatility, the liquidity, and the settlement of the asset. In addition, the collateral assets must be assessed in the context of the collateral providing counterparty (double default risk). Based on the guidelines of the above-mentioned policy, details on the eligibility criteria have been outlined for both OTC derivatives and Repo/securities Lending Transactions, and the requirements in terms of documentations have been defined, requiring, as a general base, market standard agreements such as ISDA Master Agreement, Global Master Repurchase Agreement or European Master Agreement.

### **Description of the main types of collateral taken by the Group Entities and related policies and processes for the evaluation**

The collateral accepted in support of credit lines granted by the Group's Legal Entities, primarily includes:

- real estate collateral, both residential and commercial;
- financial collateral (including cash deposits, debt securities, equities, and units of Undertakings for Collective Investment in Transferable Securities (UCITS)).

Other types of collateral are envisaged, including life insurance policies and pledged goods or pledged loans (the latter are less common).

However, in order to be considered eligible for risk mitigation, the general requirements according to Supervisory Regulations must be met, along with the specific requirements for the approach adopted for purposes of calculating regulatory capital for the individual counterparty/exposure (Standardized, F-IRB, A-IRB), in accordance with the legal framework of the country in scope.

The Parent Company provides specific guidelines for the eligibility of all kinds of collaterals and each legal entity shall define the list of eligible collateral, according to Group methods and procedures and in compliance with local legal and supervisory requirements and peculiarities.

UniCredit group has implemented a clear and robust system for managing the credit risk mitigation techniques, governing the entire process for evaluation, monitoring and management of collaterals.

The assessment of the collateral value is based on the current market price or the estimated amount which the underlying asset could reasonably be liquidated for (i.e., pledged financial instrument or mortgaged real estate fair value).

For financial instruments, valuation methods are different depending on their typology:

- securities listed on a recognized stock exchange, are evaluated according to the market price (the price of the most recent trading session);
- securities not listed on a recognized stock exchange, have to be evaluated based on pricing models based on market data;
- undertakings for Collective Investments and mutual funds are based on the price for the units that are publicly quoted daily.

## Part E - Information on risks and related hedging policies

The market price of pledged securities is adjusted by applying haircuts for market price and/or foreign exchange volatility, according to regulatory requirements.

In case of currency mismatch between the credit facility and the collateral, an additional haircut is applied.

Possible mismatches between the maturity of the exposure and that of the collateral are also considered in the adjusted collateral value.

The current models in place within the Group are based both on pre-defined prudential haircuts and internally estimated haircuts.

The methodological approach provides that the hedging value has to be estimated for each financial instrument on the basis of its market value (so-called mark-to-market) adjusted with a haircut that has to consider the intrinsic riskiness according to the different factors (price risk, time of ownership and liquidity risk).

The main legal entities of the Group are also provided with tools for the automatic evaluation of the mark-to-market of the pledged securities, granting the constant monitoring of the financial collateral values.

For the valuation of real estate collateral, specific processes and procedures ensure that the property is evaluated by an independent appraiser at a value not exceeding the market value.

With reference to the main Group legal entities (i.e., those operating in Austria, Germany, and Italy) systems are also in place for the periodic monitoring and revaluation of the real estate collateral, based on statistical methods, adopting internal databases or provided by external info-providers.

Other types of collateral (such as a pledge of movable assets) are subject to specific prudential haircuts. Monitoring activities strictly depend on the collateral characteristics. In general pledges on goods are treated with caution.

### Main types of guarantors and credit derivative counterparties and their creditworthiness

The use of guarantees is widespread within UniCredit group, though their characteristics differ among the different local markets; they can be accepted as complementary and accessory to the granting of loans, for which the risk mitigation serves as additional security for repayment. At consolidated level, personal guarantees are provided by banks, government, central banks and other public entities and others. The last category includes the personal guarantees provided by natural persons, whose eligibility for CRM depends on the approach used by the different legal entities. Less frequently, the risk of default is covered by personal guarantees provided by other legal entities (usually the Parent company or other companies belonging to the same economic group as the borrower), or by financial institutions and insurance companies.

In case the guarantee is represented by credit derivatives, the protection providers are mainly banks and institutional counterparties.

As already highlighted, the list of eligible protection providers depends on the specific approach adopted by each single legal entity. Specifically:

- under the standardised approach, eligible protection providers pertain to a restricted list of counterparties, such as central government and central banks, public sector entities and regional and local authorities, multilateral development banks, supervised institutions and corporate entities that have a credit assessment by an eligible ECAI;
- under IRB-A approach, for the recognition of guarantees in the calculation of capital requirements, in addition to verify that the relevant minimum requirements are satisfied, the legal entity can evaluate the protection provider risk profile, through an internal rating system, at the time the guarantee is provided and over its entire duration.

Before a personal guarantee is accepted, the protection provider (or the protection seller in case of credit default swap) must be assessed to measure his/her creditworthiness and risk profile. The hedging effect of guarantees/credit derivatives for the purpose of credit protection depends basically on the creditworthiness of the protection provider which is assessed during the credit underwriting phase.

### Information about market or credit risk concentrations under the credit risk mitigation instruments used

Among risks valuation it is pointed out that one connected to concentration risk, which occurs when the major part of Group-wide collateral financial assets (at portfolio level) are concentrated in a small number of collateral types, protection instruments, or specific protection providers or sectors or when there is lack of proportion in the volume of collaterals taken.

Such concentration is monitored and controlled by the following processes/mechanisms:

- in case of personal guarantees/credit derivatives, a contingent liability (indirect risk) is charged to the protection provider. In the evaluation of the credit application, a secondary commitment is added to the guarantor, and it is reflected in the guarantor's total credit exposure as deemed competent and approved in accordance with the bank's system of authority;
- in case the protection provider, directly or indirectly, is a Central Bank or a Sovereign country, a specific credit limit has to be instructed; if the guarantor is a foreign subject, it is necessary to evaluate case by case the definition of a country limit.

## Part E - Information on risks and related hedging policies

### 3. Non-performing credit exposures

#### 3.1 Management strategies and policies

In order to ensure a homogeneous approach in the classification of credit exposures for regulatory and reporting purposes, UniCredit has defined guidelines at Group level for the classification of non-performing exposures that refer to the principles reported in the Implementing Technical Standards issued by the Authority European Banking in 2014. This definition of non-performing exposures complements the definition of “default” exposures, disciplined by EBA Guidelines on default definition in line with article 178 of Regulation (EU) No 575/2013 of the European Parliament and of the Council (EBA/GL/2016/07) in force since 1 January 2021, and “impaired” exposures defined by IFRS9 Accounting Standards. A substantial alignment within the Group has been pursued between the three definitions, providing the Supervisory Authorities with a harmonized view of these concepts, and strengthening the tools available to the Authorities for assessing the asset quality.

The default classification criteria in force since 1 January 2021 include, among the main aspects, harmonized thresholds at European level for past due materiality and additional Unlikely to Pay triggers further regulated by EBA/GL/2016/07 with respect to the high-level provisions of article 178 of Reg EU 575/2013. In this regard, it is highlighted the Distressed Restructuring for credit obligation object of concession, where a maximum threshold for decreasing the Net Present Value of 1% has been set, as well as specific requirements on the contagion effects of default in the case of connected customers (mainly, groups of companies, joint headings between individuals and links between individuals and companies with unlimited liability). In addition, a mandatory minimum probation period before returning to the non-defaulted status has been defined.

Furthermore, in accordance with the provisions of Banca d'Italia in Circular 272/2008, non-performing credit exposures of each Group entity must be classified in one of the following risk classes:

- past-due and/or overdue exposures: problematic exposures that are more than 90 days past due on any material obligation (the latter assessed in line with article 178 (2d) of EU Regulation No.575/2013 and the Technical Standards of the EBA);
- unlikely to pay: the classification in this category is the result of the judgment of the bank about the unlikelihood, without recourse to actions such as realising 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 (or rate) past due and unpaid amount;
- bad loans: exposures to borrowers in a state of insolvency (even when not recognised in a court of law) or in an essentially similar situation, regardless of any loss forecasts made by the bank.

According to the Group rules, all debtors in the bank's portfolio must be mapped in the classes defined by Banca d'Italia, regardless of local reporting which has to be performed according to local accounting standards and/or local supervisory regulations or instructions.

These classification rules are further integrated by accounting principles defined in IFRS9, according to which credit exposures must be allocated in three "stages" (for details see section "Expected loss measurement method" - Section 2). With regard to non-performing exposures, the allocation to "Stage 3" occurs when the customer's status changes into "non-performing". This is a classification at counterparty level and not at transaction level based on specific regulations on the classification of non-performing exposures.

In accordance with Art.156 EBA ITS, an exposure must remain classified as non-performing<sup>67</sup> as long as the following criteria (exit criteria) are not met simultaneously:

- the situation of the debtor has improved to the extent that full repayment of the original due amount is likely to be made;
- the debtor does not have any amount past-due by more than 90 days.

Specific exit criteria must be applied in case the forbearance measures are extended to non-performing exposures, listed below:

- the starting date of the observation period of one year is the latest between the adoption of Forbearance measures and the classification as non-performing;
- any past due amount is verified if no past due occurs at debtor level;
- concerns regarding the “full repayment” refer to a judgmental evaluation by the empowered Bodies.

<sup>67</sup>The regulatory framework for the transition from performing to non-performing exposures ("criteria for a return to a non-defaulted status") will be integrated with the entry into force of the "Guidelines on the application of the definition of default under Art.178 of EU Regulation No.575/2013 "(EBA/GL/2016/07) as of 1 January 2021.

## Part E - Information on risks and related hedging policies

In the non-performing credit exposures management, UniCredit group adopts certain strategies that operationally define the activities necessary to achieve the targets defined yearly.

The aforementioned strategies concerning impaired loans include:

- an effective restructuring activity, supported by internal qualified resources or external advisors with specific skills dedicated to the management of loans classified as unlikely to pay; within these activities, ad-hoc approaches are then envisaged for positions considered strategic or referring to the Corporate and Real Estate segment;
- proactive portfolio management through judicial and extra-judicial procedures managed by internal Workout professionals or assigned to external agencies specialised in credit recovery;
- the recourse of alternative recovery strategies (which UniCredit was one of the first banks to use) based on formalised partnerships aimed at leveraging on specialised partners for managing distressed positions in the industrial or Real Estate sector;
- proactive management of the Leasing portfolio aimed at speeding up the negotiation times of agreements with counterparties in order to obtain a more effective remarketing process;
- disposal of impaired loans as further strategy for internal recovery both for individual positions and for portfolios of impaired loans, already classified as bad loans and unlikely to pay.

These strategies reflect the main levers for reducing the amount of impaired loans and have led to an important result during 2022, highlighting:

- write-off for €724 million;
- recoveries of €3,362 million;
- total non-performing loans sold for €4,754 million.

The decrease amount of the stock of impaired loans to Group customers was therefore in line with the reduction targets set within the new strategic plan "UniCredit Unlocked", achieving an improvement in asset quality with the NPE ratio at 2.7% (-105bps and -28.2% compared to 2021 end of year ratio). This result was possible thanks also to several disposal operations carried on during the year together with the activation of a coordinated set of levers aimed at reducing the stock.

A successful NPE Strategy execution requires effective interaction between the Group Risk Management structure and the functions dedicated to the management of non-performing exposures directly reporting the local CROs of the Legal Entities.

More specifically, within Group Risk Management, the Group NPE structure was set-up in order to ensure on the one hand an adequate control over the execution and monitoring of the NPE Strategy (which includes the sale of non-performing loans through "Group Distressed Asset Management) and a proactive management of the NPE portfolio (through "NPE Portfolio Strategy & Steering" function).

In all legal entities dedicated functions to the management of non-performing exposures are in place; they cover all the phases of the NPEs life cycle, take into account local regulations and the specific characteristics of portfolios, monitor and manage the amount of NPEs coherently with both European Central Bank Guidelines and Group organisational model.

The structures dedicated to the operational management of non-performing exposures are therefore tailored to each state of the life cycle of non-performing loans, starting from a careful monitoring of the performing portfolio, up to the recovery activity that includes the disposal of credit or the "repossession" of the collateral.

In particular, the monitoring activity is aimed at preventing flows to default and reducing the amount of past due exposures by detecting signals of risk of deterioration and early warning, as well as identifying the needed corrective measures to manage the potential deterioration of exposures starting from the early signs of worsening of the counterparties' credit quality.

Soft collection, door-to-door and re-management activities which pertains both performing (though already overdue) counterparties and already defaulted clients are carried out through the use of multiple channels, also using outsourcing solutions to third-party companies (in particular for door-to-door recovery activities). These activities also aim at preventing flows to default and facilitating the back-to-performing classification (main focus), thus contributing to a reduction of the overall amount of non-performing exposures.

In Group's legal entities the aforementioned activities can be managed within either the Monitoring, or Restructuring or Workout units.

As part of the overall management of deteriorated exposures, the Restructuring activity is aimed at mitigating the risk of insolvency and the quality of exposures with restructuring agreements and company reorganisation plans as well as reducing the amount of unlikely to pay with recoveries and performing re-classification, by means of forbearance measures. Specifically, among the strategies for managing unlikely to pay loans to corporate counterparties, there are also restructuring platforms (up to now limited to the Italian market), the disposal of individual exposures and extraordinary finance transactions.

The coordination and implementation of recovery strategy on positions classified as bad loans fall instead within the responsibility of the "Workout" unit, whose reporting structures identify the optimal strategies for maximising recoveries, including the timely enforcement of collaterals.

In some Group legal entity the Workout and/or Restructuring activities are also implemented by leveraging on service agreements with external agencies.



## Part E - Information on risks and related hedging policies

As pertains the disposal activities, these refer to the organisation, management and execution of sales processes (both credit portfolios and individual positions), through the application of a transparent and competitive methodology based on market criteria. At Group level, these activities are performed by a dedicated department within Group NPE (Group Distressed Asset Management), which evaluates various disposal options alternatives, in cooperation with the legal entity's peer function where deemed necessary to handle specific local cases.

The proactive management and the steering of NPE portfolio across the Group of real estate guarantees is coordinated at Holding level by a dedicated department (NPE Portfolio Strategy & Steering), which defines common KPI and methodologies, monitor portfolios evolution and oversees identification of NPE strategies aiming at value maximization through all levers.

Beyond the operational responsibilities in the non-performing exposures management, from a governance and strategic coordination standpoint a framework which foresees periodic alignments with top management and sharing of the NPE strategies in official committees and also between the Holding company and the other Group companies has been set up in order to ensure the effective steering, coordination and control of the non-performing loans reduction plan, ensuring an effective alignment of the common objectives between the Parent Company and the various Group legal entities.

As clarified above, UniCredit has defined group-wide guidelines in order to ensure the full alignment between the Default, Impaired and NPE definitions, in order to have a homogeneous approach on the loan categorization practices for supervisory and reporting purposes, adopting the Default definition as the basis for the provision's calculation.

To this aim the Group has defined a list of events directly qualifying the Unlikely to Pay status (Default events) and a list of triggers for the detection to be assessed for the confirmation of the Unlikely to Pay status. In line with the guidelines provided by ECB the latter are differentiated among trigger events "hard" and "soft". The "hard" triggers imply that obligors are classified as Unlikely to Pay with little room of interpretation, as these events very often, due to their nature, fulfill the definition of Unlikely to Pay. The "Soft" triggers shall be considered for the assessment of the unlikelihood to pay requirement of the obligor. In presence of one of these evidence, the capability of repayment has to be assessed.

### 3.2 Write-off

Group guidelines for write-offs on financial assets provides that whenever a loan is deemed to be uncollectable/unrecoverable it needs to be identified at the earliest possible opportunity and properly dealt with in accordance with financial regulations. Write-offs can relate to a financial asset in its entirety, or to a portion of it.

In assessing the recoverability of non-performing exposures (NPE) and in determining internal NPE write-off approaches, the following cases, in particular, are taken into account:

- exposures with prolonged arrears: it is assessed the recoverability of an exposure that presents arrears for a prolonged period of time. If, following this assessment, an exposure or part of an exposure is deemed as non-recoverable, it should be written-off in a timely manner, adopting different thresholds predefined on the basis of the different portfolios;
- exposures under insolvency procedure: where the collateralization of the exposure is low, legal expenses often absorb a significant portion of the proceeds from the bankruptcy procedure and therefore estimated recoveries are expected to be very low;
- a partial write-off may be warranted where there are reasonable elements to demonstrate the debtor's inability to repay the full amount of the debt, i.e. a significant level of debt, even following the implementation of a forbearance treatment and/or the execution of collateral.

Below a non-exhaustive list of hard evidences implying, with high likelihood, the not recoverability of the exposure, to be assessed, for the potential (total or partial) write-off:

- the Bank cannot call the guarantor(s), or his assets are not sufficient for the recovery of the debtor's exposures;
- negative outcome of the judicial and/or out-of-court initiatives with absence of other assets that can be called in the event of un-recoverability of the debtor's exposures;
- impossibility to initiate actions to recover credit;
- current insolvency procedure, from which the procedure itself states that the unsecured exposures will not have redress;
- loans not backed by mortgage security older than 3 years that have not registered repayments/collections during the first 3 years after the NPE classification.

Specifically, for UniCredit group perimeter, Write-offs on financial assets still subject to an enforcement procedure amount to €9,162 million as of 31 December 2022, of which partial write-offs amount to €1,057 million and total write-offs amount to €8,106 million. The amount of write-offs (both partial and total) related to the 2022 financial year is €392 million. 2022 write-offs cannot be compared with write-offs amount reported in gross changes in non-performing exposures, because the latter includes "debt forgiveness".

## Part E - Information on risks and related hedging policies

### 3.3 Acquired or originated impaired financial assets

Purchased or Originated Credit Impaired (“POCI”) are credit exposures that are already impaired on initial recognition. Consequently, every purchase of credit assets of Non Performing obligors or significant new origination done on obligors already in Non-Performing status, considering the full alignment between impaired status and Non-Performing one, shall be considered as POCI Assets (though, in general, POCI classification is the result of the restructuring of impaired exposures which has led to the provision of significant new finance, either in absolute or in relative terms, compared with the among of the original exposure).

These exposures are subject to management, measurement, and control according to the principles described in the paragraph “2.2 Credit risk management, measurement and control”, Notes to the consolidated account, Part E - Information on risks and related hedging policies, Section 2 - Risk of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information, 2. Credit risk management policies.

In particular, the expected credit losses recorded at initial recognition within the carrying amount of the instrument are periodically reviewed on the basis of the processes described in the previous paragraphs.

The expected credit loss calculated for these credit exposures is always determined considering their residual life, and such exposure are conventionally allocated into Stage 3, or in Stage 2 if, as a result of an improvement in the creditworthiness of the counterparty following the initial recognition, the assets are performing.

These assets are never classified under Stage 1 because the expected credit loss must always be calculated considering a time horizon equal to the residual duration.

### 4. Financial assets subject to commercial renegotiations and forbore exposures

Changes in existing financial instruments which determine a modification of contractual conditions might be the result of either:

- commercial initiatives, which may be specific for each customer or applied to portfolio of customers also as a result of dedicated initiatives sponsored by public authorities or banking associations;
- concessions granted in light of debtor’s financial difficulties (Forbearance).

Such changes are accounted on the basis of whether the modification is considered significant or not. In this regard, reference is made to paragraph A.2 - Main items of the accounts. Notes to the consolidated account, Part A - Accounting policies.

The concessions granted due to debtor’s financial difficulties, so called Forbearance initiatives, are usually considered not significant from an accounting perspective.

#### 4.1 Loan categorisation in the risk categories and forbore exposures

In July 2014, the European Banking Authorities issued the “Implementing Technical Standards” (“ITS”) on non-performing and Forborne exposures, with the aim to allow a closer supervisory monitoring of banking forbearance practices. In line with the mentioned ITS, a transaction has to be considered as forbore when both of the following conditions are simultaneously met:

- a concession in favour of the debtor exists, in the form of either (i) a contractual modification or (ii) refinancing aimed at ensuring the repayment of pre-existing obligation;
- the debtor is facing or about to face financial difficulties.

To comply with EBA ITS, since 2015 UniCredit S.p.A. has worked on the definition of a common methodological framework for forbearance process, issuing group’s guidelines on forbearance management and setting up a shared IT infrastructure (i.e., Forbearance engine). Specifically, the Forbearance engine automatically performs, on the basis of a set of a pre-defined criteria, an assessment of the overall financial difficulty of the client subject to a concession (Trouble Debt Test). In coherency with the overall solution, the different Group’s legal entities adopted some fine tunings to adapt the Group’s framework to the local IT tools and credit practices.

Starting from 2017, the regulatory framework relating to the management of Forborne exposures has been integrated with the following papers:

- “Guidance to Banks on Non-Performing Loans”, issued by European Central Bank in March 2017, which require to Banks to define a clear NPL strategy aiming at the reduction of NPE Stock;
- “Guidelines on management of non-performing and forbore exposures”, issued by European Banking Authority in October 2018, which are overall aligned with the ECB Guidance;
- “Guidelines on disclosure of non-performing and forbore exposures”, issued by European Banking Authority in December 2018, which is focused on the disclosure templates to be used for Group’s supervisory reporting purposes.

## Part E - Information on risks and related hedging policies

In order to ensure ongoing alignment with the regulatory and supervisory requirements mentioned above regarding bank's forbearance practices, the Parent Company finalised the following activities:

- review of the list of the potential Forbearance measures to acknowledge: (i) with the split between short-term measures (duration less than 24 months) and long-term measures (duration higher than or equal to 24 months), (ii) with the possibility of granting combinations of short and long-term FBE measures and (iii) with the "viability criteria" defined by Supervisory for each FBE measure;
- reinforcement of the affordability assessment of the client prior to the Forbearance concession taking care to the case of multiple forbearance measures on the same exposure;
- extension of financial difficulty criteria to better capture significant increase in credit risk deterioration and to be more sensitive to credit monitoring managerial evidence;
- collection and monitoring of the relevant information within FinRep Reporting with disclosure on:
  - performing and non-performing portfolio;
  - guarantees;
  - default inflows and outflows;
  - list of the FBE Measures granted.

Furthermore, in the context of Covid-19 Pandemic, Group Guidelines had been timely distributed to the legal entities providing specific indications on the treatment of the legislative moratoria and banking initiatives in terms of Forbearance Classification in line with "Guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the Covid-19 crisis issued<sup>68</sup>" by European Banking Authority; for details refer to the paragraph General Aspects, Notes to the consolidated account, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1. Credit Risk.

With reference to the monitoring and reporting activity on forborne exposures, on 31 December 2022, at the Group level, the number of instruments (loans and advances at amortized cost) with forbearance measures amounts to 150,345 (109,183 for UniCredit S.p.A. perimeter). Specifically, on a consolidated level:

- forbearance measures granted during the period represent 16% of the total (14% considering only UniCredit S.p.A.);
- forbearance measures granted on the performing portfolio represent the 64% of the total (68% considering only UniCredit S.p.A.).

As regards the vintage of classification of forborne exposures, the information reported below pertain to loan and advances at amortized cost, as financial assets at fair value and off-balance sheet exposures do not represent (out of the overall forborne portfolio) a materially significant relevance. More in details, at consolidated level, 82% of forborne performing exposures has a vintage of classification less or equal to 24 months, slightly higher with reference to UniCredit S.p.A. portfolio (85%). In terms of forborne non-performing loans, 50% of consolidated exposures fall within a classification vintage less or equal 24 months (37% for UniCredit S.p.A. portfolio).

<sup>68</sup> Guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the Covid-19 crisis issued on 2 April 2020 ("EBA/GL/2020/02").

## Part E - Information on risks and related hedging policies

### Quantitative information

In the following tables, the volume of impaired assets according to the IFRS definition is equivalent to the one for non-performing exposures referred to in the EBA standards.

#### A. Credit quality

For the purposes of the disclosure of quantitative information about credit quality, the term “credit exposures” does not include equity instruments and units in investment funds except for the tables of the paragraph “A.2 Classification of credit exposure based on internal and external ratings”, in which units in investment funds are included.

#### A.1 Non-performing and performing credit exposures: amounts, writedowns, changes, distribution by business activity

##### A.1.1 Regulatory consolidation - Breakdown of financial assets by past-due buckets (carrying value)

(€ million)

| PORTFOLIOS/RISK STAGES   | STAGE 1                               |                           |              | STAGE 2           |                           |              | STAGE 3           |                           |              | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS |                           |              |
|--|---------------------------------------|---------------------------|--------------|-------------------|---------------------------|--------------|-------------------|---------------------------|--------------|--|---------------------------|--------------|
|  | FROM 1 TO 30 DAYS                     | OVER 30 AND UP TO 90 DAYS | OVER 90 DAYS | FROM 1 TO 30 DAYS | OVER 30 AND UP TO 90 DAYS | OVER 90 DAYS | FROM 1 TO 30 DAYS | OVER 30 AND UP TO 90 DAYS | OVER 90 DAYS | FROM 1 TO 30 DAYS  | OVER 30 AND UP TO 90 DAYS | OVER 90 DAYS |
|  | 1. Financial assets at amortised cost | 6,807                     | 235          | 92                | 3,504                     | 590          | 134               | 1,743                     | 322          | 1,870  | 1                         | -            |
| 2. Financial assets at fair value through other comprehensive income | -                                     | -                         | -            | -                 | -                         | -            | -                 | -                         | -            | -  | -                         | -            |
| 3. Financial instruments classified as held for sale                 | -                                     | -                         | -            | -                 | -                         | -            | 83                | 13                        | 280          | -  | -                         | -            |
| <b>Total 31.12.2022</b>  | <b>6,807</b>                          | <b>235</b>                | <b>92</b>    | <b>3,504</b>      | <b>590</b>                | <b>134</b>   | <b>1,826</b>      | <b>335</b>                | <b>2,150</b> | <b>1</b>   | <b>-</b>                  | <b>1</b>     |
| <b>Total 31.12.2021</b>  | <b>4,797</b>                          | <b>153</b>                | <b>67</b>    | <b>2,285</b>      | <b>477</b>                | <b>235</b>   | <b>2,643</b>      | <b>233</b>                | <b>2,232</b> | <b>1</b>   | <b>-</b>                  | <b>2</b>     |

The amounts past due over 90 days and related to Stage 1 and Stage 2 exposures refer to loans that do not meet the definition of Non-performing past due (below the materiality threshold).

##### A.1.2 Regulatory consolidation - Financial assets, loan commitments and financial guarantees given: changes in overall impairments and provisions

(€ million)

| SOURCES/RISK STAGES                                   | OVERALL WRITE-DOWNS   |                                    |   |   |                                 |                                 |   |                                    |   |   |                                 |                                 |
|---|---|------------------------------------|---|---|---------------------------------|---------------------------------|---|------------------------------------|---|---|---------------------------------|---------------------------------|
|   | FINANCIAL ASSETS CLASSIFIED IN STAGE 1                            |                                    |   |   |                                 |                                 | FINANCIAL ASSETS CLASSIFIED IN STAGE 2                            |                                    |   |   |                                 |                                 |
|   | CURRENT ACCOUNTS AND DEMAND DEPOSITS WITH BANKS AND CENTRAL BANKS | FINANCIAL ASSETS AT AMORTISED COST | FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME | FINANCIAL INSTRUMENTS CLASSIFIED AS HELD FOR SALE | OF WHICH: INDIVIDUAL IMPAIRMENT | OF WHICH: COLLECTIVE IMPAIRMENT | CURRENT ACCOUNTS AND DEMAND DEPOSITS WITH BANKS AND CENTRAL BANKS | FINANCIAL ASSETS AT AMORTISED COST | FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME | FINANCIAL INSTRUMENTS CLASSIFIED AS HELD FOR SALE | OF WHICH: INDIVIDUAL IMPAIRMENT | OF WHICH: COLLECTIVE IMPAIRMENT |
| Opening balance (gross amount)                        | 2   | 1,008                              | 56  | 258   | 93                              | 1,230                           | -   | 3,407                              | 16  | 224   | 292                             | 3,356                           |
| Increases in acquired or originated financial assets  | -   | 464                                | 1   | -   | -                               | 465                             | 1   | 283                                | -   | -   | -                               | 283                             |
| Reversals different from write-offs                   | (1)   | (204)                              | (3)   | (18)  | (3)                             | (222)                           | -   | (452)                              | (5)   | (8)   | (26)                            | (440)                           |
| Net losses/recoveries on credit impairment            | -   | 5                                  | 7   | 11  | (16)                            | 39                              | 5   | 1,088                              | 23  | (3)   | 316                             | 796                             |
| Contractual changes without cancellation              | -   | 2                                  | -   | -   | -                               | 2                               | -   | (4)                                | -   | -   | -                               | (4)                             |
| Changes in estimation methodology                     | -   | 9                                  | -   | -   | -                               | 9                               | -   | 21                                 | -   | -   | -                               | 21                              |
| Write-off not recognised directly in profit or loss   | -   | (7)                                | -   | -   | -                               | (7)                             | -   | (173)                              | -   | -   | -                               | (173)                           |
| Other changes   | 1   | 87                                 | 1   | 12  | (41)                            | 142                             | -   | 317                                | (1)   | 10  | 42                              | 287                             |
| <b>Closing balance (gross amount)</b>                 | <b>2</b>  | <b>1,364</b>                       | <b>62</b>   | <b>263</b>  | <b>33</b>                       | <b>1,658</b>                    | <b>6</b>  | <b>4,487</b>                       | <b>33</b>   | <b>223</b>  | <b>624</b>                      | <b>4,126</b>                    |
| Recoveries from financial assets subject to write-off | -   | -                                  | -   | -   | -                               | -                               | -   | -                                  | -   | -   | -                               | -                               |
| Write-off recognised directly in profit or loss       | -   | (16)                               | -   | -   | -                               | (16)                            | -   | (16)                               | -   | -   | -                               | (16)                            |

## Part E - Information on risks and related hedging policies

continued: A.1.2 Regulatory consolidation - Financial assets, loan commitments and financial guarantees given: changes in overall impairments and provisions

(€ million)

| SOURCES/RISK STAGES                                   | OVERALL WRITE-DOWNS   |                                    |   |   |                                 |                                 |  |   |   |                                 |                                 |
|---|---|------------------------------------|---|---|---------------------------------|---------------------------------|--|---|---|---------------------------------|---------------------------------|
|   | CURRENT ACCOUNTS AND DEMAND DEPOSITS WITH BANKS AND CENTRAL BANKS | ASSETS BELONGING TO THIRD STAGE    |   |   |                                 |                                 | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS |   |   |                                 |                                 |
|   |   | FINANCIAL ASSETS AT AMORTISED COST | FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME | FINANCIAL INSTRUMENTS CLASSIFIED AS HELD FOR SALE | OF WHICH: INDIVIDUAL IMPAIRMENT | OF WHICH: COLLECTIVE IMPAIRMENT | FINANCIAL ASSETS AT AMORTISED COST                       | FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME | FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME | OF WHICH: INDIVIDUAL IMPAIRMENT | OF WHICH: COLLECTIVE IMPAIRMENT |
| <b>Opening balance (gross amount)</b>                 | -   | 8,861                              | 2   | 234   | 6,205                           | 2,891                           | 14   | -   | -   | 9                               | 4                               |
| Increases in acquired or originated financial assets  | -   | 213                                | -   | -   | 126                             | 86                              | -  | -   | -   | -                               | -                               |
| Reversals different from write-offs                   | -   | (3,294)                            | -   | (1,084)   | (1,566)                         | (2,813)                         | (5)  | -   | (2)   | (1)                             | (6)                             |
| Net losses/recoveries on credit impairment            | 25  | 862                                | -   | (4)   | 387                             | 488                             | -  | -   | -   | (1)                             | 1                               |
| Contractual changes without cancellation              | -   | (13)                               | -   | -   | (1)                             | (12)                            | -  | -   | -   | -                               | -                               |
| Changes in estimation methodology                     | -   | 8                                  | -   | -   | 8                               | -                               | -  | -   | -   | -                               | -                               |
| Write-off not recognised directly in profit or loss   | -   | (775)                              | -   | (2)   | (602)                           | (175)                           | (2)  | -   | -   | -                               | (2)                             |
| Other changes   | -   | 167                                | -   | 1,456   | 305                             | 1,318                           | (2)  | -   | 2   | (3)                             | 3                               |
| <b>Closing balance (gross amount)</b>                 | 25  | 6,029                              | 2   | 600   | 4,862                           | 1,783                           | 5  | -   | -   | 4                               | -                               |
| Recoveries from financial assets subject to write-off | -   | 134                                | -   | -   | 91                              | 43                              | -  | -   | -   | -                               | -                               |
| Write-off recognised directly in profit or loss       | -   | (58)                               | -   | -   | (21)                            | (37)                            | -  | -   | -   | -                               | -                               |

continued: A.1.2 Regulatory consolidation - Financial assets, loan commitments and financial guarantees given: changes in overall impairments and provisions

(€ million)

| SOURCES/RISK STAGES                                   | OVERALL WRITE-DOWNS  |         |         |  | TOTAL   |
|---|--|---------|---------|--|---------|
|   | TOTAL PROVISIONS ON LOANS COMMITMENTS AND FINANCIAL GUARANTEES GIVEN |         |         |  |         |
|   | STAGE 1  | STAGE 2 | STAGE 3 | COMMITMENTS FUNDS AND FINANCIAL GUARANTEES PURCHASED OR ORIGINATED CREDIT-IMPAIRED |         |
| <b>Opening balance (gross amount)</b>                 | 203  | 226     | 856     | -  | 15,367  |
| Increases in acquired or originated financial assets  | 64   | 18      | 84      | -  | 1,128   |
| Reversals different from write-offs                   | (33)   | (32)    | (285)   | -  | (5,426) |
| Net losses/recoveries on credit impairment            | (16)   | 144     | 43      | -  | 2,190   |
| Contractual changes without cancellation              | -  | -       | -       | -  | (15)    |
| Changes in estimation methodology                     | -  | -       | -       | -  | 38      |
| Write-off not recognised directly in profit or loss   | -  | -       | -       | -  | (959)   |
| Other changes   | (2)  | 17      | 8       | -  | 2,073   |
| <b>Closing balance (gross amount)</b>                 | 216  | 373     | 706     | -  | 14,396  |
| Recoveries from financial assets subject to write-off | -  | -       | -       | -  | 134     |
| Write-off recognised directly in profit or loss       | -  | -       | -       | -  | (90)    |

## Part E - Information on risks and related hedging policies

**A.1.3 Regulatory consolidation - Financial assets, loan commitments and financial guarantees given: transfers between risk stages (gross values and nominal values)**

(€ million)

| PORTFOLIOS/RISK STAGES   | GROSS VALUES/NOMINAL VALUES           |                         |                                       |                         |                                       |                         |
|--|---------------------------------------|-------------------------|---------------------------------------|-------------------------|---------------------------------------|-------------------------|
|  | TRANSFERS BETWEEN STAGE 1 AND STAGE 2 |                         | TRANSFERS BETWEEN STAGE 2 AND STAGE 3 |                         | TRANSFERS BETWEEN STAGE 1 AND STAGE 3 |                         |
|  | FROM STAGE 1 TO STAGE 2               | FROM STAGE 2 TO STAGE 1 | FROM STAGE 2 TO STAGE 3               | FROM STAGE 3 TO STAGE 2 | FROM STAGE 1 TO STAGE 3               | FROM STAGE 3 TO STAGE 1 |
| 1. Financial assets at amortised cost                                | 36,457                                | 40,546                  | 2,116                                 | 903                     | 1,285                                 | 284                     |
| 2. Financial assets at fair value through other comprehensive income | 48                                    | 177                     | -                                     | -                       | -                                     | -                       |
| 3. Financial instruments classified as held for sale                 | 1                                     | 1                       | 117                                   | -                       | 10                                    | -                       |
| 4. Loan commitments and financial guarantees given                   | 15,013                                | 12,347                  | 271                                   | 73                      | 100                                   | 64                      |
| <b>Total 31.12.2022</b>  | <b>51,519</b>                         | <b>53,071</b>           | <b>2,504</b>                          | <b>976</b>              | <b>1,395</b>                          | <b>348</b>              |
| <b>Total 31.12.2021</b>  | <b>76,698</b>                         | <b>27,737</b>           | <b>3,387</b>                          | <b>960</b>              | <b>1,407</b>                          | <b>229</b>              |

**A.1.3a Other loans and advances subject to Covid-19 measures: transfers between impairment stages (gross values)**

(€ million)

| PORTFOLIOS/RISK STAGES   | GROSS VALUES                          |                         |                                       |                         |                                       |                         |
|--|---------------------------------------|-------------------------|---------------------------------------|-------------------------|---------------------------------------|-------------------------|
|  | TRANSFERS BETWEEN STAGE 1 AND STAGE 2 |                         | TRANSFERS BETWEEN STAGE 2 AND STAGE 3 |                         | TRANSFERS BETWEEN STAGE 1 AND STAGE 3 |                         |
|  | FROM STAGE 1 TO STAGE 2               | FROM STAGE 2 TO STAGE 1 | FROM STAGE 2 TO STAGE 3               | FROM STAGE 3 TO STAGE 2 | FROM STAGE 1 TO STAGE 3               | FROM STAGE 3 TO STAGE 1 |
| <b>A. Financial assets at amortised cost</b>   | <b>3,108</b>                          | <b>3,430</b>            | <b>237</b>                            | <b>37</b>               | <b>128</b>                            | <b>6</b>                |
| A.1 EBA-compliant moratoria loans and advances   | 60                                    | 60                      | 4                                     | 4                       | 13                                    | 1                       |
| A.2 Under moratorium no longer compliant to the GL requirements and not valued as forbore exposure | 773                                   | 174                     | 10                                    | 4                       | 8                                     | -                       |
| A.3 Loans and advances with other forbearance measures   | 12                                    | 2                       | 7                                     | 15                      | 1                                     | -                       |
| A.4 Newly originated loans and advances  | 2,263                                 | 3,194                   | 216                                   | 14                      | 106                                   | 5                       |
| <b>B. Financial assets at fair value through other comprehensive income</b>                        | <b>-</b>                              | <b>-</b>                | <b>-</b>                              | <b>-</b>                | <b>-</b>                              | <b>-</b>                |
| B.1 EBA-compliant moratoria loans and advances   | -                                     | -                       | -                                     | -                       | -                                     | -                       |
| B.2 Under moratorium no longer compliant to the GL requirements and not valued as forbore exposure | -                                     | -                       | -                                     | -                       | -                                     | -                       |
| B.3 Loans and advances with other forbearance measures   | -                                     | -                       | -                                     | -                       | -                                     | -                       |
| B.4 Newly originated loans and advances  | -                                     | -                       | -                                     | -                       | -                                     | -                       |
| <b>Total 31.12.2022</b>  | <b>3,108</b>                          | <b>3,430</b>            | <b>237</b>                            | <b>37</b>               | <b>128</b>                            | <b>6</b>                |
| <b>Total 31.12.2021</b>  | <b>8,155</b>                          | <b>2,807</b>            | <b>866</b>                            | <b>53</b>               | <b>232</b>                            | <b>27</b>               |

## Part E - Information on risks and related hedging policies

## A.1.4 Regulatory consolidation - On- and off-balance sheet credit exposures with banks: gross and net values

(€ million)

| EXPOSURE TYPES/VALUES                        | AMOUNTS AS AT  |                |              |  |                                    | 31.12.2022 |           |  |           |          | NET EXPOSURE   | OVERALL PARTIAL WRITE-OFFS(*) |
|--|----------------|----------------|--------------|--|------------------------------------|------------|-----------|--|-----------|----------|----------------|-------------------------------|
|  | GROSS EXPOSURE |                |              | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS | OVERALL WRITE-DOWNS AND PROVISIONS |            |           | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS |           |          |                |                               |
|  | STAGE 1        | STAGE 2        | STAGE 3      |  | STAGE 1                            | STAGE 2    | STAGE 3   |  |           |          |                |                               |
| <b>A. On-balance sheet credit exposures</b>  |                |                |              |  |                                    |            |           |  |           |          |                |                               |
| <b>A.1 On Demand</b>                         | 108,132        | 106,192        | 1,877        | 30   | 33                                 | 33         | 2         | 6  | 16        | 9        | 108,099        | -                             |
| a) Non-performing                            | 63             | X              | -            | 30   | 33                                 | 25         | X         | -  | 16        | 9        | 38             | -                             |
| b) Performing                                | 108,069        | 106,192        | 1,877        | X  | -                                  | 8          | 2         | 6  | X         | -        | 108,061        | -                             |
| <b>A.2 Other</b>                             | 69,799         | 65,025         | 1,354        | 73   | -                                  | 67         | 8         | 50   | 9         | -        | 69,732         | -                             |
| a) Bad exposures                             | 4              | X              | -            | 4  | -                                  | 4          | X         | -  | 4         | -        | -              | -                             |
| of which: forborne exposures                 | -              | X              | -            | -  | -                                  | -          | X         | -  | -         | -        | -              | -                             |
| b) Unlikely to pay                           | 69             | X              | -            | 69   | -                                  | 5          | X         | -  | 5         | -        | 64             | -                             |
| of which: forborne exposures                 | -              | X              | -            | -  | -                                  | -          | X         | -  | -         | -        | -              | -                             |
| c) Non-performing past due                   | -              | X              | -            | -  | -                                  | -          | X         | -  | -         | -        | -              | -                             |
| of which: forborne exposures                 | -              | X              | -            | -  | -                                  | -          | X         | -  | -         | -        | -              | -                             |
| d) Performing past due                       | 93             | 87             | 6            | X  | -                                  | -          | -         | -  | X         | -        | 93             | -                             |
| of which: forborne exposures                 | -              | -              | -            | X  | -                                  | -          | -         | -  | X         | -        | -              | -                             |
| e) Other performing exposures                | 69,633         | 64,938         | 1,348        | X  | -                                  | 58         | 8         | 50   | X         | -        | 69,575         | -                             |
| of which: forborne exposures                 | -              | -              | -            | X  | -                                  | -          | -         | -  | X         | -        | -              | -                             |
| <b>Total (A)</b>                             | <b>177,931</b> | <b>171,217</b> | <b>3,231</b> | <b>103</b>   | <b>33</b>                          | <b>100</b> | <b>10</b> | <b>56</b>  | <b>25</b> | <b>9</b> | <b>177,831</b> | <b>-</b>                      |
| <b>B. Off-balance sheet credit exposures</b> |                |                |              |  |                                    |            |           |  |           |          |                |                               |
| a) Non-performing                            | 60             | X              | -            | 59   | -                                  | 21         | X         | -  | 21        | -        | 39             | -                             |
| b) Performing                                | 26,861         | 8,156          | 629          | X  | -                                  | 20         | 5         | 15   | X         | -        | 26,841         | -                             |
| <b>Total (B)</b>                             | <b>26,921</b>  | <b>8,156</b>   | <b>629</b>   | <b>59</b>  | <b>-</b>                           | <b>41</b>  | <b>5</b>  | <b>15</b>  | <b>21</b> | <b>-</b> | <b>26,880</b>  | <b>-</b>                      |
| <b>Total (A+B)</b>                           | <b>204,852</b> | <b>179,373</b> | <b>3,860</b> | <b>162</b>   | <b>33</b>                          | <b>141</b> | <b>15</b> | <b>71</b>  | <b>46</b> | <b>9</b> | <b>204,711</b> | <b>-</b>                      |

Note:

(\*) Value shown for information purposes.

On-balance sheet exposures to banks include all balance-sheet assets regardless of their belonging portfolio (held-for-trading, assets designed and mandatorily at fair value through profit or loss, assets at fair value through other comprehensive income, assets at amortised cost and assets held for sale). In more details columns Stage1, Stage 2, Stage 3 and Purchased or Originated Credit-Impaired financial assets include assets at amortized cost, assets at fair value through other comprehensive income, current accounts and demand deposits with Banks and Central Banks and assets held for sale; the overall gross exposures also report held-for-trading, assets designed and mandatorily at fair value through profit or loss. Off-balance sheet exposures to banks comprise guarantees given, irrevocable commitments, derivatives regardless of each transaction's classification category and the revocable commitments to disburse funds.

## Part E - Information on risks and related hedging policies

## A.1.5 Regulatory consolidation - On- and off-balance sheet credit exposures with customers: gross and net values

(€ million)

| EXPOSURE TYPES/VALUES                        | AMOUNTS AS AT 31.12.2022 |                |                |  |           |                                    |              |  |              |          | NET EXPOSURE   | OVERALL PARTIAL WRITE-OFFS(*) |
|--|--------------------------|----------------|----------------|--|-----------|------------------------------------|--------------|--|--------------|----------|----------------|-------------------------------|
|  | GROSS EXPOSURE           |                |                |  |           | OVERALL WRITE-DOWNS AND PROVISIONS |              |  |              |          |                |                               |
|  | STAGE 1                  | STAGE 2        | STAGE 3        | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS | STAGE 1   | STAGE 2                            | STAGE 3      | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS |              |          |                |                               |
| <b>A. On-balance sheet credit exposures</b>  |                          |                |                |  |           |                                    |              |  |              |          |                |                               |
| a) Bad exposures                             | 2,988                    | X              | -              | 2,981  | 2         | 2,251                              | X            | -  | 2,246        | 1        | 737            | 873                           |
| of which: forborne exposures                 | 607                      | X              | -              | 600  | 2         | 450                                | X            | -  | 445          | 1        | 157            | 96                            |
| b) Unlikely to pay                           | 9,879                    | X              | -              | 9,753  | 16        | 4,219                              | X            | -  | 4,134        | 4        | 5,660          | 227                           |
| of which: forborne exposures                 | 5,367                    | X              | -              | 5,328  | 13        | 2,447                              | X            | -  | 2,422        | 3        | 2,920          | 211                           |
| c) Non-performing past due                   | 881                      | X              | -              | 877  | -         | 246                                | X            | -  | 242          | -        | 635            | -                             |
| of which: forborne exposures                 | 21                       | X              | -              | 21   | -         | 10                                 | X            | -  | 10           | -        | 11             | -                             |
| d) Performing past due                       | 12,109                   | 7,457          | 4,647          | X  | 1         | 460                                | 61           | 399  | X            | -        | 11,649         | -                             |
| of which: forborne exposures                 | 773                      | 31             | 737            | X  | 1         | 103                                | 1            | 102  | X            | -        | 670            | -                             |
| e) Other performing exposures                | 578,066                  | 475,151        | 82,494         | X  | 10        | 5,430                              | 1,358        | 4,072  | X            | -        | 572,636        | -                             |
| of which: forborne exposures                 | 8,555                    | 69             | 8,468          | X  | 3         | 740                                | 2            | 738  | X            | -        | 7,815          | -                             |
| <b>Total (A)</b>                             | <b>603,923</b>           | <b>482,608</b> | <b>87,141</b>  | <b>13,611</b>  | <b>29</b> | <b>12,606</b>                      | <b>1,419</b> | <b>4,471</b>   | <b>6,622</b> | <b>5</b> | <b>591,317</b> | <b>1,100</b>                  |
| <b>B. Off-balance sheet credit exposures</b> |                          |                |                |  |           |                                    |              |  |              |          |                |                               |
| a) Non-performing                            | 2,671                    | X              | -              | 2,040  | -         | 768                                | X            | -  | 685          | -        | 1,903          | -                             |
| b) Performing                                | 353,171                  | 191,969        | 36,186         | X  | -         | 594                                | 212          | 358  | X            | -        | 352,577        | -                             |
| <b>Total (B)</b>                             | <b>355,842</b>           | <b>191,969</b> | <b>36,186</b>  | <b>2,040</b>   | <b>-</b>  | <b>1,362</b>                       | <b>212</b>   | <b>358</b>   | <b>685</b>   | <b>-</b> | <b>354,480</b> | <b>-</b>                      |
| <b>Total (A+B)</b>                           | <b>959,765</b>           | <b>674,577</b> | <b>123,327</b> | <b>15,651</b>  | <b>29</b> | <b>13,968</b>                      | <b>1,631</b> | <b>4,829</b>   | <b>7,307</b> | <b>5</b> | <b>945,797</b> | <b>1,100</b>                  |

## Note:

(\*) Value shown for information purposes.

On-balance sheet exposures to customers include all balance-sheet assets regardless of their belonging portfolio (held-for-trading, assets designed and mandatorily at fair value through profit or loss, assets at fair value through other comprehensive income, assets at amortised cost and assets held for sale). In more details columns Stage1, Stage 2, Stage 3 and Purchased or Originated Credit-Impaired financial assets include assets at amortized cost, assets at fair value through other comprehensive income and assets held for sale; the overall gross exposures also report held-for-trading, assets designed and mandatorily at fair value through profit or loss.

Off-balance sheet exposures to customers comprise guarantees given, irrevocable commitments, derivatives regardless of each transaction's classification category and the revocable commitments to disburse funds.

The total amount, on-balance and off-balance sheet, of forborne exposures (including those belonging to disposal groups/held for sale) is €16.3 billion (€6.3 billion non-performing and €10 billion performing). These exposures refer for 62% to the Italian perimeter, while the remaining amount mainly refers to Germany for 13% and to Austria for the 9%.

For a description of the rules for identification of forborne exposures refer to paragraph "4. Financial assets subject to commercial renegotiations and forborne exposures", Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit Risk, Qualitative information.

On-balance sheet impaired gross exposures connected to the proposals for recourse to an arrangement with creditors made by the debtor amounted to a total of €412 million as at 31 December 2022, against which specific impairments have been made for €260 million, with a total coverage level of 63%.



## Part E - Information on risks and related hedging policies

## A.1.5a Other loans and advances subject to Covid-19 measures: gross and net value

(€ million)

| EXPOSURE TYPES/VALUES  | AMOUNTS AS AT  |               |              |              |   | 31.12.2022          |           |            |            |   | NET EXPOSURE  | OVERALL PARTIAL WRITE-OFFS(*) |
|--|----------------|---------------|--------------|--------------|---|---------------------|-----------|------------|------------|---|---------------|-------------------------------|
|  | GROSS EXPOSURE |               |              |              | PURCHASED OR ORIGINATED CREDIT IMPAIRED | OVERALL WRITE-DOWNS |           |            |            | PURCHASED OR ORIGINATED CREDIT IMPAIRED |               |                               |
|  | STAGE 1        | STAGE 2       | STAGE 3      |              |   | STAGE 1             | STAGE 2   | STAGE 3    |            |   |               |                               |
| <b>A. Bad loans</b>  | <b>59</b>      | -             | -            | <b>59</b>    | -                                       | <b>43</b>           | -         | -          | <b>43</b>  | -                                       | <b>16</b>     | <b>2</b>                      |
| a) EBA-compliant moratoria loans and advances  | -              | -             | -            | -            | -                                       | -                   | -         | -          | -          | -                                       | -             | -                             |
| b) Under moratorium no longer compliant to the GL requirements and not valued as forborne exposure | 38             | -             | -            | 38           | -                                       | 34                  | -         | -          | 34         | -                                       | 4             | -                             |
| c) Loans and advances with other forbearance measures  | 2              | -             | -            | 2            | -                                       | 1                   | -         | -          | 1          | -                                       | 1             | -                             |
| d) Newly originated loans and advances   | 19             | -             | -            | 19           | -                                       | 8                   | -         | -          | 8          | -                                       | 11            | 2                             |
| <b>B. Unlikely to pay loans</b>  | <b>1,418</b>   | -             | -            | <b>1,410</b> | <b>8</b>                                | <b>388</b>          | -         | -          | <b>386</b> | <b>2</b>                                | <b>1,030</b>  | -                             |
| a) EBA-compliant moratoria loans and advances  | -              | -             | -            | -            | -                                       | -                   | -         | -          | -          | -                                       | -             | -                             |
| b) Under moratorium no longer compliant to the GL requirements and not valued as forborne exposure | 110            | -             | -            | 110          | -                                       | 82                  | -         | -          | 82         | -                                       | 28            | -                             |
| c) Loans and advances with other forbearance measures  | 888            | -             | -            | 885          | 3                                       | 191                 | -         | -          | 189        | 2                                       | 697           | -                             |
| d) Newly originated loans and advances   | 420            | -             | -            | 415          | 5                                       | 115                 | -         | -          | 115        | -                                       | 305           | -                             |
| <b>C. Non-performing past due loans</b>  | <b>22</b>      | -             | -            | <b>22</b>    | -                                       | <b>2</b>            | -         | -          | <b>2</b>   | -                                       | <b>20</b>     | -                             |
| a) EBA-compliant moratoria loans and advances  | -              | -             | -            | -            | -                                       | -                   | -         | -          | -          | -                                       | -             | -                             |
| b) Under moratorium no longer compliant to the GL requirements and not valued as forborne exposure | 3              | -             | -            | 3            | -                                       | 1                   | -         | -          | 1          | -                                       | 2             | -                             |
| c) Loans and advances with other forbearance measures  | -              | -             | -            | -            | -                                       | -                   | -         | -          | -          | -                                       | -             | -                             |
| d) Newly originated loans and advances   | 19             | -             | -            | 19           | -                                       | 1                   | -         | -          | 1          | -                                       | 18            | -                             |
| <b>D. Performing past due loans</b>  | <b>972</b>     | <b>659</b>    | <b>313</b>   | -            | -                                       | <b>5</b>            | <b>1</b>  | <b>4</b>   | -          | -                                       | <b>967</b>    | -                             |
| a) EBA-compliant moratoria loans and advances  | -              | -             | -            | -            | -                                       | -                   | -         | -          | -          | -                                       | -             | -                             |
| b) Under moratorium no longer compliant to the GL requirements and not valued as forborne exposure | 35             | 24            | 11           | -            | -                                       | 2                   | -         | 2          | -          | -                                       | 33            | -                             |
| c) Loans and advances with other forbearance measures  | 1              | -             | 1            | -            | -                                       | -                   | -         | -          | -          | -                                       | 1             | -                             |
| d) Newly originated loans and advances   | 936            | 635           | 301          | -            | -                                       | 3                   | 1         | 2          | -          | -                                       | 933           | -                             |
| <b>E. Other performing exposures loans</b>   | <b>28,252</b>  | <b>21,022</b> | <b>7,142</b> | -            | <b>1</b>                                | <b>213</b>          | <b>35</b> | <b>178</b> | -          | -                                       | <b>28,039</b> | -                             |
| a) EBA-compliant moratoria loans and advances  | 1              | 1             | -            | -            | -                                       | -                   | -         | -          | -          | -                                       | 1             | -                             |
| b) Under moratorium no longer compliant to the GL requirements and not valued as forborne exposure | 3,372          | 2,170         | 1,201        | -            | 1                                       | 116                 | 11        | 105        | -          | -                                       | 3,256         | -                             |
| c) Loans and advances with other forbearance measures  | 317            | 2             | 315          | -            | -                                       | 20                  | -         | 20         | -          | -                                       | 297           | -                             |
| d) Newly originated loans and advances   | 24,562         | 18,849        | 5,626        | -            | -                                       | 77                  | 24        | 53         | -          | -                                       | 24,485        | -                             |

During 2022 several actions continued to be taken regarding lending processes across the Group Legal Entities to properly deal with Covid-19. At the end of December 2022, gross exposure of loans and advance subject to Covid-19 measures amounted to €30,723 million, of which €29,224 million performing and €1,499 million non-performing (4.9% of total loans), of which €59 million bad loans, €1,418 million unlikely to pay, €22 million non-performing past due. The largest part of gross exposures benefitting from Covid-19 initiatives are in Italy, representing 75% of Group figures (99% classified as Performing).

## Part E - Information on risks and related hedging policies

### A.1.6 Regulatory consolidation - On-balance sheet exposures with banks: changes in gross non-performing exposures

(€ million)

| SOURCES/CATEGORIES  | CHANGES IN 2022 |                 |                         |
|---|-----------------|-----------------|-------------------------|
|   | BAD EXPOSURES   | UNLIKELY TO PAY | NON-PERFORMING PAST DUE |
| <b>A. Opening balance (gross amount)</b>                            | <b>5</b>        | <b>-</b>        | <b>-</b>                |
| <i>of which sold non-cancelled exposures</i>                        | -               | -               | -                       |
| <b>B. Increases</b>   | <b>-</b>        | <b>139</b>      | <b>-</b>                |
| B.1 Transfers from performing loans                                 | -               | 100             | -                       |
| B.2 Transfers from acquired or originated impaired financial assets | -               | -               | -                       |
| <i>of which: business combinations</i>                              | -               | -               | -                       |
| B.3 Transfers from other categories of non-performing exposures     | -               | 1               | -                       |
| B.4 Contractual changes with no cancellations                       | -               | -               | -                       |
| B.5 Other increases   | -               | 38              | -                       |
| <i>of which: business combinations - mergers</i>                    | -               | -               | -                       |
| <b>C. Reductions</b>  | <b>1</b>        | <b>6</b>        | <b>-</b>                |
| C.1 Transfers to performing loans                                   | -               | -               | -                       |
| C.2 Write-offs  | -               | -               | -                       |
| C.3 Collections   | -               | 6               | -                       |
| C.4 Sale proceeds   | -               | -               | -                       |
| C.5 Losses on disposal  | -               | -               | -                       |
| C.6 Transfers to other non-performing exposures                     | 1               | -               | -                       |
| C.7 Contractual changes with no cancellations                       | -               | -               | -                       |
| C.8 Other decreases   | -               | -               | -                       |
| <i>of which: business combinations</i>                              | -               | -               | -                       |
| <b>D. Closing balance (gross amount)</b>                            | <b>4</b>        | <b>133</b>      | <b>-</b>                |
| <i>of which sold non-cancelled exposures</i>                        | -               | -               | -                       |

Sub-items "B.5 Other increases" and "C.3 Collections" include amounts recovered during the year concerning impaired exposures which were derecognised in their entirety.

### A.1.6bis Regulatory consolidation - On-balance sheet exposures with banks: changes by credit quality in gross forborne exposures

No data to be disclosed.

## Part E - Information on risks and related hedging policies

## A.1.7 Regulatory consolidation - On-balance sheet credit exposures with customers: changes in gross non-performing exposures

| SOURCES/CATEGORIES   | CHANGES IN 2022 |                 |                         |
|--|-----------------|-----------------|-------------------------|
|  | BAD EXPOSURES   | UNLIKELY TO PAY | NON-PERFORMING PAST DUE |
| <b>A. Opening balance (gross amount)</b>                           | <b>5,027</b>    | <b>12,028</b>   | <b>854</b>              |
| <i>of which sold non-cancelled exposures</i>                       | 105             | 520             | 16                      |
| <b>B. Increases</b>  | <b>1,664</b>    | <b>5,205</b>    | <b>716</b>              |
| B.1 Transfer from performing loans                                 | 601             | 3,524           | 618                     |
| B.2 Transfer from acquired or originated impaired financial assets | -               | -               | -                       |
| <i>of which: business combinations</i>                             | -               | -               | -                       |
| B.3 Transfer from other non-performing exposures                   | 678             | 361             | 27                      |
| B.4 Contractual changes with no cancellations                      | -               | 2               | -                       |
| B.5 Other increases  | 385             | 1,318           | 71                      |
| <i>of which: business combinations - mergers</i>                   | -               | -               | -                       |
| <b>C. Decreases</b>  | <b>3,703</b>    | <b>7,354</b>    | <b>689</b>              |
| C.1 Transfers to performing loans                                  | 48              | 937             | 192                     |
| C.2 Write-offs   | 583             | 138             | 3                       |
| C.3 Collections  | 696             | 2,443           | 225                     |
| C.4 Sale proceeds  | 345             | 1,659           | 4                       |
| C.5 Losses on disposals  | 46              | 108             | -                       |
| C.6 Transfers to other non-performing exposures                    | 257             | 590             | 219                     |
| C.7 Contractual changes with no cancellations                      | -               | 1               | -                       |
| C.8 Other decreases  | 1,728           | 1,478           | 46                      |
| <i>of which: business combinations</i>                             | -               | -               | -                       |
| <b>D. Closing balance (gross amount)</b>                           | <b>2,988</b>    | <b>9,879</b>    | <b>881</b>              |
| <i>of which sold non-cancelled exposures</i>                       | 46              | 364             | 9                       |

Sub-items "B.5 Other increases" and "C.3 Collections" include amounts recovered during the year concerning impaired exposures which were derecognised in their entirety.

## Part E - Information on risks and related hedging policies

## A.1.7bis Regulatory consolidation - On-balance sheet exposures with customers: changes by credit quality in gross forborne exposures

| SOURCES/QUALITY                                      | CHANGES IN 2022                       |                                   |
|--|---------------------------------------|-----------------------------------|
|  | FORBORNE EXPOSURES:<br>NON-PERFORMING | FORBORNE EXPOSURES:<br>PERFORMING |
| <b>A. Opening balance (gross amount)</b>             | <b>8,935</b>                          | <b>9,622</b>                      |
| <i>of which sold non-cancelled exposures</i>         | 514                                   | 397                               |
| <b>B. Increases</b>                                  | <b>1,820</b>                          | <b>5,418</b>                      |
| B.1 Transfers from performing non-forborne exposures | 117                                   | 3,532                             |
| B.2 Transfers from performing forborne exposures     | 674                                   | X                                 |
| B.3 Transfers from non-performing forborne exposures | X                                     | 635                               |
| <i>of which: business combinations</i>               | X                                     | -                                 |
| B.4 Other increases                                  | 1,029                                 | 1,251                             |
| <i>of which: business combinations - mergers</i>     | -                                     | -                                 |
| <b>C. Reductions</b>                                 | <b>4,760</b>                          | <b>5,712</b>                      |
| C.1 Transfers to performing non-forborne exposures   | X                                     | 1,469                             |
| C.2 Transfers to performing forborne exposures       | 635                                   | X                                 |
| C.3 Transfers to non-performing forborne exposures   | X                                     | 674                               |
| C.4 Write-offs                                       | 236                                   | -                                 |
| C.5 Collections                                      | 1,674                                 | 3,215                             |
| C.6 Sale proceeds                                    | 615                                   | -                                 |
| C.7 Losses from disposal                             | 66                                    | -                                 |
| C.8 Other reductions                                 | 1,534                                 | 354                               |
| <i>of which: business combinations</i>               | -                                     | -                                 |
| <b>D. Closing balance (gross amount)</b>             | <b>5,995</b>                          | <b>9,328</b>                      |
| <i>of which sold non-cancelled exposures</i>         | 367                                   | 405                               |

It should be noted that the amount of "Other increases" also includes the transfers from non performing non forborne exposures for €520 million.

## Part E - Information on risks and related hedging policies

## A.1.8 Regulatory consolidation - On-balance sheet non-performing credit exposures with banks: changes in overall write-downs

(€ million)

| SOURCES/CATEGORIES  | CHANGES IN 2022      |                             |                 |                             |                         |                             |
|---|----------------------|-----------------------------|-----------------|-----------------------------|-------------------------|-----------------------------|
|   | NON-PERFORMING LOANS |                             | UNLIKELY TO PAY |                             | NON-PERFORMING PAST DUE |                             |
|   | TOTAL                | OF WHICH FORBORNE EXPOSURES | TOTAL           | OF WHICH FORBORNE EXPOSURES | TOTAL                   | OF WHICH FORBORNE EXPOSURES |
| <b>A. Opening balance (gross amount)</b>                            | 5                    | -                           | -               | -                           | -                       | -                           |
| <i>of which sold non-cancelled exposures</i>                        | -                    | -                           | -               | -                           | -                       | -                           |
| <b>B. Increases</b>   | -                    | -                           | 31              | -                           | -                       | -                           |
| B.1 Write-downs of acquired or originated impaired financial assets | -                    | X                           | -               | X                           | -                       | X                           |
| <i>of which: business combinations</i>                              | -                    | -                           | -               | -                           | -                       | -                           |
| B.2 Other write-downs   | -                    | -                           | 30              | -                           | -                       | -                           |
| B.3 Losses on disposal  | -                    | -                           | -               | -                           | -                       | -                           |
| B.4 Transfers from other categories of non-performing exposures     | -                    | -                           | 1               | -                           | -                       | -                           |
| B.5 Contractual changes with no cancellations                       | -                    | X                           | -               | X                           | -                       | X                           |
| B.6 Other increases   | -                    | -                           | -               | -                           | -                       | -                           |
| <i>of which: business combinations - mergers</i>                    | -                    | -                           | -               | -                           | -                       | -                           |
| <b>C. Reductions</b>  | 1                    | -                           | 1               | -                           | -                       | -                           |
| C.1 Write-backs from valuation                                      | -                    | -                           | -               | -                           | -                       | -                           |
| C.2 Write-backs from collections                                    | -                    | -                           | 1               | -                           | -                       | -                           |
| C.3 Gains from disposals  | -                    | -                           | -               | -                           | -                       | -                           |
| C.4 Write-offs  | -                    | -                           | -               | -                           | -                       | -                           |
| C.5 Transfers to other categories of non-performing exposures       | 1                    | -                           | -               | -                           | -                       | -                           |
| C.6 Contractual changes with no cancellations                       | -                    | X                           | -               | X                           | -                       | X                           |
| C.7 Other decreases   | -                    | -                           | -               | -                           | -                       | -                           |
| <i>of which: business combinations</i>                              | -                    | -                           | -               | -                           | -                       | -                           |
| <b>D. Closing balance (gross amount)</b>                            | 4                    | -                           | 30              | -                           | -                       | -                           |
| <i>of which sold non-cancelled exposures</i>                        | -                    | -                           | -               | -                           | -                       | -                           |

## Part E - Information on risks and related hedging policies

## A.1.9 Regulatory consolidation - On-balance sheet non-performing credit exposures with customers: changes in overall write-downs

(€ million)

| SOURCES/CATEGORIES  | CHANGES IN 2022      |                             |                 |                             |                         |                             |
|---|----------------------|-----------------------------|-----------------|-----------------------------|-------------------------|-----------------------------|
|   | NON-PERFORMING LOANS |                             | UNLIKELY TO PAY |                             | NON-PERFORMING PAST DUE |                             |
|   | TOTAL                | OF WHICH FORBORNE EXPOSURES | TOTAL           | OF WHICH FORBORNE EXPOSURES | TOTAL                   | OF WHICH FORBORNE EXPOSURES |
| <b>A. Opening balance (gross amount)</b>                            | <b>3,713</b>         | <b>908</b>                  | <b>5,637</b>    | <b>3,562</b>                | <b>325</b>              | <b>19</b>                   |
| <i>of which sold non-cancelled exposures</i>                        | 51                   | 21                          | 152             | 146                         | 4                       | -                           |
| <b>B. Increases</b>   | <b>1,537</b>         | <b>390</b>                  | <b>2,540</b>    | <b>1,143</b>                | <b>188</b>              | <b>12</b>                   |
| B.1 Write-downs of acquired or originated impaired financial assets | 18                   | X                           | 117             | X                           | 8                       | X                           |
| <i>of which: business combinations</i>                              | -                    | -                           | -               | -                           | -                       | -                           |
| B.2 Other write-downs   | 852                  | 198                         | 1,804           | 746                         | 117                     | 6                           |
| B.3 Losses on disposal  | 45                   | 13                          | 112             | 53                          | -                       | -                           |
| B.4 Transfers from other categories of non-performing exposures     | 375                  | 135                         | 114             | 20                          | 13                      | 2                           |
| B.5 Contractual changes with no cancellations                       | -                    | X                           | 1               | X                           | -                       | X                           |
| B.6 Other increases   | 247                  | 44                          | 392             | 324                         | 50                      | 4                           |
| <i>of which: business combinations - mergers</i>                    | -                    | -                           | -               | -                           | -                       | -                           |
| <b>C. Reductions</b>  | <b>2,999</b>         | <b>848</b>                  | <b>3,958</b>    | <b>2,258</b>                | <b>267</b>              | <b>21</b>                   |
| C.1 Write-backs from valuation                                      | 231                  | 79                          | 862             | 538                         | 21                      | 1                           |
| C.2 Write-backs from collections                                    | 310                  | 105                         | 630             | 305                         | 79                      | 3                           |
| C.3 Gains from disposals  | 63                   | 6                           | 148             | 9                           | -                       | -                           |
| C.4 Write-offs  | 583                  | 175                         | 138             | 61                          | 3                       | -                           |
| C.5 Transfers to other categories of non-performing exposures       | 76                   | 12                          | 340             | 135                         | 86                      | 10                          |
| C.6 Contractual changes with no cancellations                       | -                    | X                           | 2               | X                           | -                       | X                           |
| C.7 Other decreases   | 1,736                | 471                         | 1,838           | 1,210                       | 78                      | 7                           |
| <i>of which: business combinations</i>                              | -                    | -                           | -               | -                           | -                       | -                           |
| <b>D. Closing balance (gross amount)</b>                            | <b>2,251</b>         | <b>450</b>                  | <b>4,219</b>    | <b>2,447</b>                | <b>246</b>              | <b>10</b>                   |
| <i>of which sold non-cancelled exposures</i>                        | 16                   | 8                           | 135             | 128                         | 2                       | -                           |

## Part E - Information on risks and related hedging policies

## A.2 Classification of credit exposure based on internal and external ratings

## A.2.1 Regulatory consolidation - Breakdown of financial assets, loan commitments and financial guarantees given by external rating classes (gross amounts)

(€ million)

| EXPOSURES   | AMOUNT AS AT 31.12.2022 |               |                |               |              |            |                | NO RATING      | TOTAL |
|---|-------------------------|---------------|----------------|---------------|--------------|------------|----------------|----------------|-------|
|   | EXTERNAL RATING CLASSES |               |                |               |              |            |                |                |       |
|   | CLASS 1                 | CLASS 2       | CLASS 3        | CLASS 4       | CLASS 5      | CLASS 6    |                |                |       |
| <b>A. Financial assets at amortised cost</b>                                |                         |               |                |               |              |            |                |                |       |
| - Stage 1   | 44,030                  | 26,778        | 60,114         | 5,734         | 3,267        | 102        | 354,287        | 494,312        |       |
| - Stage 2   | 470                     | 281           | 1,443          | 884           | 908          | 254        | 83,791         | 88,031         |       |
| - Stage 3   | -                       | -             | 2              | 4             | 190          | -          | 12,405         | 12,601         |       |
| - Purchased or Originated Credit-Impaired Financial Assets                  | -                       | -             | 7              | -             | -            | -          | 21             | 28             |       |
| <b>B. Financial assets at fair value through other comprehensive income</b> |                         |               |                |               |              |            |                |                |       |
| - Stage 1   | 20,918                  | 9,725         | 18,371         | 19            | 40           | 220        | 3,924          | 53,217         |       |
| - Stage 2   | -                       | 34            | 18             | 14            | 223          | -          | 176            | 465            |       |
| - Stage 3   | -                       | -             | -              | -             | -            | -          | 2              | 2              |       |
| - Purchased or Originated Credit-Impaired Financial Assets                  | -                       | -             | -              | -             | -            | -          | -              | -              |       |
| <b>C. Financial instruments classified as held for sale</b>                 |                         |               |                |               |              |            |                |                |       |
| - Stage 1   | -                       | -             | -              | -             | -            | -          | 102            | 102            |       |
| - Stage 2   | -                       | -             | -              | -             | -            | -          | -              | -              |       |
| - Stage 3   | -                       | -             | -              | -             | -            | -          | 1,082          | 1,082          |       |
| - Purchased or Originated Credit-Impaired Financial Assets                  | -                       | -             | -              | -             | -            | -          | -              | -              |       |
| <b>Total (A+B+C)</b>  | <b>65,418</b>           | <b>36,818</b> | <b>79,955</b>  | <b>6,655</b>  | <b>4,628</b> | <b>576</b> | <b>455,790</b> | <b>649,840</b> |       |
| <b>D. Loan commitments and financial guarantees given</b>                   |                         |               |                |               |              |            |                |                |       |
| - Stage 1   | 5,930                   | 17,672        | 34,765         | 5,061         | 2,347        | 186        | 134,163        | 200,124        |       |
| - Stage 2   | 143                     | 272           | 1,700          | 1,972         | 1,412        | 80         | 31,233         | 36,812         |       |
| - Stage 3   | -                       | -             | -              | -             | -            | -          | 2,099          | 2,099          |       |
| - Purchased or Originated Credit-Impaired Financial Assets                  | -                       | -             | -              | -             | -            | -          | -              | -              |       |
| <b>Total (D)</b>  | <b>6,073</b>            | <b>17,944</b> | <b>36,465</b>  | <b>7,033</b>  | <b>3,759</b> | <b>266</b> | <b>167,495</b> | <b>239,035</b> |       |
| <b>Total (A+B+C+D)</b>  | <b>71,491</b>           | <b>54,762</b> | <b>116,420</b> | <b>13,688</b> | <b>8,387</b> | <b>842</b> | <b>623,285</b> | <b>888,875</b> |       |

The table details on- and off-balance sheet credits granted to counterparties rated by external rating. The rating agencies provide brief assessments of the creditworthiness of different classes of borrowers such as Countries, Banks, Public-Sector Entities, Insurance Companies and (usually large) Enterprises.

The table refers to classification of Circular No.262 of 22 December 2005 of Banca d'Italia (and subsequent amendments); then it provides, for external ratings, 6 classes of creditworthiness.

Rating Agencies utilised to fill the table are: Moody's, S&Ps and Fitch.

Where more than one agency rating is available, the most prudential rating is assigned.

Here below the mapping between the external rating classes and the ECAI's rating used.

| EXTERNAL RATING CLASSES | ECAI         |            |                   |               |              |               |       |  |
|-------------------------|--------------|------------|-------------------|---------------|--------------|---------------|-------|--|
|                         | MOODY'S      |            | STANDARD & POOR'S |               |              |               | FITCH |  |
|                         | LONG TERM    | SHORT TERM | LONG TERM         | SHORT TERM    | LONG TERM    | SHORT TERM    |       |  |
| 1                       | Aaa Aa3      | P-1        | AAA AA-           | A1+ A1        | AAA AA-      | F1+ F1        |       |  |
| 2                       | A1 A3        | P-2        | A+ A-             | A2            | A+ A-        | F2            |       |  |
| 3                       | Baa1 Baa3    | P-3        | BBB+ BBB-         | A3            | BBB+ BBB-    | F3            |       |  |
| 4                       | Ba1 Ba3      | NP         | BB+ BB-           | worse than A3 | BB+ BB-      | worse than F3 |       |  |
| 5                       | B1 B3        | NP         | B+ B-             | worse than A3 | B+ B-        | worse than F3 |       |  |
| 6                       | Caa1 or less | NP         | CCC+ or less      | worse than A3 | CCC+ or less | worse than F3 |       |  |

## Part E - Information on risks and related hedging policies

The 91,4% of rated counterparties were investment grade (from Class 1 to Class 3), referring to highly rated borrowers. Unrated exposures, i.e. those with no external rating, were 70,1% of the portfolio, due to the fact that a considerable proportion of borrowers were private individuals or SMEs, which are not externally rated.

### A.2.2 Regulatory consolidation - Breakdown of financial assets, loan commitments and financial guarantees given by internal rating classes (gross amounts)

| (€ million)   |                         |                |                |                |               |               |               |              |              |                |                |
|---|-------------------------|----------------|----------------|----------------|---------------|---------------|---------------|--------------|--------------|----------------|----------------|
| EXPOSURES   | AMOUNT AS AT 31.12.2022 |                |                |                |               |               |               |              |              | NO RATING      | TOTAL          |
|   | INTERNAL RATING CLASSES |                |                |                |               |               |               |              |              |                |                |
|   | 1                       | 2              | 3              | 4              | 5             | 6             | 7             | 8            | 9            |                |                |
| <b>A. Financial assets at amortised cost</b>                                |                         |                |                |                |               |               |               |              |              |                |                |
| - Stage 1   | 71,747                  | 102,361        | 93,859         | 79,929         | 50,930        | 23,083        | 7,385         | 1,409        | 58           | 63,551         | 494,312        |
| - Stage 2   | 497                     | 7,310          | 5,247          | 12,785         | 16,666        | 14,017        | 7,844         | 4,453        | 2,753        | 16,459         | 88,031         |
| - Stage 3   | -                       | -              | -              | -              | -             | -             | -             | -            | -            | 12,601         | 12,601         |
| - Purchased or Originated Credit-Impaired Financial Assets                  | -                       | -              | -              | -              | 2             | 3             | 4             | 1            | -            | 18             | 28             |
| <b>B. Financial assets at fair value through other comprehensive income</b> |                         |                |                |                |               |               |               |              |              |                |                |
| - Stage 1   | 23,280                  | 19,728         | 5,327          | 1,118          | -             | 65            | 40            | -            | -            | 3,659          | 53,217         |
| - Stage 2   | -                       | -              | 34             | 14             | 1             | 22            | -             | -            | -            | 394            | 465            |
| - Stage 3   | -                       | -              | -              | -              | -             | -             | -             | -            | -            | 2              | 2              |
| - Purchased or Originated Credit-Impaired Financial Assets                  | -                       | -              | -              | -              | -             | -             | -             | -            | -            | -              | -              |
| <b>C. Financial instruments classified as held for sale</b>                 |                         |                |                |                |               |               |               |              |              |                |                |
| - Stage 1   | -                       | -              | -              | -              | -             | -             | -             | -            | -            | 102            | 102            |
| - Stage 2   | -                       | -              | -              | -              | -             | -             | -             | -            | -            | -              | -              |
| - Stage 3   | -                       | -              | -              | -              | -             | -             | -             | -            | -            | 1,082          | 1,082          |
| - Purchased or Originated Credit-Impaired Financial Assets                  | -                       | -              | -              | -              | -             | -             | -             | -            | -            | -              | -              |
| <b>Total (A+B+C)</b>  | <b>95,524</b>           | <b>129,399</b> | <b>104,467</b> | <b>93,846</b>  | <b>67,599</b> | <b>37,190</b> | <b>15,273</b> | <b>5,863</b> | <b>2,811</b> | <b>97,868</b>  | <b>649,840</b> |
| <b>D. Loan commitments and financial guarantees given</b>                   |                         |                |                |                |               |               |               |              |              |                |                |
| - Stage 1   | 31,664                  | 59,685         | 40,712         | 22,635         | 13,674        | 8,241         | 1,426         | 261          | 3            | 21,823         | 200,124        |
| - Stage 2   | 318                     | 3,176          | 5,220          | 7,110          | 5,931         | 2,614         | 1,904         | 838          | 1,086        | 8,615          | 36,812         |
| - Stage 3   | -                       | -              | -              | -              | -             | -             | -             | 41           | -            | 2,058          | 2,099          |
| - Purchased or Originated Credit-Impaired Financial Assets                  | -                       | -              | -              | -              | -             | -             | -             | -            | -            | -              | -              |
| <b>Total (D)</b>  | <b>31,982</b>           | <b>62,861</b>  | <b>45,932</b>  | <b>29,745</b>  | <b>19,605</b> | <b>10,855</b> | <b>3,330</b>  | <b>1,140</b> | <b>1,089</b> | <b>32,496</b>  | <b>239,035</b> |
| <b>Total (A+B+C+D)</b>  | <b>127,506</b>          | <b>192,260</b> | <b>150,399</b> | <b>123,591</b> | <b>87,204</b> | <b>48,045</b> | <b>18,603</b> | <b>7,003</b> | <b>3,900</b> | <b>130,364</b> | <b>888,875</b> |

The table contains exposures grouped according to the counterparties' internal rating.

Ratings are assigned to individual counterparties using Group banks' internally developed models included in their credit risk management processes. The internal models validated by the regulators are either "group-wide" (e.g. for Banks, Multinationals, Countries) or bank-specific, by segment (e.g. retail or corporate).

In 2022, the Group master-scale was upgraded, homogenizing the different rating scales of the internal models. There are 9 rating classes, based on Probability of default (Probability of Default - PD).

52,9% of internally rated exposures were investment grade (classes 1 to 3), while exposures towards unrated counterparties were 14,7% of the total. No rating is assigned to these counterparties as either they belong to a segment not yet covered by the models, or the appropriate model is still in the roll-out phase.

Internal Ratings are used for Capital Requirements calculation by the Legal Entities/portfolios that were authorised for the IRB approach from Central bank. Legal Entities currently authorised are: UniCredit S.p.A., UniCredit Bank AG, UniCredit Bank Austria AG, UniCredit Banka Slovenija dd, UniCredit Bulbank AD, UniCredit Bank Czech Republic and Slovakia, a.s., UniCredit Bank Hungary, UniCredit Bank Romania a.s. and AO UniCredit Bank in Russia.



## Part E - Information on risks and related hedging policies

## A.3 Distribution of secured credit exposures by type of security

## A.3.1 Regulatory consolidation - Secured on-balance and off-balance sheet credit exposures with banks

(€ million)

|  | AMOUNT AS AT 31.12.2022 |              |                      |                        |            |                   |
|--|-------------------------|--------------|----------------------|------------------------|------------|-------------------|
|  | GROSS EXPOSURE          | NET EXPOSURE | COLLATERALS (1)      |                        |            |                   |
|  |                         |              | PROPERTY - MORTGAGES | PROPERTY - LEASE LOANS | SECURITIES | OTHER COLLATERALS |
| <b>1. Secured on-balance sheet credit exposures</b>  |                         |              |                      |                        |            |                   |
| 1.1 Totally secured                                  | 13,693                  | 13,689       | 15                   | 1                      | 6,738      | 6,285             |
| <i>of which non-performing</i>                       | 7                       | 3            | -                    | -                      | -          | -                 |
| 1.2 Partially secured                                | 3,168                   | 3,168        | -                    | -                      | 2,975      | -                 |
| <i>of which non-performing</i>                       | 60                      | 60           | -                    | -                      | -          | -                 |
| <b>2. Secured off-balance sheet credit exposures</b> |                         |              |                      |                        |            |                   |
| 2.1 Totally secured                                  | 3,245                   | 3,245        | -                    | -                      | 2,440      | 87                |
| <i>of which non-performing</i>                       | -                       | -            | -                    | -                      | -          | -                 |
| 2.2 Partially secured                                | 833                     | 833          | -                    | -                      | -          | 8                 |
| <i>of which non-performing</i>                       | -                       | -            | -                    | -                      | -          | -                 |

continued: A.3.1 Regulatory consolidation - Secured on-balance and off-balance sheet credit exposures with banks

(€ million)

|  | AMOUNT AS AT 31.12.2022 |                              |       |                       |                |  |       |                       |                |               |
|--|-------------------------|------------------------------|-------|-----------------------|----------------|--|-------|-----------------------|----------------|---------------|
|  | GUARANTEES (2)          |                              |       |                       |                |  |       |                       |                |               |
|  | CREDIT DERIVATIVES      |                              |       |                       |                | SIGNATURE LOANS (LOANS GUARANTEES)           |       |                       |                |               |
|  | CLN                     | OTHER CREDIT DERIVATIVES     |       |                       |                | GOVERNMENTS AND OTHER PUBLIC SECTOR ENTITIES | BANKS | OTHER PUBLIC ENTITIES | OTHER ENTITIES | TOTAL (1)+(2) |
|  |                         | GOVERNMENT AND CENTRAL BANKS | BANKS | OTHER PUBLIC ENTITIES | OTHER ENTITIES |  |       |                       |                |               |
| <b>1. Secured on-balance sheet credit exposures</b>  |                         |                              |       |                       |                |  |       |                       |                |               |
| 1.1 Totally secured                                  | -                       | -                            | -     | -                     | 351            | 54   | 31    | 1                     | 13,476         |               |
| <i>of which non-performing</i>                       | -                       | -                            | -     | -                     | 3              | -  | -     | -                     | 3              |               |
| 1.2 Partially secured                                | -                       | -                            | -     | -                     | 95             | 26   | 8     | -                     | 3,104          |               |
| <i>of which non-performing</i>                       | -                       | -                            | -     | -                     | 57             | -  | -     | -                     | 57             |               |
| <b>2. Secured off-balance sheet credit exposures</b> |                         |                              |       |                       |                |  |       |                       |                |               |
| 2.1 Totally secured                                  | -                       | -                            | -     | -                     | 6              | 132  | -     | 401                   | 3,066          |               |
| <i>of which non-performing</i>                       | -                       | -                            | -     | -                     | -              | -  | -     | -                     | -              |               |
| 2.2 Partially secured                                | -                       | -                            | -     | -                     | 37             | 26   | -     | 73                    | 144            |               |
| <i>of which non-performing</i>                       | -                       | -                            | -     | -                     | -              | -  | -     | -                     | -              |               |

## Part E - Information on risks and related hedging policies

## A.3.2 Regulatory consolidation - Secured on-balance and off-balance sheet credit exposures with customers

(€ million)

|  | AMOUNT AS AT 31.12.2022 |              |                      |                        |            |                   |
|--|-------------------------|--------------|----------------------|------------------------|------------|-------------------|
|  | GROSS EXPOSURE          | NET EXPOSURE | COLLATERALS (1)      |                        |            |                   |
|  |                         |              | PROPERTY - MORTGAGES | PROPERTY - LEASE LOANS | SECURITIES | OTHER COLLATERALS |
| <b>1. Secured on-balance sheet credit exposures</b>  |                         |              |                      |                        |            |                   |
| 1.1 Totally secured                                  | 217,068                 | 212,347      | 121,576              | 9,207                  | 25,725     | 14,187            |
| <i>of which non-performing</i>                       | 6,087                   | 3,576        | 1,776                | 452                    | 24         | 170               |
| 1.2 Partially secured                                | 89,857                  | 87,878       | 23,677               | 481                    | 1,580      | 3,864             |
| <i>of which non-performing</i>                       | 2,520                   | 1,480        | 202                  | 2                      | 31         | 44                |
| <b>2. Secured off-balance sheet credit exposures</b> |                         |              |                      |                        |            |                   |
| 2.1 Totally secured                                  | 42,598                  | 42,434       | 4,664                | -                      | 10,974     | 3,674             |
| <i>of which non-performing</i>                       | 487                     | 376          | 83                   | -                      | 3          | 39                |
| 2.2 Partially secured                                | 36,620                  | 36,421       | 1,171                | -                      | 470        | 1,756             |
| <i>of which non-performing</i>                       | 750                     | 613          | 13                   | -                      | -          | 28                |

continued: A.3.2 Regulatory consolidation - Secured on-balance and off-balance sheet credit exposures with customers

(€ million)

|  | AMOUNT AS AT 31.12.2022 |                          |                |   |        |  |       |                       |                |               |
|--|-------------------------|--------------------------|----------------|---|--------|--|-------|-----------------------|----------------|---------------|
|  | GUARANTEES (2)          |                          |                |   |        |  |       |                       |                |               |
|  | CLN                     | CREDIT DERIVATIVES       |                |   |        | SIGNATURE LOANS (LOANS GUARANTEES)           |       |                       |                | TOTAL (1)+(2) |
|  |                         | OTHER CREDIT DERIVATIVES |                |   |        | GOVERNMENTS AND OTHER PUBLIC SECTOR ENTITIES | BANKS | OTHER PUBLIC ENTITIES | OTHER ENTITIES |               |
| GOVERNMENT AND CENTRAL BANKS                         | BANKS                   | OTHER PUBLIC ENTITIES    | OTHER ENTITIES |   |        |  |       |                       |                |               |
| <b>1. Secured on-balance sheet credit exposures</b>  |                         |                          |                |   |        |  |       |                       |                |               |
| 1.1 Totally secured                                  | -                       | -                        | -              | - | 15,755 | 2,105  | 1,782 | 20,064                | 210,401        |               |
| <i>of which non-performing</i>                       | -                       | -                        | -              | - | 689    | 81   | 54    | 206                   | 3,452          |               |
| 1.2 Partially secured                                | -                       | -                        | -              | - | 13,771 | 2,582  | 1,175 | 6,881                 | 54,011         |               |
| <i>of which non-performing</i>                       | -                       | -                        | -              | - | 599    | 80   | 6     | 57                    | 1,021          |               |
| <b>2. Secured off-balance sheet credit exposures</b> |                         |                          |                |   |        |  |       |                       |                |               |
| 2.1 Totally secured                                  | -                       | -                        | -              | - | 3,147  | 1,502  | 2,537 | 15,431                | 41,929         |               |
| <i>of which non-performing</i>                       | -                       | -                        | -              | - | 14     | 47   | 40    | 138                   | 364            |               |
| 2.2 Partially secured                                | -                       | -                        | -              | - | 2,390  | 507  | 465   | 2,220                 | 8,979          |               |
| <i>of which non-performing</i>                       | -                       | -                        | -              | - | 22     | 33   | -     | 40                    | 136            |               |

## A.4 Regulatory consolidation - Financial and non-financial assets obtained by taking possession of collaterals

(€ million)

|  | CANCELLED CREDIT EXPOSURE | GROSS AMOUNT | OVERALL WRITE-DOWNS | CARRYING VALUE |                                   |
|--|---------------------------|--------------|---------------------|----------------|-----------------------------------|
|  |                           |              |                     |                | OF WHICH OBTAINED DURING THE YEAR |
| <b>A. Property, plant and equipment</b>                                      | 599                       | 601          | 57                  | 543            | 9                                 |
| A.1 Used in business   | -                         | 1            | -                   | 1              | -                                 |
| A.2 Held for investment  | 3                         | 15           | 14                  | -              | -                                 |
| A.3 Inventories  | 596                       | 585          | 43                  | 542            | 9                                 |
| <b>B. Equity instruments and debt securities</b>                             | 711                       | 598          | 491                 | 107            | 4                                 |
| <b>C. Other assets</b>   | -                         | -            | -                   | -              | -                                 |
| <b>D. Non-current assets and disposal groups classified as held for sale</b> | 14                        | 14           | (1)                 | 15             | -                                 |
| D.1 Property, plant and equipment  | 14                        | 14           | (1)                 | 15             | -                                 |
| D.2 Other assets   | -                         | -            | -                   | -              | -                                 |
| <b>Total 31.12.2022</b>  | <b>1,324</b>              | <b>1,213</b> | <b>547</b>          | <b>665</b>     | <b>13</b>                         |
| <b>Total 31.12.2021</b>  | <b>1,396</b>              | <b>1,245</b> | <b>587</b>          | <b>658</b>     | <b>27</b>                         |

## Part E - Information on risks and related hedging policies

## B. Distribution and concentration of credit exposures

## B.1 Regulatory consolidation - Distribution by segment of on-balance and off-balance sheet credit exposures with customers

(€ million)

| EXPOSURES/COUNTERPARTIES                     | GOVERNMENTS AND OTHER PUBLIC SECTOR ENTITIES |                     | FINANCIAL COMPANIES |                     | FINANCIAL COMPANIES (OF WHICH INSURANCE COMPANIES) |                     | NON-FINANCIAL COMPANIES |                     | HOUSEHOLDS     |                     |
|--|--|---------------------|---------------------|---------------------|--|---------------------|-------------------------|---------------------|----------------|---------------------|
|  | NET EXPOSURE                                 | OVERALL WRITE-DOWNS | NET EXPOSURE        | OVERALL WRITE-DOWNS | NET EXPOSURE                                       | OVERALL WRITE-DOWNS | NET EXPOSURE            | OVERALL WRITE-DOWNS | NET EXPOSURE   | OVERALL WRITE-DOWNS |
| <b>A. On-balance sheet credit exposures</b>  |  |                     |                     |                     |  |                     |                         |                     |                |                     |
| A.1 Bad exposures                            | 1  | 3                   | 12                  | 43                  | -  | -                   | 549                     | 1,566               | 175            | 639                 |
| <i>of which: forbore exposures</i>           | -  | -                   | 3                   | 13                  | -  | -                   | 119                     | 360                 | 35             | 77                  |
| A.2 Unlikely to pay                          | 409  | 34                  | 510                 | 284                 | 1  | -                   | 3,742                   | 3,394               | 999            | 507                 |
| <i>of which: forbore exposures</i>           | 7  | 8                   | 359                 | 141                 | -  | -                   | 2,001                   | 2,022               | 553            | 276                 |
| A.3 Non-performing past-due                  | 111  | 3                   | 1                   | 4                   | -  | -                   | 128                     | 34                  | 395            | 205                 |
| <i>of which: forbore exposures</i>           | -  | -                   | -                   | -                   | -  | -                   | 4                       | 2                   | 7              | 8                   |
| A.4 Performing exposures                     | 129,925                                      | 243                 | 81,150              | 300                 | 1,036  | 1                   | 242,896                 | 3,709               | 130,314        | 1,638               |
| <i>of which: forbore exposures</i>           | 2  | -                   | 482                 | 21                  | -  | -                   | 6,466                   | 644                 | 1,535          | 178                 |
| <b>Total (A)</b>                             | <b>130,446</b>                               | <b>283</b>          | <b>81,673</b>       | <b>631</b>          | <b>1,037</b>                                       | <b>1</b>            | <b>247,315</b>          | <b>8,703</b>        | <b>131,883</b> | <b>2,989</b>        |
| <b>B. Off-balance sheet credit exposures</b> |  |                     |                     |                     |  |                     |                         |                     |                |                     |
| B.1 Non-performing exposures                 | 38   | 9                   | 55                  | 27                  | -  | -                   | 1,756                   | 727                 | 53             | 5                   |
| B.2 Performing exposures                     | 13,188                                       | 2                   | 54,211              | 37                  | 4,011  | 1                   | 266,091                 | 517                 | 16,876         | 38                  |
| <b>Total (B)</b>                             | <b>13,226</b>                                | <b>11</b>           | <b>54,266</b>       | <b>64</b>           | <b>4,011</b>                                       | <b>1</b>            | <b>267,847</b>          | <b>1,244</b>        | <b>16,929</b>  | <b>43</b>           |
| <b>Total (A+B)</b>                           |  |                     |                     |                     |  |                     |                         |                     |                |                     |
| <b>31.12.2022</b>                            | <b>143,672</b>                               | <b>294</b>          | <b>135,939</b>      | <b>695</b>          | <b>5,048</b>                                       | <b>2</b>            | <b>515,162</b>          | <b>9,947</b>        | <b>148,812</b> | <b>3,032</b>        |
| <b>Total (A+B)</b>                           |  |                     |                     |                     |  |                     |                         |                     |                |                     |
| <b>31.12.2021</b>                            | <b>173,022</b>                               | <b>168</b>          | <b>121,600</b>      | <b>1,114</b>        | <b>3,704</b>                                       | <b>2</b>            | <b>503,490</b>          | <b>10,685</b>       | <b>146,762</b> | <b>3,920</b>        |

## B.2 Regulatory consolidation - Distribution of on-balance and off-balance sheet credit exposures with customers by geographic area

(€ million)

| EXPOSURES/GEOGRAPHIC AREAS                   | ITALY          |                     | OTHER EUROPEAN COUNTRIES |                     | AMERICA       |                     | ASIA          |                     | REST OF THE WORLD |                     |
|--|----------------|---------------------|--------------------------|---------------------|---------------|---------------------|---------------|---------------------|-------------------|---------------------|
|  | NET EXPOSURE   | OVERALL WRITE-DOWNS | NET EXPOSURE             | OVERALL WRITE-DOWNS | NET EXPOSURE  | OVERALL WRITE-DOWNS | NET EXPOSURE  | OVERALL WRITE-DOWNS | NET EXPOSURE      | OVERALL WRITE-DOWNS |
| <b>A. On-balance sheet credit exposures</b>  |                |                     |                          |                     |               |                     |               |                     |                   |                     |
| A.1 Bad exposures                            | 355            | 822                 | 371                      | 1,327               | 10            | 26                  | 1             | 55                  | -                 | 21                  |
| A.2 Unlikely to pay                          | 1,986          | 1,671               | 3,201                    | 2,390               | 40            | 81                  | 121           | 72                  | 312               | 5                   |
| A.3 Non-performing past-due                  | 405            | 134                 | 148                      | 111                 | 4             | 1                   | -             | -                   | 78                | -                   |
| A.4 Performing exposures                     | 228,188        | 2,417               | 318,330                  | 3,378               | 15,052        | 39                  | 16,292        | 28                  | 6,423             | 28                  |
| <b>Total (A)</b>                             | <b>230,934</b> | <b>5,044</b>        | <b>322,050</b>           | <b>7,206</b>        | <b>15,106</b> | <b>147</b>          | <b>16,414</b> | <b>155</b>          | <b>6,813</b>      | <b>54</b>           |
| <b>B. Off-balance sheet credit exposures</b> |                |                     |                          |                     |               |                     |               |                     |                   |                     |
| B.1 Non-performing exposures                 | 1,173          | 303                 | 710                      | 460                 | 7             | 4                   | 11            | 1                   | 1                 | -                   |
| B.2 Performing exposures                     | 132,439        | 105                 | 197,358                  | 481                 | 17,460        | 5                   | 2,033         | -                   | 1,075             | 2                   |
| <b>Total (B)</b>                             | <b>133,612</b> | <b>408</b>          | <b>198,068</b>           | <b>941</b>          | <b>17,467</b> | <b>9</b>            | <b>2,044</b>  | <b>1</b>            | <b>1,076</b>      | <b>2</b>            |
| <b>Total (A+B)</b>                           |                |                     |                          |                     |               |                     |               |                     |                   |                     |
| <b>31.12.2022</b>                            | <b>364,546</b> | <b>5,452</b>        | <b>520,118</b>           | <b>8,147</b>        | <b>32,573</b> | <b>156</b>          | <b>18,458</b> | <b>156</b>          | <b>7,889</b>      | <b>56</b>           |
| <b>Total (A+B)</b>                           |                |                     |                          |                     |               |                     |               |                     |                   |                     |
| <b>31.12.2021</b>                            | <b>368,552</b> | <b>8,184</b>        | <b>519,373</b>           | <b>7,338</b>        | <b>27,290</b> | <b>165</b>          | <b>18,624</b> | <b>172</b>          | <b>11,171</b>     | <b>30</b>           |

## Part E - Information on risks and related hedging policies

### B.3 Regulatory consolidation - Distribution of on-balance and off-balance sheet credit exposures with banks by geographic area

| EXPOSURES/GEOGRAPHIC AREAS                   | (€ million)   |                     |                          |                     |              |                     |               |                     |                   |                     |
|--|---------------|---------------------|--------------------------|---------------------|--------------|---------------------|---------------|---------------------|-------------------|---------------------|
|  | ITALY         |                     | OTHER EUROPEAN COUNTRIES |                     | AMERICA      |                     | ASIA          |                     | REST OF THE WORLD |                     |
|  | NET EXPOSURE  | OVERALL WRITE-DOWNS | NET EXPOSURE             | OVERALL WRITE-DOWNS | NET EXPOSURE | OVERALL WRITE-DOWNS | NET EXPOSURE  | OVERALL WRITE-DOWNS | NET EXPOSURE      | OVERALL WRITE-DOWNS |
| <b>A. On-balance sheet credit exposures</b>  |               |                     |                          |                     |              |                     |               |                     |                   |                     |
| A.1 Bad exposures                            | -             | -                   | -                        | -                   | -            | 4                   | -             | -                   | -                 | -                   |
| A.2 Unlikely to pay                          | -             | -                   | 102                      | 30                  | -            | -                   | -             | 1                   | -                 | -                   |
| A.3 Non-performing past-due                  | -             | -                   | -                        | -                   | -            | -                   | -             | -                   | -                 | -                   |
| A.4 Performing exposures                     | 60,546        | 1                   | 106,175                  | 63                  | 4,168        | -                   | 5,347         | 1                   | 1,493             | 1                   |
| <b>Total (A)</b>                             | <b>60,546</b> | <b>1</b>            | <b>106,277</b>           | <b>93</b>           | <b>4,168</b> | <b>4</b>            | <b>5,347</b>  | <b>2</b>            | <b>1,493</b>      | <b>1</b>            |
| <b>B. Off-balance sheet credit exposures</b> |               |                     |                          |                     |              |                     |               |                     |                   |                     |
| B.1 Non-performing exposures                 | -             | -                   | 39                       | 21                  | -            | -                   | -             | -                   | -                 | -                   |
| B.2 Performing exposures                     | 2,003         | -                   | 14,393                   | 11                  | 1,084        | -                   | 5,661         | 6                   | 1,815             | 2                   |
| <b>Total (B)</b>                             | <b>2,003</b>  | <b>-</b>            | <b>14,432</b>            | <b>32</b>           | <b>1,084</b> | <b>-</b>            | <b>5,661</b>  | <b>6</b>            | <b>1,815</b>      | <b>2</b>            |
| <b>Total (A+B)</b>                           |               |                     |                          |                     |              |                     |               |                     |                   |                     |
| <b>31.12.2022</b>                            | <b>62,549</b> | <b>1</b>            | <b>120,709</b>           | <b>125</b>          | <b>5,252</b> | <b>4</b>            | <b>11,008</b> | <b>8</b>            | <b>3,308</b>      | <b>3</b>            |
| <b>Totale (A+B)</b>                          |               |                     |                          |                     |              |                     |               |                     |                   |                     |
| <b>31.12.2021</b>                            | <b>89,697</b> | <b>2</b>            | <b>114,780</b>           | <b>15</b>           | <b>8,278</b> | <b>5</b>            | <b>14,415</b> | <b>8</b>            | <b>2,732</b>      | <b>2</b>            |

### B.4 Large exposures

|                                      | 31.12.2022 |
|--------------------------------------|------------|
| a) Amount book value (€ million)     | 255,094    |
| b) Amount weighted value (€ million) | 23,595     |
| c) Number                            | 12         |

The table refers to large exposures as defined by Regulation ((UE) n.575/2013 (CRR) and n.876/2019 (CRR2).

It is worth mentioning that both the amounts shown in letter a), b), and the number in letter c) in the table above include the exposure towards the Central Government only one time, differently from the requirement in Art.4.1 39 of Regulation (EU) No.575/2013 (CRR), which envisages that in case of exposures towards a group of connected clients formed by a Central Government and other groups of connected clients, such exposure towards the Central Government is repeatedly reported for each group of connected clients in the regulatory reporting.

It should be noted that deferred tax assets towards Central Government were considered as fully exempted and, as a consequence, the weighted amount reported is null.

## Part E - Information on risks and related hedging policies

### C. Securitisation transactions

#### Qualitative information

In securitisation transactions the Group plays, as the case may be, the role of originator, sponsor or investor.

#### The Group as originator

The Group's origination of traditional transactions consists in the sale of on-balance sheet receivables portfolios to vehicles set up as securitisation companies under Law 130/99 or similar non-Italian legislation.

The transferee company finances the purchase of the receivables portfolios by issuing bonds of varying seniority and transfers its issue proceeds to the Group<sup>69</sup>.

The yield and maturity of the bonds issued by the buyer therefore mainly depend on the cash flow expected from the assets being sold. As a further form of security to bondholders, these transactions may include special types of credit enhancement, e.g., subordinated loans, financial guarantees, standby letters of credit, etc.

The Group's objectives when carrying out these transactions are usually the following:

- to originate securities that can be used to secure refinancing transactions with Banca d'Italia and the ECB (counterbalancing capacity);
- to obtain funding through the placement of securities on the market. This also allows a diversification of the funding sources and of the investors' basis with improvements in reducing the cost of Group's funding;
- to free up economic and regulatory capital by carrying out transactions that reduce capital requirements under current rules by reducing credit risk of the underlying portfolio;
- to reduce the exposures towards non-performing customers;
- to optimise the recoveries of exposures portfolios towards non-performing customers, referring to specific asset classes (e.g. Pillarstone and Sandokan transactions);
- other purposes related for example to corporate re-organization, M&A or divestment's assets where the true sale securitisation is instrumental to the deleveraging and assets transfer.

The Group carries out both traditional securitisations whereby the receivables portfolio is sold to the SPV, as described above, and synthetic securitisations which use financial guarantees to purchase protection over all or part of the underlying credit risk of the portfolio. The latter, on the contrary to traditional securitisations, is not sold to vehicles but remains also legally within the Group. In this case, moreover, the financial guarantees purchased as protection of such loans are also booked on the balance sheet as well as the impacts on the income statement related to them.

Under traditional securitisations generally the Group, in addition to provide in some cases servicing role, retains the first loss in the form of junior bonds or similar exposure and in some cases provides further credit enhancement as described above. This enables the Group to benefit from the portion of the sold receivables' yield in excess of the yield due to the senior and mezzanine tranches.

Retention by the Group of the overall first loss risk and the corresponding yield means that most of the risk and return on the portfolio is retained in these cases. Consequently these transactions are recognised in the accounts as loans and no profits arising out of the transfer of the assets are recognised as well as the sold receivables are not derecognised.

In the consolidated financial statements, exposure to the variability of the cash flows deriving from maintenance of the excess rewards of the portfolio and of the first loss risk, together with the role of servicer of the underlying assets, determines in general control by the Group over these securitisation vehicles. Therefore they are subject to full consolidation.

Differently, in order to improve the quality of its assets and optimise the capital allocation, the Group also carries out transactions that involve the portfolios' derecognition and/or the related significant risk transfer, by subscribing a limited portion of securities issued by vehicles of securitisation or keeping a minimum percentage of the portfolio, in compliance with the rules for maintaining a net economic interest in the securitisation transaction according to the current regulatory requirements (Retention Rule).

<sup>69</sup> The legislation also foresees other securitisation structures in which the proceeds deriving from the issue of a single class or classes of securities (or from other alternative forms of funding, such as through the taking of deposits), are used by the vehicle for the granting of a loan to the Originator of the assets; in any case, however, the repayment of the loan is guaranteed by the proceeds of the same assets, which are returned to the vehicle.

## Part E - Information on risks and related hedging policies

The Group's main objectives in its securitisation transactions (whether traditional or synthetic) until 2007 were the optimisation of the loan portfolio by freeing up regulatory and economic capital and obtaining fresh liquidity together with greater diversification of its sources of funding. The crisis in the markets experienced since the second half of 2007 made it advisable to use traditional securitisation as a means of increasing counterbalancing capacity, i.e. the availability of assets that can be readily used to create liquidity, by retaining the securities issued by the vehicle within the Group. Moreover traditional securitisations have been used also for corporate re-organisation's or divestment's purposes, for assets deleveraging, for business projects' purposes, for boosting recovery's activity through the recourse to specialised management companies external to the Group and for accelerating the sale of non-performing loans as well.

The assessment process on the realisation of securitisation transactions is carried out within the Parent in close cooperation with the Group originator entities involved and with UniCredit Bank AG, as preferred counterparty, as Arranger and potential Investment Banking. This process requires an economic feasibility study to assess the impact of transactions (according to their nature and aims), on regulatory and economic capital, on risk-adjusted profitability measures, on the level of liquidity and on the Group's asset quality. If this initial phase produces a positive result, a technical and operational feasibility study is carried out to identify the assets to be securitised and define the structure of the transaction. Once technical feasibility has been established, the transaction is realised.

Eventually it should be noted that "self-securitisations" and transactions in warehousing phase are not included in the quantitative tables of this paragraph (C. Securitisation transactions), as required by regulations.

### **Developments of the period**

During 2022, the Group carried out various traditional and synthetic securitisation transactions with the aim of optimizing risk-weighted assets and improving the related ROAC in line with the provisions of the 2022-2024 UniCredit Unlocked plan.

Anyway, the Group makes limited use of this type of transactions. The amount of securitised loans<sup>70</sup>, net of the transactions in which the Group has acquired all the liabilities issued by the SPVs (the so-called self-securitisations), accounts for 2.45% of the Group's credit portfolio. Self-securitisations in turn account for 4.69% of the loan portfolio.

During 2022 the Group carried out 11 new transactions, of which 5 traditional and 6 synthetic ones:

- PEVA (A.R.T.S. Large Corporate S.r.l.) - traditional (originator UniCredit S.p.A.);
- Panthers (Altea SPV S.r.l.) - traditional (originator UniCredit S.p.A.);
- Itaca - traditional (originator UniCredit S.p.A.);
- Consumer IV - traditional (originator UniCredit S.p.A.);
- Rosenkavalier 2022 - traditional (self-securitisation - originator UniCredit Bank AG);
- A.R.T.S. Large Corporate 2022 - synthetic (originator UniCredit S.p.A.);
- A.R.T.S. MidCap 2022 - synthetic (originator UniCredit S.p.A.);
- A.R.T.S. Re.Mo. 2022 - 1 - synthetic (originator UniCredit S.p.A.);
- A.R.T.S. Re.Mo. 2022 - 2 - synthetic (originator UniCredit S.p.A.);
- Tucherpark 2022 - synthetic (originator UniCredit Bank AG);
- Bulbank Synthetic 2022 - synthetic (originator UniCredit Bulbank AD).

Details are given in the tables published in the "Annexes", which also describe transactions, traditional and synthetic, carried out in previous financial years.

### **The Group as sponsor**

The Group defines the role of sponsor as that performed by an entity, other than the transferor, which organises and administers a securitisation or asset-backed commercial paper structure in which financial assets are purchased from third parties.

The Group acts as sponsor of asset backed commercial paper vehicles (i.e. commercial paper issuing conduits) set-up in order to allow customers the access to the securitisations' market (multi-seller Customer conduits).

Customer conduits require the formation and management of a bankruptcy-remote company (i.e. one that would be immune from any financial difficulties of the originator) which directly or indirectly buys receivables created by companies outside the Group.

The receivables underlying these transactions are not bought directly by the conduit set up by the Group, but by a purchase company which in turn is wholly funded by the conduit by means of commercial paper or Medium Term Notes (MTN).

In some circumstances purchase companies fund further SPVs which buy loan portfolio.

<sup>70</sup> It refers to loans sold, also synthetically, but not derecognised from balance sheet.

## Part E - Information on risks and related hedging policies

The main purpose of these transactions is to give corporate customers access to the securitisation market and thus to lower funding costs than would be borne with direct funding.

The conduits' purchase of assets is financed by short-term commercial paper and Medium Term Note (MTN) issues.

Payment of interest and redemption of the securities issued by the conduit therefore depends on cash flow from the receivables purchased (credit risk) and the ability of the conduit to roll over or replace its market funding on maturity (liquidity risk).

To guarantee prompt redemption of the securities issued by the conduit, these transactions are guaranteed by a standby letter of credit covering the risk of default both of specific assets and of the whole programme.

The underwriters of issued securities also benefit from security provided by specific liquidity lines which the conduit may use if it unable to place new commercial paper to repay maturing paper, e.g. during market turmoil.

These liquidity lines may not however be used to guarantee redemption of securities issued by the conduit in the event of default by the underlying assets.

In its role as sponsor, the Group selects the asset portfolios purchased by conduits or purchase companies, provides administration of the assets and both standby letters of credit and liquidity lines and purchases commercial papers issued when required by market conditions.

For these services the Group receives fees and also benefits from the spread between the return on the assets purchased by the SPV and the securities issued.

These circumstances put the Group in the condition of having the power over the assets of the conduits and being at the same time exposed to the variability deriving from such assets. Therefore, the conduits sponsored by the Group have come within the perimeter of consolidation starting from 2007, in application of the conditions provided for in IFRS10 and previously by SIC12.

In addition to the Customer Conduits, purchase companies may also be consolidated if the Group is exposed to the variability of yields deriving from funding provided directly or indirectly, through the conduit, and also has the power to manage the underlying assets.

### **The Group as investor**

The Group also invests in structured credit products issued by special-purpose entities that are not consolidated pursuant to the accounting rules in force, insofar as such instruments do not bear most of the risk or receive most of the returns associated with the activity carried out by these special-purpose entities.

With regard to these activities, the Group holds within the Global ABS portfolio exposures of securitisations established by third-parties such as RMBS, CMBS, CDO, CBO/CLO and other ABS.

In line with the development of the financial markets and, specifically, the securitisation market, the Global ABS Portfolio was transformed from a separate portfolio in liquidation to strategic investment portfolio for the Group in 2011 and was integrated into the Markets Strategic Portfolio ("MSP"), managed with a view to generating a profit margin and creating an appreciable capital return through long-term investments in fixed-income securities.

The development of client-related operations is also an integral part of MSP activities and includes actions to strengthen the customer base and support securitisations. This portfolio is subject to monitoring and reporting by the business and risk management functions. All activities relating to the MSP are carried out in conformity with established policies and procedures, specifically credit approval procedures.

The analysis of investments in ABS focuses specifically on the following elements:

- structural analysis of all internal and external risks inherent to a similar investment, e.g. Default Risk, Dilution Risk, Residual Value Risk, Servicer Risk, Interest Rate Risk, Liquidity Risk, Commingling Risk, Legal Risk, Adequacy of performance triggers, etc. These risks may differ according to the underlying assets class;
- analysis of the underlying portfolio, including the analysis of all performance indicators significant for each underlying asset class;
- cash flows/quantitative analysis/modelling;
- credit rating and experience of the participants e.g. vendor/servicer - financial soundness, capacity and availability to service assets.

## Part E - Information on risks and related hedging policies

### Quantitative information

The tables below do not include information on the so-called "self-securitisations", i.e. securitisation transactions in which the Group has acquired all the liabilities issued by the SPVs, and transactions in warehousing phase.

#### C.1 Regulatory consolidation - Exposure from the main "in-house" securitisation transaction broken down by type of securitised asset and by type of exposure

(€ million)

| TYPE OF SECURITISED ASSETS/EXPOSURE | BALANCE-SHEET EXPOSURE |                             |                   |                             |                   |                             |
|-------------------------------------|------------------------|-----------------------------|-------------------|-----------------------------|-------------------|-----------------------------|
|                                     | SENIOR                 |                             | MEZZANINE         |                             | JUNIOR            |                             |
|                                     | CARRYING VALUE         | WRITE-DOWNS/<br>WRITE-BACKS | CARRYING<br>VALUE | WRITE-DOWNS/<br>WRITE-BACKS | CARRYING<br>VALUE | WRITE-DOWNS/<br>WRITE-BACKS |
| <b>A. Totally derecognised</b>      | <b>2,904</b>           | <b>-</b>                    | <b>52</b>         | <b>-</b>                    | <b>21</b>         | <b>-</b>                    |
| A.1 Residential mortgages           | 568                    | -                           | 2                 | -                           | -                 | -                           |
| A.2 Loans to corporates             | 1,022                  | -                           | 15                | -                           | 1                 | -                           |
| A.3 Loans to SME                    | 925                    | -                           | 33                | -                           | 20                | -                           |
| A.4 Leasing                         | 389                    | -                           | 2                 | -                           | -                 | -                           |
| <b>B. Partially derecognised</b>    | <b>-</b>               | <b>-</b>                    | <b>6</b>          | <b>-</b>                    | <b>11</b>         | <b>-2</b>                   |
| B.1 Loans to SME                    | -                      | -                           | 6                 | -                           | 11                | -2                          |
| <b>C. Not-derecognised</b>          | <b>11,618</b>          | <b>-</b>                    | <b>176</b>        | <b>-</b>                    | <b>852</b>        | <b>36</b>                   |
| C.1 Residential mortgages           | 3,044                  | -                           | 88                | -                           | 608               | 35                          |
| C.2 Loans to corporates             | 5,294                  | -                           | -                 | -                           | -                 | -                           |
| C.3 Loans to SME                    | 3,270                  | -                           | 88                | -                           | 195               | -3                          |
| C.4 Leasing                         | -                      | -                           | -                 | -                           | 16                | -                           |
| C.5 Consumer loans                  | 10                     | -                           | -                 | -                           | 33                | 4                           |

Possible write-downs and write-backs, including depreciations and revaluations posted on the income statement or to reserves, refer to financial year 2022 only.

continued C.1 Regulatory consolidation - Exposure from the main "in-house" securitisation transaction broken down by type of securitised asset and by type of exposure

| TYPE OF SECURITISED ASSETS/EXPOSURE | GUARANTEES GIVEN |                             |              |                             |              |                             |
|-------------------------------------|------------------|-----------------------------|--------------|-----------------------------|--------------|-----------------------------|
|                                     | SENIOR           |                             | MEZZANINE    |                             | JUNIOR       |                             |
|                                     | NET EXPOSURE     | WRITE-DOWNS/<br>WRITE-BACKS | NET EXPOSURE | WRITE-DOWNS/<br>WRITE-BACKS | NET EXPOSURE | WRITE-DOWNS/<br>WRITE-BACKS |
| <b>A. Totally derecognised</b>      | <b>-</b>         | <b>-</b>                    | <b>-</b>     | <b>-</b>                    | <b>-</b>     | <b>-</b>                    |
| A.1 Residential mortgages           | -                | -                           | -            | -                           | -            | -                           |
| A.2 Loans to corporates             | -                | -                           | -            | -                           | -            | -                           |
| A.3 Loans to SME                    | -                | -                           | -            | -                           | -            | -                           |
| A.4 Leasing                         | -                | -                           | -            | -                           | -            | -                           |
| <b>B. Partially derecognised</b>    | <b>-</b>         | <b>-</b>                    | <b>-</b>     | <b>-</b>                    | <b>-</b>     | <b>-</b>                    |
| B.1 Loans to SME                    | -                | -                           | -            | -                           | -            | -                           |
| <b>C. Not-derecognised</b>          | <b>-</b>         | <b>-</b>                    | <b>-</b>     | <b>-</b>                    | <b>-</b>     | <b>-</b>                    |
| C.1 Residential mortgages           | -                | -                           | -            | -                           | -            | -                           |
| C.2 Loans to corporates             | -                | -                           | -            | -                           | -            | -                           |
| C.3 Loans to SME                    | -                | -                           | -            | -                           | -            | -                           |
| C.4 Leasing                         | -                | -                           | -            | -                           | -            | -                           |
| C.5 Consumer loans                  | -                | -                           | -            | -                           | -            | -                           |



## Part E - Information on risks and related hedging policies

continued C.1 Regulatory consolidation - Exposure from the main "in-house" securitisation transaction broken down by type of securitised asset and by type of exposure

| TYPE OF SECURITISED ASSETS/EXPOSURE | CREDIT FACILITIES |                             |              |                             |              |                             |
|-------------------------------------|-------------------|-----------------------------|--------------|-----------------------------|--------------|-----------------------------|
|                                     | SENIOR            |                             | MEZZANINE    |                             | JUNIOR       |                             |
|                                     | NET EXPOSURE      | WRITE-DOWNS/<br>WRITE-BACKS | NET EXPOSURE | WRITE-DOWNS/<br>WRITE-BACKS | NET EXPOSURE | WRITE-DOWNS/<br>WRITE-BACKS |
| <b>A. Totally derecognised</b>      | -                 | -                           | -            | -                           | -            | -                           |
| A.1 Residential mortgages           | -                 | -                           | -            | -                           | -            | -                           |
| A.2 Loans to corporates             | -                 | -                           | -            | -                           | -            | -                           |
| A.3 Loans to SME                    | -                 | -                           | -            | -                           | -            | -                           |
| A.4 Leasing                         | -                 | -                           | -            | -                           | -            | -                           |
| <b>B. Partially derecognised</b>    | -                 | -                           | -            | -                           | -            | -                           |
| B.1 Loans to SME                    | -                 | -                           | -            | -                           | -            | -                           |
| <b>C. Not-derecognised</b>          | -                 | -                           | -            | -                           | -            | -                           |
| C.1 Residential mortgages           | -                 | -                           | -            | -                           | -            | -                           |
| C.2 Loans to corporates             | -                 | -                           | -            | -                           | -            | -                           |
| C.3 Loans to SME                    | -                 | -                           | -            | -                           | -            | -                           |
| C.4 Leasing                         | -                 | -                           | -            | -                           | -            | -                           |
| C.5 Consumer loans                  | -                 | -                           | -            | -                           | -            | -                           |

With reference to transactions with own underlying assets it should be noted that the decrease in balance-sheet net exposures relating to transactions not derecognised and partially derecognised to €904 million as at December 2022 from €1,205 million as at December 2021 was due to the natural development of the transactions only partially offset by the new traditional transaction Consumer IV.

Moreover, the increase in balance-sheet net exposures concerning synthetic transactions from €4,041 million in December 2021 to €11,759 million in December 2022 was due to six new transactions called A.R.T.S. Large Corporate 2022, A.R.T.S. MidCap 2022, A.R.T.S. Re.Mo. 2022 - 1, A.R.T.S. Re.Mo. 2022 - 2, Tucherpark 2022 and Bulbank Synthetic 2022 in addition to the natural development of the other synthetic transactions.

Finally, it should be noted that:

- the net balance-sheet exposure totally derecognised refers to the securitisations of FINO Project, to the traditional securitisations Prisma, Relais 2020, Olympia and to the new traditional securitisations PEVA, Panthers and Itaca, for which see the information provided in the tables published in the "Annexes";
- the net balance-sheet exposure partially derecognised refers to the transaction Pillarstone Italy - Premuda.

C.2 Regulatory consolidation - Exposure resulting from the main third-party securitisation transactions broken down by type of securitised asset and by type of exposure

(€ million)

| TYPE OF SECURITISED ASSETS/EXPOSURE | BALANCE-SHEET EXPOSURE |                             |                   |                             |                   |                             |
|-------------------------------------|------------------------|-----------------------------|-------------------|-----------------------------|-------------------|-----------------------------|
|                                     | SENIOR                 |                             | MEZZANINE         |                             | JUNIOR            |                             |
|                                     | CARRYING<br>VALUE      | WRITE-DOWNS/<br>WRITE-BACKS | CARRYING<br>VALUE | WRITE-DOWNS/<br>WRITE-BACKS | CARRYING<br>VALUE | WRITE-DOWNS/<br>WRITE-BACKS |
| A.1 Residential mortgages           | 1,347                  | -                           | 13                | -                           | -                 | -                           |
| A.2 Commercial mortgages            | 23                     | -                           | 25                | -                           | -                 | -                           |
| A.3 Loans to SME(*)                 | 4,613                  | -                           | 3                 | -                           | 24                | -                           |
| A.4 Leasing(*)                      | 561                    | -                           | -                 | -                           | -                 | -                           |
| A.5 Consumer loans(*)               | 6,638                  | -                           | -                 | -                           | -                 | -                           |
| A.6 Other retail exposures          | 22                     | -                           | -                 | -                           | 2                 | -                           |
| A.7 Trade receivables(*)            | 3,850                  | -                           | -                 | -                           | 3                 | -                           |

Note:

(\*) Included exposures of subsidiaries subject to consolidation, but not belonging to the banking group.

Possible write-downs and write-backs, including depreciations and revaluations posted on the income statement or to reserves, refer to financial year 2022 only.

## Part E - Information on risks and related hedging policies

continued C.2 Regulatory consolidation - Exposure resulting from the main third-party securitisation transactions broken down by type of securitised asset and by type of exposure

| TYPE OF SECURITISED ASSETS/EXPOSURE | GUARANTEES GIVEN |                             |              |                             |              |                             |
|-------------------------------------|------------------|-----------------------------|--------------|-----------------------------|--------------|-----------------------------|
|                                     | SENIOR           |                             | MEZZANINE    |                             | JUNIOR       |                             |
|                                     | NET EXPOSURE     | WRITE-DOWNS/<br>WRITE-BACKS | NET EXPOSURE | WRITE-DOWNS/<br>WRITE-BACKS | NET EXPOSURE | WRITE-DOWNS/<br>WRITE-BACKS |
| A.1 Residential mortgages           | -                | -                           | -            | -                           | -            | -                           |
| A.2 Commercial mortgages            | -                | -                           | -            | -                           | -            | -                           |
| A.3 Loans to SME (*)                | -                | -                           | -            | -                           | -            | -                           |
| A.4 Leasing (*)                     | -                | -                           | -            | -                           | -            | -                           |
| A.5 Consumer loans (*)              | -                | -                           | -            | -                           | -            | -                           |
| A.6 Other retail exposures          | -                | -                           | -            | -                           | -            | -                           |
| A.7 Trade receivables (*)           | -                | -                           | -            | -                           | -            | -                           |

continued C.2 Regulatory consolidation - Exposure resulting from the main third-party securitisation transactions broken down by type of securitised asset and by type of exposure

| TYPE OF SECURITISED ASSETS/EXPOSURE | CREDIT FACILITIES |                             |              |                             |              |                             |
|-------------------------------------|-------------------|-----------------------------|--------------|-----------------------------|--------------|-----------------------------|
|                                     | SENIOR            |                             | MEZZANINE    |                             | JUNIOR       |                             |
|                                     | NET EXPOSURE      | WRITE-DOWNS/<br>WRITE-BACKS | NET EXPOSURE | WRITE-DOWNS/<br>WRITE-BACKS | NET EXPOSURE | WRITE-DOWNS/<br>WRITE-BACKS |
| A.1 Residential mortgages           | -                 | -                           | -            | -                           | -            | -                           |
| A.2 Commercial mortgages            | -                 | -                           | -            | -                           | -            | -                           |
| A.3 Loans to SME(*)                 | 590               | -                           | -            | -                           | -            | -                           |
| A.4 Leasing(*)                      | 1,421             | -                           | -            | -                           | -            | -                           |
| A.5 Consumer loans(*)               | 123               | -                           | -            | -                           | -            | -                           |
| A.6 Other retail exposures          | -                 | -                           | -            | -                           | -            | -                           |
| A.7 Trade receivables(*)            | 559               | -                           | 27           | -                           | -            | -                           |

The transactions with third-party underlying assets are those in which the Group acts as sponsor, lender or investor.

With reference to transactions in which the Group acts as sponsor, the total amount of net exposure is equal to €6,060 million (€7,396 million as at 31 December 2021), broken down into asset backed commercial paper and loans for €3,451 million and undrawn credit lines for €2,609 million. It should be noted that the lines of credit shown are the difference between total credit lines granted and the amount of commercial paper and loans underwritten by the Group. This figure is the additional risk exposure incurred by the Group in addition to the underwritten commercial paper and loans.

With reference to transactions in which the Group acts as investor, refer to the subsequent tables 'Exposures toward other consolidated SPVs' and "C.4 Regulatory consolidation - Special Purpose Vehicles for securitisation not subject to consolidation" that shows the exposure of the Group toward these SPVs.

With reference to sponsor exposures the following table provides information about exposures held toward consolidated conduits in which the Group acts as sponsor.

## Part E - Information on risks and related hedging policies

## Exposures sponsored by the Group

(€ million)

|  | AMOUNTS AS AT 31.12.2022 |
|--|--------------------------|
| <b>Asset Backed Commercial Paper/Loans</b>     | <b>3,451</b>             |
| - Arabella Finance DAC                         | 3,099                    |
| - Elektra Purchase No. 28 DAC                  | -                        |
| - Elektra Purchase No. 31 DAC                  | -                        |
| - Elektra Purchase No. 32 S.A. - Compartment 1 | -                        |
| - Elektra Purchase No. 33 DAC                  | -                        |
| - Elektra Purchase No. 36 DAC                  | -                        |
| - Elektra Purchase No. 37 DAC                  | -                        |
| - Elektra Purchase No. 38 DAC                  | -                        |
| - Elektra Purchase No. 43 DAC                  | -                        |
| - Elektra Purchase No. 46 DAC                  | -                        |
| - Elektra Purchase No. 54 DAC                  | -                        |
| - Elektra Purchase No. 56 DAC                  | 347                      |
| - Elektra Purchase No. 57 DAC                  | 5                        |
| - Elektra Purchase No. 64 DAC                  | -                        |
| - Elektra Purchase No. 69 DAC                  | -                        |
| - Elektra Purchase No. 71 DAC                  | -                        |
| - Elektra Purchase No. 74 DAC                  | -                        |
| - Elektra Purchase No. 350 DAC                 | -                        |
| - Elektra Purchase No. 911 DAC                 | -                        |
| <b>Credit facilities</b>                       | <b>1,521</b>             |
| - Arabella Finance DAC                         | -                        |
| - Elektra Purchase No. 28 DAC                  | 85                       |
| - Elektra Purchase No. 31 DAC                  | 44                       |
| - Elektra Purchase No. 32 S.A. - Compartment 1 | 167                      |
| - Elektra Purchase No. 33 DAC                  | 132                      |
| - Elektra Purchase No. 36 DAC                  | 257                      |
| - Elektra Purchase No. 37 DAC                  | 53                       |
| - Elektra Purchase No. 38 DAC                  | 83                       |
| - Elektra Purchase No. 43 DAC                  | 117                      |
| - Elektra Purchase No. 46 DAC                  | 56                       |
| - Elektra Purchase No. 54 DAC                  | 21                       |
| - Elektra Purchase No. 56 DAC                  | 16                       |
| - Elektra Purchase No. 57 DAC                  | 36                       |
| - Elektra Purchase No. 64 DAC                  | 56                       |
| - Elektra Purchase No. 69 DAC                  | 24                       |
| - Elektra Purchase No. 71 DAC                  | 89                       |
| - Elektra Purchase No. 74 DAC                  | 112                      |
| - Elektra Purchase No. 350 DAC                 | 28                       |
| - Elektra Purchase No. 911 DAC                 | 145                      |

The lines of credit shown are the difference between total credit lines granted and the amount of commercial paper and loans underwritten by the Group. This figure is the additional risk exposure incurred by the Group in addition to the underwritten commercial paper.

Moreover, it should be noted that as at 31 December 2022 there were 4 SPVs of third parties securitisations, Ice Creek Pool No.1 DAC, Ice Creek Pool No.3 DAC, Ice Creek Pool No.5 DAC and PaDel Finance 01 DAC where the Group acts as lender or investor, and subject to consolidation. Exposures to these vehicles amount to €1,202 million of cash exposures and €42 million of credit lines.

## Part E - Information on risks and related hedging policies

## C.3 SPVs for securitisations

(€ million)

| NAME OF SECURITISATION/NAME OF VEHICLE              | COUNTRY OF INCORPORATION   | CONSOLIDATION | ASSETS                |                 |        | LIABILITIES |           |        |
|---|--|---------------|-----------------------|-----------------|--------|-------------|-----------|--------|
|   |  |               | LOANS AND RECEIVABLES | DEBT SECURITIES | OTHERS | SENIOR      | MEZZANINE | JUNIOR |
| Arabella Finance DAC                                | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | Y             | 4,710                 | -               | -      | 4,699       | -         | -      |
| Capital Mortgage S.r.l. - CAPITAL MORTGAGE 2007 - 1 | Piazzetta Monte 1 - 37121 Verona                                     | Y             | 341                   | -               | 56     | 216         | 74        | 67     |
| Condusio RMBS Securitisation S.r.l.                 | Piazzetta Monte 1 - 37121 Verona                                     | Y             | 352                   | -               | 15     | 82          | 236       | 2      |
| Elektra Purchase No. 28 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | Y             | 183                   | -               | 0      | 183         | -         | -      |
| Elektra Purchase No. 31 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | Y             | 0                     | -               | 0      | -           | -         | -      |
| Elektra Purchase No. 32 S.A. - Compartment 1        | 52-54 avenue du X Septembre, L-2550 Luxembourg                       | Y             | 289                   | -               | -      | 289         | -         | -      |
| Elektra Purchase No. 33 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | Y             | 67                    | -               | 0      | 67          | -         | -      |
| Elektra Purchase No. 36 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | Y             | 550                   | -               | 0      | 550         | -         | -      |
| Elektra Purchase No. 37 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | Y             | 112                   | -               | 0      | 112         | -         | -      |
| Elektra Purchase No. 38 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | Y             | 117                   | -               | 0      | 117         | -         | -      |
| Elektra Purchase No. 43 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | Y             | 220                   | -               | 0      | 220         | -         | -      |
| Elektra Purchase No. 46 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | Y             | 64                    | -               | 0      | 64          | -         | -      |
| Elektra Purchase No. 54 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | Y             | 45                    | -               | 0      | 45          | -         | -      |
| Elektra Purchase No. 56 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | Y             | 372                   | -               | 0      | 372         | -         | -      |
| Elektra Purchase No. 57 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | Y             | 66                    | -               | 8      | 73          | -         | -      |
| Elektra Purchase No. 64 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | Y             | 117                   | -               | 0      | 117         | -         | -      |
| Elektra Purchase No. 69 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | Y             | 50                    | -               | 0      | 50          | -         | -      |
| Elektra Purchase No. 71 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | Y             | 139                   | -               | 0      | 139         | -         | -      |
| Elektra Purchase No. 74 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | Y             | 180                   | -               | 0      | 180         | -         | -      |
| Elektra Purchase No. 350 DAC                        | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | Y             | 49                    | -               | 0      | 49          | -         | -      |
| Elektra Purchase No. 911 DAC                        | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | Y             | 310                   | -               | 0      | 310         | -         | -      |
| F-E Mortgages S.r.l. - 2005                         | Piazzetta Monte 1 - 37121 Verona                                     | Y             | 98                    | -               | 13     | 12          | 37        | 32     |
| Ice Creek Pool No. 1 DAC                            | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | Y             | 235                   | -               | -      | 234         | -         | -      |
| Ice Creek Pool No. 3 DAC                            | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | Y             | 249                   | -               | -      | 249         | -         | -      |
| Ice Creek Pool No. 5 DAC                            | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | Y             | 287                   | -               | -      | 287         | -         | -      |
| PaDel Finance 01 DAC                                | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | Y             | 430                   | -               | -      | 430         | -         | -      |
| SUCCESS 2015 B.V.                                   | Barbara Strozzielaan 101, 1083HN Amsterdam                           | Y             | 15                    | -               | 0      | -           | -         | 11     |
| ALTEA SPV S.R.L.                                    | VIA VALTELLINA,15/17, 20159 MILANO                                   | N             | 563                   | -               | 100    | 497         | 148       | 22     |
| ARCOBALENO FINANCE SRL                              | FORO BUONAPARTE,70 20121 MILANO                                      | N             | 29                    | -               | 3      | -           | -         | 39     |
| ARTS Consumer S.r.l.                                | VIALE DELL'AGRICOLTURA 7, 37135 VERONA                               | N             | 789                   | -               | 73     | 682         | 179       | 0      |
| ARTS LARGE CORPORATE S.R.L.                         | VIA VITTORIO ALFIERI 1, 31015 CONEGLIANO (TV)                        | N             | 933                   | -               | 186    | 1,017       | -         | 89     |
| CREDIARC SPV SRL                                    | FORO BUONAPARTE,70 20121 MILANO                                      | N             | 9                     | -               | 1      | 1           | -         | 26     |
| Elektra Purchase No. 8 Limited                      | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | N             | 160                   | -               | 0      | 160         | -         | -      |
| Elektra Purchase No.17 S.A. (RE COMPARTMENT 14)     | 52-54 avenue du X Septembre, L-2550 Luxembourg                       | N             | 29                    | -               | 0      | 29          | -         | -      |
| Elektra Purchase No.17 S.A. (Re Compartment 18)     | 52-54 avenue du X Septembre, L-2550 Luxembourg                       | N             | 41                    | -               | 0      | 41          | -         | -      |
| Elektra Purchase No. 25 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | N             | 174                   | -               | 0      | 174         | -         | -      |
| Elektra Purchase No. 29 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | N             | 329                   | -               | 0      | 329         | -         | -      |
| Elektra Purchase No. 41 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | N             | 53                    | -               | 0      | 53          | -         | -      |
| Elektra Purchase No. 45 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | N             | 177                   | -               | 0      | 177         | -         | -      |
| Elektra Purchase No. 60 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | N             | 111                   | -               | 0      | 111         | -         | -      |
| Elektra Purchase No. 61 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | N             | 28                    | -               | 0      | 28          | -         | -      |
| Elektra Purchase No. 62 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | N             | 417                   | -               | 0      | 417         | -         | -      |
| Elektra Purchase No. 65 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | N             | 45                    | -               | 0      | 45          | -         | -      |
| Elektra Purchase No. 66 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | N             | 43                    | -               | 0      | 43          | -         | -      |
| Elektra Purchase No. 68 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | N             | 32                    | -               | 0      | 32          | -         | -      |
| Elektra Purchase No. 70 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | N             | 37                    | -               | 0      | 37          | -         | -      |
| Elektra Purchase No. 72 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | N             | 34                    | -               | 0      | 34          | -         | -      |
| Elektra Purchase No. 73 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | N             | 162                   | -               | 0      | 162         | -         | -      |
| Elektra Purchase No. 75 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | N             | 85                    | -               | 0      | 85          | -         | -      |
| Elektra Purchase No. 76 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | N             | 119                   | -               | 0      | 119         | -         | -      |
| Elektra Purchase No. 77 DAC                         | 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland | N             | 22                    | -               | 0      | 22          | -         | -      |
| FCT GK Compartment 2                                | 12 RUE JAMES WATT, 93200   | N             | 174                   | -               | 0      | 174         | -         | -      |
| FINO 1 SECURITISATION SRL                           | VIALE LUIGI MAJNO 45, 20122 MILANO                                   | N             | 198                   | -               | 47     | 21          | 70        | 50     |
| FINO 2 SECURITISATION SRL                           | VIALE LUIGI MAJNO 45, 20122 MILANO                                   | N             | 117                   | -               | 318    | 185         | 201       | 40     |
| GREENE KING FINANCE PLC                             | 8th Floor 100 Bishopsgate, London, United Kingdom, EC2N 4AG          | N             | 130                   | -               | 0      | 130         | -         | -      |
| ITACA SPV S.R.L.                                    | VIA VITTORIO ALFIERI 1, 31015 CONEGLIANO (TV)                        | N             | 863                   | -               | 75     | 125         | 24        | 6      |
| OLYMPIA SPV S.R.L.                                  | VIA VITTORIO ALFIERI 1, 31015 Conegliano                             | N             | 249                   | -               | 69     | 225         | 26        | 3      |
| ONIF FINANCE SRL                                    | VIA ALESSANDRO PESTALOZZA 12/14, 20131 MILANO                        | N             | 175                   | -               | 29     | -           | 31        | 123    |
| Pillarstone Italy SPV S.r.l. - Premuda              | Via Pietro Mascagni 14, 20122 MILANO                                 | N             | 61                    | -               | 35     | 1           | 180       | 91     |
| Pillarstone Italy SPV S.r.l. - Rainbow              | Via Pietro Mascagni 14, 20122 MILANO                                 | N             | 53                    | -               | 0      | 1           | 51        | 106    |
| PILOT 2017-A LLC                                    | 1209 Orange Street, 19801 Wilmington.                                | N             | 134                   | -               | 0      | 134         | -         | -      |
| PRISMA SPV S.R.L.                                   | VIA MARIO CARLUCCI 131, Roma   | N             | 394                   | -               | 368    | 609         | 80        | 30     |
| RELAIS SPV S.r.l.                                   | VIA VITTORIO ALFIERI 1, 31015 Conegliano                             | N             | 503                   | -               | 5      | 354         | 91        | 10     |
| Sestante Finance S.r.l.                             | Via Borromei, 5 - 20123 Milano                                       | N             | 139                   | -               | -      | 89          | 90        | 9      |
| YANEZ SPV S.R.L. - SANDOKAN                         | VIA VITTORIO ALFIERI 1, 31015 Conegliano                             | N             | 217                   | -               | 907    | 0           | 196       | 928    |
| YANEZ SPV S.R.L. - SANDOKAN 2                       | VIA VITTORIO ALFIERI 1, 31015 Conegliano                             | N             | 237                   | -               | 694    | 0           | 94        | 837    |

## Part E - Information on risks and related hedging policies

**C.4 Regulatory consolidation - Special Purpose Vehicles for securitisation not subject to consolidation**

As mentioned before in the context of securitisation transactions the Group may operate as investor, sponsor and originator.

The following table provides indication on assets and liabilities recognised in the balance sheet as well as off-balance exposures of the Group toward non-consolidated securitisation vehicles and broken down by role of the Group. The maximum exposure to loss has been calculated by grossing up the difference between assets and liabilities with off-balance sheet positions, irrevocable credit lines and financial guarantees, held toward these vehicles and reported in column "difference between maximum exposure to loss and accounting value".

**Exposures to Securitisation SPVs not subject to consolidation**

| AMOUNTS AS AT 31.12.2022                   |                               |                  |                                    |                       |                              |                              | (€ 'million)   |
|--|-------------------------------|------------------|------------------------------------|-----------------------|------------------------------|------------------------------|--|
| BALANCE SHEET ITEM/SPV TYPE                | ACCOUNTING PORTFOLIO (ASSETS) | TOTAL ASSETS (A) | ACCOUNTING PORTFOLIO (LIABILITIES) | TOTAL LIABILITIES (B) | NET ACCOUNTING VALUE (C=A-B) | MAXIMUM EXPOSURE TO LOSS (D) | DIFFERENCE BETWEEN MAXIMUM EXPOSURE TO LOSS AND ACCOUNTING VALUE (E=D-C) |
| <b>ABS Issuing vehicles (Investor)</b>     |                               | <b>12,356</b>    |                                    | <b>100</b>            | <b>12,256</b>                | <b>12,318</b>                | <b>62</b>  |
|  | HFT                           | -                | Deposits                           | 100                   |                              |                              |  |
|  | DFV                           | -                | Securities                         | -                     |                              |                              |  |
|  | MFV                           | 50               | HFT                                | -                     |                              |                              |  |
|  | FVOCI                         | -                | DFV                                | -                     |                              |                              |  |
|  | AC                            | 12,306           |                                    |                       |                              |                              |  |
| <b>Commercial Paper Conduits (Sponsor)</b> |                               | <b>115</b>       |                                    | <b>90</b>             | <b>25</b>                    | <b>2,399</b>                 | <b>2,374</b>   |
|  | HFT                           | -                | Deposits                           | 90                    |                              |                              |  |
|  | DFV                           | -                | Securities                         | -                     |                              |                              |  |
|  | MFV                           | 3                | HFT                                | -                     |                              |                              |  |
|  | FVOCI                         | -                | DFV                                | -                     |                              |                              |  |
|  | AC                            | 112              |                                    |                       |                              |                              |  |
| <b>Own securitisations (Originator)</b>    |                               | <b>3,489</b>     |                                    | <b>865</b>            | <b>2,624</b>                 | <b>2,624</b>                 | <b>-</b>   |
|  | HFT                           | -                | Deposits                           | 865                   |                              |                              |  |
|  | DFV                           | -                | Securities                         | -                     |                              |                              |  |
|  | MFV                           | 66               | HFT                                | -                     |                              |                              |  |
|  | FVOCI                         | 1,305            | DFV                                | -                     |                              |                              |  |
|  | AC                            | 2,118            |                                    |                       |                              |                              |  |
| <b>Total</b>                               |                               | <b>15,960</b>    |                                    | <b>1,055</b>          | <b>14,905</b>                | <b>17,341</b>                | <b>2,436</b>   |

**Notes:**

HFT = Financial assets held for trading

DFV = Financial assets designated at fair value

MFV = Financial assets mandatorily at fair value

FVOCI = Financial assets at fair value through other comprehensive income

AC = Financial assets at amortised cost

Deposits = Deposits from Customers

Securities = Debt securities in issue

HFT = Financial liabilities held for trading

DFV = Financial liabilities designated at fair value

## Part E - Information on risks and related hedging policies

Exposures toward ABS Issuing vehicles are constituted for the most part, €12,293 million, by exposures in Asset Backed Securities. The remaining part is constituted by loans.

Exposures toward Commercial Paper Conduit comprise credit line provided to the purchase companies that acquire the receivables from the originators external to the Group. These credit lines are granted by credit enhancements (deferred purchase price and credit insurance) so that the Group does not bear the variability of the underlying portfolio.

Exposures toward own securitisation comprise securities and off-balance sheet exposure toward SPV that are not consolidated as the conditions required by IFRS10 are not fulfilled. Absent the conditions requested by IFRS9 the securitised loans have not been derecognised from the balance sheet of the originator. For further information on these securitisations refer to the tables published in the “Annexes”.

During the period the Group has not provided financial support to any non-consolidated securitisation vehicle in absence of contractual obligation to do so. The Group has not the current intention to provide such support. The Group does not act as sponsor of securitisation vehicles in which it has not exposures at the end of the reporting period.

### C.5 Regulatory consolidation - Servicer activities - Collections of securitised loans and redemptions of securities issued by the securitisation's vehicle

(€ million)

| SERVICER                         | SPECIAL PURPOSE VEHICLE                          | SECURITISED ASSETS (YEAR END FIGURES) |            | LOANS COLLECTED DURING THE YEAR |            | PERCENTAGE OF SECURITIES REDEEMED (YEAR END FIGURES) |                   |                 |                   |                 |                   |
|----------------------------------|--|---------------------------------------|------------|---------------------------------|------------|--|-------------------|-----------------|-------------------|-----------------|-------------------|
|                                  |  | IMPAIRED                              | PERFORMING | IMPAIRED                        | PERFORMING | SENIOR   |                   | MEZZANINE       |                   | JUNIOR          |                   |
|                                  |  |                                       |            |                                 |            | IMPAIRED ASSETS                                      | PERFORMING ASSETS | IMPAIRED ASSETS | PERFORMING ASSETS | IMPAIRED ASSETS | PERFORMING ASSETS |
| UniCredit Leasing (Austria) GmbH | SUCCESS 2015 B.V.                                | 3                                     | 12         | 1                               | 27         | -  | 100.00%           | -               | -                 | -               | 88.22%            |
| UniCredit S.p.A.                 | Capital Mortgage S.r.l.                          | 8                                     | 333        | 2                               | 61         | -  | 90.96%            | -               | -                 | -               | -                 |
|                                  | Cordusio RMBS Securitisation S.r.l. - SERIE 2007 | 8                                     | 344        | 4                               | 100        | -  | 97.77%            | -               | -                 | -               | -                 |
|                                  | F-E Mortgage S.r.l. - SERIE 2005                 | 6                                     | 92         | 3                               | 19         | -  | 98.76%            | -               | 10.31%            | -               | 10.31%            |
|                                  | Arts Consumer                                    | -                                     | 789        | -                               | 55         | -  | -                 | -               | -                 | -               | -                 |

## Part E - Information on risks and related hedging policies

## C.6 Regulatory consolidation - Consolidated securitisation vehicles

(€ million)

| SPECIAL PURPOSE VEHICLE                                       | 31.12.2022   |   |  |
|---|--|---|--|
|   | Arabella Finance DAC   | Capital Mortgage S.r.l. -<br>CAPITAL MORTGAGE<br>2007 - 1 | Cordusio RMBS<br>Securitisation S.r.l. |
| COUNTRY OF INCORPORATION                                      | 1-2 Victoria Buildings,<br>Haddington Road, Dublin<br>4, D04 XN32, Ireland | Piazzetta Monte 1 -<br>37121 Verona                       | Piazzetta Monte 1 -<br>37121 Verona    |
| <b>A. Securitised assets</b>                                  | <b>4,710</b>   | <b>341</b>  | <b>352</b>                             |
| A.1 Loans   | 4,710  | 341   | 352                                    |
| A.2 Bonds   | -  | -   | -                                      |
| <b>B. Loans disbursed</b>                                     | <b>0</b>   | <b>-</b>  | <b>-</b>                               |
| <b>C. Use of liquid assets resulting from loan operations</b> | <b>-</b>   | <b>42</b>   | <b>9</b>                               |
| C.1 Loans (including bank current account)                    | -  | 42  | 9                                      |
| C.2 Bonds   | -  | -   | -                                      |
| <b>D. Other assets</b>  | <b>-</b>   | <b>13</b>   | <b>6</b>                               |
| D.1 Derivatives   | -  | 0   | -                                      |
| D.2 Other assets  | -  | 13  | 6                                      |
| <b>TOTAL ASSETS (A+B+C+D)</b>                                 | <b>4,710</b>   | <b>396</b>  | <b>367</b>                             |
| <b>E. Bond issued</b>   | <b>4,683</b>   | <b>316</b>  | <b>320</b>                             |
| E.1 Senior  | 4,683  | 216   | 82                                     |
| E.2 Mezzanine   | -  | 74  | 236                                    |
| E.3 Junior  | -  | 26  | 2                                      |
| <b>F. Loans received</b>                                      | <b>17</b>  | <b>41</b>   | <b>-</b>                               |
| F.1 Senior  | 17   | -   | -                                      |
| F.2 Mezzanine   | -  | -   | -                                      |
| F.3 Junior  | -  | 41  | -                                      |
| <b>G. Other liabilities</b>                                   | <b>10</b>  | <b>39</b>   | <b>47</b>                              |
| G.1 Derivatives   | 7  | -   | 0                                      |
| G.2 Due to originator   | -  | 39  | 17                                     |
| G.3 Other liabilities   | 2  | 0   | 30                                     |
| G.4 Own funds   | 1  | -   | -                                      |
| <b>TOTAL LIABILITIES (E+F+G)</b>                              | <b>4,710</b>   | <b>396</b>  | <b>367</b>                             |
| <b>H. Interest expense</b>                                    | <b>17</b>  | <b>2</b>  | <b>3</b>                               |
| H.1 Interest expense on bond issued                           | 17   | 1   | 2                                      |
| H.2 Interest expense on loans received                        | -  | 0   | -                                      |
| H.3 Interest expense on derivatives                           | -  | 1   | 1                                      |
| <b>I. Commissions and fees related to the transaction</b>     | <b>31</b>  | <b>1</b>  | <b>3</b>                               |
| I.1 for servicing   | 31   | 0   | 2                                      |
| I.2 for other services  | -  | 0   | 0                                      |
| <b>J. Other charges</b>                                       | <b>3</b>   | <b>3</b>  | <b>1</b>                               |
| J.1 Additional positive returns for exposure junior           | -  | 3   | 1                                      |
| J.2 Other costs   | 3  | 0   | 0                                      |
| <b>TOTAL COSTS (H+I+J)</b>                                    | <b>51</b>  | <b>6</b>  | <b>7</b>                               |
| <b>K. Interest generated by securitised assets</b>            | <b>15</b>  | <b>6</b>  | <b>7</b>                               |
| <b>L. Interest income on derivatives</b>                      | <b>-</b>   | <b>-</b>  | <b>-</b>                               |
| <b>M. Other revenues</b>                                      | <b>37</b>  | <b>0</b>  | <b>0</b>                               |
| M.1 Additional returns for exposure junior                    | -  | -   | -                                      |
| M.2 Other revenues  | 37   | 0   | 0                                      |
| <b>TOTAL REVENUES (K+L+M)</b>                                 | <b>52</b>  | <b>6</b>  | <b>7</b>                               |
| <b>PROFIT (LOSS) FOR THE PERIOD</b>                           | <b>1</b>   | <b>-</b>  | <b>-</b>                               |

## Part E - Information on risks and related hedging policies

continued C.6 Regulatory consolidation - Consolidated securitisation vehicles

(€ million)

| SPECIAL PURPOSE VEHICLE<br>COUNTRY OF INCORPORATION           | 31.12.2022   |  |   |
|---|--|--|---|
|   | Elektra Purchase No. 28<br>DAC<br>1-2 Victoria Buildings,<br>Haddington Road, Dublin<br>4, D04 XN32, Ireland | Elektra Purchase No. 31<br>DAC<br>1-2 Victoria Buildings,<br>Haddington Road, Dublin<br>4, D04 XN32, Ireland | Elektra Purchase No. 32<br>S.A. - Compartment 1<br>52-54 avenue du X<br>Septembre, L-2550<br>Luxembourg |
| <b>A. Securitised assets</b>                                  | <b>183</b>   | <b>-</b>   | <b>289</b>  |
| A.1 Loans   | 183  | -  | 289   |
| A.2 Bonds   | -  | -  | -   |
| <b>B. Loans disbursed</b>                                     | <b>0</b>   | <b>0</b>   | <b>0</b>  |
| <b>C. Use of liquid assets resulting from loan operations</b> | <b>-</b>   | <b>-</b>   | <b>-</b>  |
| C.1 Loans (including bank current account)                    | -  | -  | -   |
| C.2 Bonds   | -  | -  | -   |
| <b>D. Other assets</b>  | <b>0</b>   | <b>0</b>   | <b>-</b>  |
| D.1 Derivatives   | -  | -  | -   |
| D.2 Other assets  | 0  | 0  | -   |
| <b>TOTAL ASSETS (A+B+C+D)</b>                                 | <b>183</b>   | <b>0</b>   | <b>289</b>  |
| <b>E. Bond issued</b>   | <b>-</b>   | <b>-</b>   | <b>-</b>  |
| E.1 Senior  | -  | -  | -   |
| E.2 Mezzanine   | -  | -  | -   |
| E.3 Junior  | -  | -  | -   |
| <b>F. Loans received</b>                                      | <b>183</b>   | <b>-</b>   | <b>289</b>  |
| F.1 Senior  | 183  | -  | 289   |
| F.2 Mezzanine   | -  | -  | -   |
| F.3 Junior  | -  | -  | -   |
| <b>G. Other liabilities</b>                                   | <b>0</b>   | <b>0</b>   | <b>0</b>  |
| G.1 Derivatives   | -  | -  | -   |
| G.2 Due to originator   | -  | -  | -   |
| G.3 Other liabilities   | 0  | 0  | 0   |
| G.4 Own funds   | 0  | 0  | 0   |
| <b>TOTAL LIABILITIES (E+F+G)</b>                              | <b>183</b>   | <b>0</b>   | <b>289</b>  |
| <b>H. Interest expense</b>                                    | <b>1</b>   | <b>0</b>   | <b>0</b>  |
| H.1 Interest expense on bond issued                           | -  | -  | -   |
| H.2 Interest expense on loans received                        | 1  | 0  | 0   |
| H.3 Interest expense on derivatives                           | -  | -  | -   |
| <b>I. Commissions and fees related to the transaction</b>     | <b>0</b>   | <b>-</b>   | <b>1</b>  |
| I.1 for servicing   | 0  | -  | 1   |
| I.2 for other services  | -  | -  | -   |
| <b>J. Other charges</b>                                       | <b>-</b>   | <b>1</b>   | <b>0</b>  |
| J.1 Additional positive returns for exposure junior           | -  | -  | -   |
| J.2 Other costs   | -  | 1  | 0   |
| <b>TOTAL COSTS (H+I+J)</b>                                    | <b>1</b>   | <b>1</b>   | <b>1</b>  |
| <b>K. Interest generated by securitised assets</b>            | <b>1</b>   | <b>1</b>   | <b>1</b>  |
| <b>L. Interest income on derivatives</b>                      | <b>-</b>   | <b>-</b>   | <b>-</b>  |
| <b>M. Other revenues</b>                                      | <b>-</b>   | <b>-</b>   | <b>-</b>  |
| M.1 Additional returns for exposure junior                    | -  | -  | -   |
| M.2 Other revenues  | -  | -  | -   |
| <b>TOTAL REVENUES (K+L+M)</b>                                 | <b>1</b>   | <b>1</b>   | <b>1</b>  |
| <b>PROFIT (LOSS) FOR THE PERIOD</b>                           | <b>0</b>   | <b>-</b>   | <b>-</b>  |



## Part E - Information on risks and related hedging policies

continued C.6 Regulatory consolidation - Consolidated securitisation vehicles

(€ million)

| SPECIAL PURPOSE VEHICLE<br>COUNTRY OF INCORPORATION           | 31.12.2022   |  |  |
|---|--|--|--|
|   | Elektra Purchase No. 33<br>DAC<br>1-2 Victoria Buildings,<br>Haddington Road, Dublin<br>4, D04 XN32, Ireland | Elektra Purchase No. 36<br>DAC<br>1-2 Victoria Buildings,<br>Haddington Road, Dublin<br>4, D04 XN32, Ireland | Elektra Purchase No. 37<br>DAC<br>1-2 Victoria Buildings,<br>Haddington Road, Dublin<br>4, D04 XN32, Ireland |
| <b>A. Securitised assets</b>                                  | <b>67</b>  | <b>550</b>   | <b>112</b>   |
| A.1 Loans   | 67   | 550  | 112  |
| A.2 Bonds   | -  | -  | -  |
| <b>B. Loans disbursed</b>                                     | <b>0</b>   | <b>0</b>   | <b>0</b>   |
| <b>C. Use of liquid assets resulting from loan operations</b> | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| C.1 Loans (including bank current account)                    | -  | -  | -  |
| C.2 Bonds   | -  | -  | -  |
| <b>D. Other assets</b>  | <b>0</b>   | <b>0</b>   | <b>0</b>   |
| D.1 Derivatives   | -  | -  | -  |
| D.2 Other assets  | 0  | 0  | 0  |
| <b>TOTAL ASSETS (A+B+C+D)</b>                                 | <b>67</b>  | <b>550</b>   | <b>112</b>   |
| <b>E. Bond issued</b>   | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| E.1 Senior  | -  | -  | -  |
| E.2 Mezzanine   | -  | -  | -  |
| E.3 Junior  | -  | -  | -  |
| <b>F. Loans received</b>                                      | <b>67</b>  | <b>550</b>   | <b>112</b>   |
| F.1 Senior  | 67   | 550  | 112  |
| F.2 Mezzanine   | -  | -  | -  |
| F.3 Junior  | -  | -  | -  |
| <b>G. Other liabilities</b>                                   | <b>0</b>   | <b>0</b>   | <b>0</b>   |
| G.1 Derivatives   | -  | -  | -  |
| G.2 Due to originator   | -  | -  | -  |
| G.3 Other liabilities   | 0  | 0  | 0  |
| G.4 Own funds   | 0  | 0  | 0  |
| <b>TOTAL LIABILITIES (E+F+G)</b>                              | <b>67</b>  | <b>550</b>   | <b>112</b>   |
| <b>H. Interest expense</b>                                    | <b>2</b>   | <b>1</b>   | <b>1</b>   |
| H.1 Interest expense on bond issued                           | -  | -  | -  |
| H.2 Interest expense on loans received                        | 2  | 1  | 1  |
| H.3 Interest expense on derivatives                           | -  | -  | -  |
| <b>I. Commissions and fees related to the transaction</b>     | <b>2</b>   | <b>2</b>   | <b>0</b>   |
| I.1 for servicing   | 2  | 2  | 0  |
| I.2 for other services  | -  | -  | -  |
| <b>J. Other charges</b>                                       | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| J.1 Additional positive returns for exposure junior           | -  | -  | -  |
| J.2 Other costs   | -  | -  | -  |
| <b>TOTAL COSTS (H+I+J)</b>                                    | <b>4</b>   | <b>3</b>   | <b>1</b>   |
| <b>K. Interest generated by securitised assets</b>            | <b>4</b>   | <b>3</b>   | <b>1</b>   |
| <b>L. Interest income on derivatives</b>                      | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| <b>M. Other revenues</b>                                      | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| M.1 Additional returns for exposure junior                    | -  | -  | -  |
| M.2 Other revenues  | -  | -  | -  |
| <b>TOTAL REVENUES (K+L+M)</b>                                 | <b>4</b>   | <b>3</b>   | <b>1</b>   |
| <b>PROFIT (LOSS) FOR THE PERIOD</b>                           | <b>0</b>   | <b>0</b>   | <b>0</b>   |

## Part E - Information on risks and related hedging policies

continued C.6 Regulatory consolidation - Consolidated securitisation vehicles

(€ million)

| SPECIAL PURPOSE VEHICLE<br>COUNTRY OF INCORPORATION           | 31.12.2022   |  |  |
|---|--|--|--|
|   | Elektra Purchase No. 38<br>DAC<br>1-2 Victoria Buildings,<br>Haddington Road, Dublin<br>4, D04 XN32, Ireland | Elektra Purchase No. 43<br>DAC<br>1-2 Victoria Buildings,<br>Haddington Road, Dublin<br>4, D04 XN32, Ireland | Elektra Purchase No. 46<br>DAC<br>1-2 Victoria Buildings,<br>Haddington Road, Dublin<br>4, D04 XN32, Ireland |
| <b>A. Securitised assets</b>                                  | <b>117</b>   | <b>220</b>   | <b>64</b>  |
| A.1 Loans   | 117  | 220  | 64   |
| A.2 Bonds   | -  | -  | -  |
| <b>B. Loans disbursed</b>                                     | <b>0</b>   | <b>0</b>   | <b>0</b>   |
| <b>C. Use of liquid assets resulting from loan operations</b> | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| C.1 Loans (including bank current account)                    | -  | -  | -  |
| C.2 Bonds   | -  | -  | -  |
| <b>D. Other assets</b>  | <b>0</b>   | <b>0</b>   | <b>0</b>   |
| D.1 Derivatives   | -  | -  | -  |
| D.2 Other assets  | 0  | 0  | 0  |
| <b>TOTAL ASSETS (A+B+C+D)</b>                                 | <b>117</b>   | <b>220</b>   | <b>64</b>  |
| <b>E. Bond issued</b>   | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| E.1 Senior  | -  | -  | -  |
| E.2 Mezzanine   | -  | -  | -  |
| E.3 Junior  | -  | -  | -  |
| <b>F. Loans received</b>                                      | <b>117</b>   | <b>220</b>   | <b>64</b>  |
| F.1 Senior  | 117  | 220  | 64   |
| F.2 Mezzanine   | -  | -  | -  |
| F.3 Junior  | -  | -  | -  |
| <b>G. Other liabilities</b>                                   | <b>0</b>   | <b>0</b>   | <b>0</b>   |
| G.1 Derivatives   | -  | -  | -  |
| G.2 Due to originator   | -  | -  | -  |
| G.3 Other liabilities   | 0  | 0  | 0  |
| G.4 Own funds   | 0  | 0  | 0  |
| <b>TOTAL LIABILITIES (E+F+G)</b>                              | <b>117</b>   | <b>220</b>   | <b>64</b>  |
| <b>H. Interest expense</b>                                    | <b>0</b>   | <b>1</b>   | <b>1</b>   |
| H.1 Interest expense on bond issued                           | -  | -  | -  |
| H.2 Interest expense on loans received                        | 0  | 1  | 1  |
| H.3 Interest expense on derivatives                           | -  | -  | -  |
| <b>I. Commissions and fees related to the transaction</b>     | <b>2</b>   | <b>1</b>   | <b>1</b>   |
| I.1 for servicing   | 2  | 1  | 1  |
| I.2 for other services  | -  | -  | -  |
| <b>J. Other charges</b>                                       | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| J.1 Additional positive returns for exposure junior           | -  | -  | -  |
| J.2 Other costs   | -  | -  | -  |
| <b>TOTAL COSTS (H+I+J)</b>                                    | <b>2</b>   | <b>2</b>   | <b>2</b>   |
| <b>K. Interest generated by securitised assets</b>            | <b>2</b>   | <b>2</b>   | <b>2</b>   |
| <b>L. Interest income on derivatives</b>                      | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| <b>M. Other revenues</b>                                      | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| M.1 Additional returns for exposure junior                    | -  | -  | -  |
| M.2 Other revenues  | -  | -  | -  |
| <b>TOTAL REVENUES (K+L+M)</b>                                 | <b>2</b>   | <b>2</b>   | <b>2</b>   |
| <b>PROFIT (LOSS) FOR THE PERIOD</b>                           | <b>0</b>   | <b>0</b>   | <b>0</b>   |

## Part E - Information on risks and related hedging policies

continued C.6 Regulatory consolidation - Consolidated securitisation vehicles

(€ million)

| SPECIAL PURPOSE VEHICLE<br>COUNTRY OF INCORPORATION           | 31.12.2022   |   |   |
|---|--|---|---|
|   | Elektra Purchase No. 54<br>DAC<br>Haddington Road, 1-2<br>Victoria Buildings, D04<br>XN32 Dublin | Elektra Purchase No. 56<br>DAC<br>1-2 Victoria Buildings, 4<br>Dublin | Elektra Purchase No. 57<br>DAC<br>1-2 Victoria Buildings, 4<br>Dublin |
| <b>A. Securitised assets</b>                                  | <b>45</b>  | <b>372</b>  | <b>66</b>   |
| A.1 Loans   | 45   | 372   | 66  |
| A.2 Bonds   | -  | -   | -   |
| <b>B. Loans disbursed</b>                                     | <b>0</b>   | <b>0</b>  | <b>0</b>  |
| <b>C. Use of liquid assets resulting from loan operations</b> | <b>-</b>   | <b>-</b>  | <b>-</b>  |
| C.1 Loans (including bank current account)                    | -  | -   | -   |
| C.2 Bonds   | -  | -   | -   |
| <b>D. Other assets</b>  | <b>0</b>   | <b>0</b>  | <b>7</b>  |
| D.1 Derivatives   | -  | -   | 7   |
| D.2 Other assets  | 0  | 0   | -   |
| <b>TOTAL ASSETS (A+B+C+D)</b>                                 | <b>45</b>  | <b>372</b>  | <b>73</b>   |
| <b>E. Bond issued</b>   | <b>-</b>   | <b>-</b>  | <b>-</b>  |
| E.1 Senior  | -  | -   | -   |
| E.2 Mezzanine   | -  | -   | -   |
| E.3 Junior  | -  | -   | -   |
| <b>F. Loans received</b>                                      | <b>45</b>  | <b>372</b>  | <b>73</b>   |
| F.1 Senior  | 45   | 372   | 73  |
| F.2 Mezzanine   | -  | -   | -   |
| F.3 Junior  | -  | -   | -   |
| <b>G. Other liabilities</b>                                   | <b>0</b>   | <b>0</b>  | <b>0</b>  |
| G.1 Derivatives   | -  | -   | -   |
| G.2 Due to originator   | -  | -   | -   |
| G.3 Other liabilities   | 0  | 0   | 0   |
| G.4 Own funds   | 0  | 0   | 0   |
| <b>TOTAL LIABILITIES (E+F+G)</b>                              | <b>45</b>  | <b>372</b>  | <b>73</b>   |
| <b>H. Interest expense</b>                                    | <b>0</b>   | <b>11</b>   | <b>0</b>  |
| H.1 Interest expense on bond issued                           | -  | -   | -   |
| H.2 Interest expense on loans received                        | 0  | 11  | 0   |
| H.3 Interest expense on derivatives                           | -  | -   | -   |
| <b>I. Commissions and fees related to the transaction</b>     | <b>1</b>   | <b>2</b>  | <b>0</b>  |
| I.1 for servicing   | 1  | 2   | 0   |
| I.2 for other services  | -  | -   | -   |
| <b>J. Other charges</b>                                       | <b>-</b>   | <b>-</b>  | <b>-</b>  |
| J.1 Additional positive returns for exposure junior           | -  | -   | -   |
| J.2 Other costs   | -  | -   | -   |
| <b>TOTAL COSTS (H+I+J)</b>                                    | <b>1</b>   | <b>13</b>   | <b>0</b>  |
| <b>K. Interest generated by securitised assets</b>            | <b>1</b>   | <b>13</b>   | <b>0</b>  |
| <b>L. Interest income on derivatives</b>                      | <b>-</b>   | <b>-</b>  | <b>-</b>  |
| <b>M. Other revenues</b>                                      | <b>-</b>   | <b>-</b>  | <b>-</b>  |
| M.1 Additional returns for exposure junior                    | -  | -   | -   |
| M.2 Other revenues  | -  | -   | -   |
| <b>TOTAL REVENUES (K+L+M)</b>                                 | <b>1</b>   | <b>13</b>   | <b>0</b>  |
| <b>PROFIT (LOSS) FOR THE PERIOD</b>                           | <b>0</b>   | <b>0</b>  | <b>0</b>  |

## Part E - Information on risks and related hedging policies

continued C.6 Regulatory consolidation - Consolidated securitisation vehicles

(€ million)

| SPECIAL PURPOSE VEHICLE<br>COUNTRY OF INCORPORATION           | 31.12.2022   |  |  |
|---|--|--|--|
|   | Elektra Purchase No. 64<br>DAC<br>Haddington Road; 1-2<br>Victoria Building; 4; Dublin | Elektra Purchase No. 69<br>DAC<br>Haddington Road; 1-2<br>Victoria Buildings; 4;<br>Dublin | Elektra Purchase No. 71<br>DAC<br>Haddington Road; 1-2<br>Victoria Buildings;<br>D04XN32; Dublin |
| <b>A. Securitised assets</b>                                  | <b>117</b>   | <b>50</b>  | <b>139</b>   |
| A.1 Loans   | 117  | 50   | 139  |
| A.2 Bonds   | -  | -  | -  |
| <b>B. Loans disbursed</b>                                     | <b>0</b>   | <b>0</b>   | <b>0</b>   |
| <b>C. Use of liquid assets resulting from loan operations</b> | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| C.1 Loans (including bank current account)                    | -  | -  | -  |
| C.2 Bonds   | -  | -  | -  |
| <b>D. Other assets</b>  | <b>0</b>   | <b>0</b>   | <b>0</b>   |
| D.1 Derivatives   | -  | -  | -  |
| D.2 Other assets  | 0  | 0  | 0  |
| <b>TOTAL ASSETS (A+B+C+D)</b>                                 | <b>117</b>   | <b>50</b>  | <b>139</b>   |
| <b>E. Bond issued</b>   | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| E.1 Senior  | -  | -  | -  |
| E.2 Mezzanine   | -  | -  | -  |
| E.3 Junior  | -  | -  | -  |
| <b>F. Loans received</b>                                      | <b>117</b>   | <b>50</b>  | <b>139</b>   |
| F.1 Senior  | 117  | 50   | 139  |
| F.2 Mezzanine   | -  | -  | -  |
| F.3 Junior  | -  | -  | -  |
| <b>G. Other liabilities</b>                                   | <b>0</b>   | <b>0</b>   | <b>0</b>   |
| G.1 Derivatives   | -  | -  | -  |
| G.2 Due to originator   | -  | -  | -  |
| G.3 Other liabilities   | 0  | 0  | 0  |
| G.4 Own funds   | 0  | 0  | 0  |
| <b>TOTAL LIABILITIES (E+F+G)</b>                              | <b>117</b>   | <b>50</b>  | <b>139</b>   |
| <b>H. Interest expense</b>                                    | <b>1</b>   | <b>1</b>   | <b>0</b>   |
| H.1 Interest expense on bond issued                           | -  | -  | -  |
| H.2 Interest expense on loans received                        | 1  | 1  | 0  |
| H.3 Interest expense on derivatives                           | -  | -  | -  |
| <b>I. Commissions and fees related to the transaction</b>     | <b>0</b>   | <b>0</b>   | <b>2</b>   |
| I.1 for servicing   | 0  | 0  | 2  |
| I.2 for other services  | -  | -  | -  |
| <b>J. Other charges</b>                                       | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| J.1 Additional positive returns for exposure junior           | -  | -  | -  |
| J.2 Other costs   | -  | -  | -  |
| <b>TOTAL COSTS (H+I+J)</b>                                    | <b>1</b>   | <b>1</b>   | <b>2</b>   |
| <b>K. Interest generated by securitised assets</b>            | <b>1</b>   | <b>1</b>   | <b>2</b>   |
| <b>L. Interest income on derivatives</b>                      | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| <b>M. Other revenues</b>                                      | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| M.1 Additional returns for exposure junior                    | -  | -  | -  |
| M.2 Other revenues  | -  | -  | -  |
| <b>TOTAL REVENUES (K+L+M)</b>                                 | <b>1</b>   | <b>1</b>   | <b>2</b>   |
| <b>PROFIT (LOSS) FOR THE PERIOD</b>                           | <b>0</b>   | <b>0</b>   | <b>0</b>   |

## Part E - Information on risks and related hedging policies

continued C.6 Regulatory consolidation - Consolidated securitisation vehicles

(€ million)

| SPECIAL PURPOSE VEHICLE<br>COUNTRY OF INCORPORATION           | 31.12.2022  |   |  |
|---|---|---|--|
|   | Elektra Purchase No. 74<br>DAC<br>Haddington Road; 1-2<br>Victoria Buildings; D04<br>XN32; Dublin | Elektra Purchase No. 350<br>DAC<br>1-2 Victoria Buildings,<br>Haddington Road, Dublin<br>4, D04 XN32, Ireland | Elektra Purchase No. 911<br>Ltd<br>OGIER HOUSE, THE<br>ESPLANADE, ST.<br>HELIER, JE4 9WG -<br>Jersey |
| <b>A. Securitised assets</b>                                  | <b>180</b>  | <b>49</b>   | <b>310</b>   |
| A.1 Loans   | 180   | 49  | 310  |
| A.2 Bonds   | -   | -   | -  |
| <b>B. Loans disbursed</b>                                     | <b>0</b>  | <b>-</b>  | <b>-</b>   |
| <b>C. Use of liquid assets resulting from loan operations</b> | <b>-</b>  | <b>-</b>  | <b>-</b>   |
| C.1 Loans (including bank current account)                    | -   | -   | -  |
| C.2 Bonds   | -   | -   | -  |
| <b>D. Other assets</b>  | <b>0</b>  | <b>0</b>  | <b>0</b>   |
| D.1 Derivatives   | -   | -   | -  |
| D.2 Other assets  | 0   | 0   | 0  |
| <b>TOTAL ASSETS (A+B+C+D)</b>                                 | <b>180</b>  | <b>49</b>   | <b>310</b>   |
| <b>E. Bond issued</b>   | <b>-</b>  | <b>-</b>  | <b>-</b>   |
| E.1 Senior  | -   | -   | -  |
| E.2 Mezzanine   | -   | -   | -  |
| E.3 Junior  | -   | -   | -  |
| <b>F. Loans received</b>                                      | <b>180</b>  | <b>49</b>   | <b>310</b>   |
| F.1 Senior  | 180   | 49  | 310  |
| F.2 Mezzanine   | -   | -   | -  |
| F.3 Junior  | -   | -   | -  |
| <b>G. Other liabilities</b>                                   | <b>0</b>  | <b>0</b>  | <b>0</b>   |
| G.1 Derivatives   | -   | -   | -  |
| G.2 Due to originator   | -   | -   | -  |
| G.3 Other liabilities   | 0   | -   | -  |
| G.4 Own funds   | 0   | 0   | 0  |
| <b>TOTAL LIABILITIES (E+F+G)</b>                              | <b>180</b>  | <b>49</b>   | <b>310</b>   |
| <b>H. Interest expense</b>                                    | <b>2</b>  | <b>-</b>  | <b>0</b>   |
| H.1 Interest expense on bond issued                           | -   | -   | -  |
| H.2 Interest expense on loans received                        | 2   | -   | 0  |
| H.3 Interest expense on derivatives                           | -   | -   | -  |
| <b>I. Commissions and fees related to the transaction</b>     | <b>2</b>  | <b>-</b>  | <b>1</b>   |
| I.1 for servicing   | 2   | -   | 1  |
| I.2 for other services  | -   | -   | -  |
| <b>J. Other charges</b>                                       | <b>-</b>  | <b>-</b>  | <b>-</b>   |
| J.1 Additional positive returns for exposure junior           | -   | -   | -  |
| J.2 Other costs   | -   | -   | -  |
| <b>TOTAL COSTS (H+I+J)</b>                                    | <b>4</b>  | <b>-</b>  | <b>1</b>   |
| <b>K. Interest generated by securitised assets</b>            | <b>4</b>  | <b>-</b>  | <b>1</b>   |
| <b>L. Interest income on derivatives</b>                      | <b>-</b>  | <b>-</b>  | <b>-</b>   |
| <b>M. Other revenues</b>                                      | <b>-</b>  | <b>-</b>  | <b>-</b>   |
| M.1 Additional returns for exposure junior                    | -   | -   | -  |
| M.2 Other revenues  | -   | -   | -  |
| <b>TOTAL REVENUES (K+L+M)</b>                                 | <b>4</b>  | <b>-</b>  | <b>1</b>   |
| <b>PROFIT (LOSS) FOR THE PERIOD</b>                           | <b>0</b>  | <b>-</b>  | <b>-</b>   |

## Part E - Information on risks and related hedging policies

continued C.6 Regulatory consolidation - Consolidated securitisation vehicles

(€ million)

| SPECIAL PURPOSE VEHICLE<br>COUNTRY OF INCORPORATION           | 31.12.2022   |   |  |
|---|--|---|--|
|   | F-E Mortgages S.r.l. - 2005<br>Piazzetta Monte 1 - 37121<br>Verona | Ice Creek Pool No. 1 DAC<br>1st Fl., 1-2 Victoria<br>Building; Haddington<br>Road; D04 XN32; Dublin | Ice Creek Pool No. 3 DAC<br>Haddington Road; 1-2<br>Victoria Buildings;<br>D04XN32; Dublin |
| <b>A. Securitised assets</b>                                  | <b>98</b>  | <b>235</b>  | <b>249</b>   |
| A.1 Loans   | 98   | 235   | 249  |
| A.2 Bonds   | -  | -   | -  |
| <b>B. Loans disbursed</b>                                     | <b>-</b>   | <b>0</b>  | <b>0</b>   |
| <b>C. Use of liquid assets resulting from loan operations</b> | <b>13</b>  | <b>-</b>  | <b>-</b>   |
| C.1 Loans (including bank current account)                    | 13   | -   | -  |
| C.2 Bonds   | -  | -   | -  |
| <b>D. Other assets</b>  | <b>0</b>   | <b>-</b>  | <b>-</b>   |
| D.1 Derivatives   | -  | -   | -  |
| D.2 Other assets  | 0  | -   | -  |
| <b>TOTAL ASSETS (A+B+C+D)</b>                                 | <b>111</b>   | <b>235</b>  | <b>249</b>   |
| <b>E. Bond issued</b>   | <b>81</b>  | <b>-</b>  | <b>-</b>   |
| E.1 Senior  | 12   | -   | -  |
| E.2 Mezzanine   | 37   | -   | -  |
| E.3 Junior  | 32   | -   | -  |
| <b>F. Loans received</b>                                      | <b>-</b>   | <b>235</b>  | <b>249</b>   |
| F.1 Senior  | -  | 235   | 249  |
| F.2 Mezzanine   | -  | -   | -  |
| F.3 Junior  | -  | -   | -  |
| <b>G. Other liabilities</b>                                   | <b>30</b>  | <b>0</b>  | <b>0</b>   |
| G.1 Derivatives   | 0  | -   | -  |
| G.2 Due to originator   | 25   | -   | -  |
| G.3 Other liabilities   | 5  | 0   | 0  |
| G.4 Own funds   | -  | -   | 0  |
| <b>TOTAL LIABILITIES (E+F+G)</b>                              | <b>111</b>   | <b>235</b>  | <b>249</b>   |
| <b>H. Interest expense</b>                                    | <b>1</b>   | <b>3</b>  | <b>1</b>   |
| H.1 Interest expense on bond issued                           | 0  | -   | -  |
| H.2 Interest expense on loans received                        | -  | 3   | 1  |
| H.3 Interest expense on derivatives                           | 0  | -   | -  |
| <b>I. Commissions and fees related to the transaction</b>     | <b>0</b>   | <b>2</b>  | <b>1</b>   |
| I.1 for servicing   | 0  | 2   | 1  |
| I.2 for other services  | 0  | -   | -  |
| <b>J. Other charges</b>                                       | <b>4</b>   | <b>0</b>  | <b>0</b>   |
| J.1 Additional positive returns for exposure junior           | 3  | -   | -  |
| J.2 Other costs   | 0  | 0   | 0  |
| <b>TOTAL COSTS (H+I+J)</b>                                    | <b>5</b>   | <b>5</b>  | <b>2</b>   |
| <b>K. Interest generated by securitised assets</b>            | <b>2</b>   | <b>5</b>  | <b>2</b>   |
| <b>L. Interest income on derivatives</b>                      | <b>-</b>   | <b>-</b>  | <b>-</b>   |
| <b>M. Other revenues</b>                                      | <b>3</b>   | <b>0</b>  | <b>-</b>   |
| M.1 Additional returns for exposure junior                    | -  | -   | -  |
| M.2 Other revenues  | 3  | 0   | -  |
| <b>TOTAL REVENUES (K+L+M)</b>                                 | <b>5</b>   | <b>5</b>  | <b>2</b>   |
| <b>PROFIT (LOSS) FOR THE PERIOD</b>                           | <b>-</b>   | <b>-</b>  | <b>0</b>   |

## Part E - Information on risks and related hedging policies

continued C.6 Regulatory consolidation - Consolidated securitisation vehicles

(€ million)

| SPECIAL PURPOSE VEHICLE<br>COUNTRY OF INCORPORATION           | 31.12.2022   |  |  |
|---|--|--|--|
|   | Ice Creek Pool No. 5 DAC<br>1-2 Victoria Buildings,<br>Haddington Road, Dublin<br>4, D04 XN32, Ireland | PaDel Finance 01 DAC<br>1-2 Victoria Buildings,<br>Haddington Road, Dublin<br>4, D04 XN32, Ireland | SUCCESS 2015 B.V.<br>Barbara Strozziilaan 101,<br>1083HN Amsterdam |
| <b>A. Securitised assets</b>                                  | <b>287</b>   | <b>430</b>   | <b>15</b>  |
| A.1 Loans   | 287  | 430  | 15   |
| A.2 Bonds   | -  | -  | -  |
| <b>B. Loans disbursed</b>                                     | <b>0</b>   | <b>-</b>   | <b>-</b>   |
| <b>C. Use of liquid assets resulting from loan operations</b> | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| C.1 Loans (including bank current account)                    | -  | -  | -  |
| C.2 Bonds   | -  | -  | -  |
| <b>D. Other assets</b>  | <b>-</b>   | <b>-</b>   | <b>0</b>   |
| D.1 Derivatives   | -  | -  | -  |
| D.2 Other assets  | -  | -  | 0  |
| <b>TOTAL ASSETS (A+B+C+D)</b>                                 | <b>287</b>   | <b>430</b>   | <b>15</b>  |
| <b>E. Bond issued</b>   | <b>-</b>   | <b>-</b>   | <b>11</b>  |
| E.1 Senior  | -  | -  | -  |
| E.2 Mezzanine   | -  | -  | -  |
| E.3 Junior  | -  | -  | 11   |
| <b>F. Loans received</b>                                      | <b>287</b>   | <b>430</b>   | <b>-</b>   |
| F.1 Senior  | 287  | 430  | -  |
| F.2 Mezzanine   | -  | -  | -  |
| F.3 Junior  | -  | -  | -  |
| <b>G. Other liabilities</b>                                   | <b>0</b>   | <b>-</b>   | <b>4</b>   |
| G.1 Derivatives   | -  | -  | -  |
| G.2 Due to originator   | -  | -  | -  |
| G.3 Other liabilities   | 0  | -  | 4  |
| G.4 Own funds   | 0  | -  | -  |
| <b>TOTAL LIABILITIES (E+F+G)</b>                              | <b>287</b>   | <b>430</b>   | <b>15</b>  |
| <b>H. Interest expense</b>                                    | <b>1</b>   | <b>-</b>   | <b>0</b>   |
| H.1 Interest expense on bond issued                           | -  | -  | 0  |
| H.2 Interest expense on loans received                        | 1  | -  | -  |
| H.3 Interest expense on derivatives                           | -  | -  | -  |
| <b>I. Commissions and fees related to the transaction</b>     | <b>1</b>   | <b>-</b>   | <b>0</b>   |
| I.1 for servicing   | 1  | -  | 0  |
| I.2 for other services  | -  | -  | -  |
| <b>J. Other charges</b>                                       | <b>0</b>   | <b>-</b>   | <b>0</b>   |
| J.1 Additional positive returns for exposure junior           | -  | -  | -  |
| J.2 Other costs   | 0  | -  | 0  |
| <b>TOTAL COSTS (H+I+J)</b>                                    | <b>2</b>   | <b>-</b>   | <b>0</b>   |
| <b>K. Interest generated by securitised assets</b>            | <b>2</b>   | <b>-</b>   | <b>0</b>   |
| <b>L. Interest income on derivatives</b>                      | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| <b>M. Other revenues</b>                                      | <b>0</b>   | <b>-</b>   | <b>0</b>   |
| M.1 Additional returns for exposure junior                    | -  | -  | 0  |
| M.2 Other revenues  | 0  | -  | 0  |
| <b>TOTAL REVENUES (K+L+M)</b>                                 | <b>2</b>   | <b>-</b>   | <b>0</b>   |
| <b>PROFIT (LOSS) FOR THE PERIOD</b>                           | <b>0</b>   | <b>-</b>   | <b>-</b>   |

## Part E - Information on risks and related hedging policies

### D. Sales transactions

#### A. Financial assets sold and not fully derecognised

##### Quantitative information

Any exposures that at the reference date are booked under item "120. Non-current assets and disposal groups classified as held for sale", in the tables below are shown in correspondence of the original accounting portfolio.

#### D.1 Regulatory consolidation - Financial assets sold and fully recognised and associated financial liabilities: book value

(€ million)

|   | FINANCIAL ASSETS SOLD AND FULLY RECOGNISED |   |  |                         | ASSOCIATED FINANCIAL LIABILITIES |   |  |
|---|--|---|--|-------------------------|----------------------------------|---|--|
|   | BOOK VALUE                                 | OF WHICH: SUBJECT TO SECURITISATION TRANSACTION | OF WHICH: SUBJECT TO SALE AGREEMENT WITH REPURCHASE OBLIGATION | OF WHICH NON-PERFORMING | BOOK VALUE                       | OF WHICH: SUBJECT TO SECURITISATION TRANSACTION | OF WHICH: SUBJECT TO SALE AGREEMENT WITH REPURCHASE OBLIGATION |
| <b>A. Financial assets held for trading</b>                                 | <b>1,602</b>                               | <b>-</b>  | <b>1,602</b>   | <b>X</b>                | <b>1,519</b>                     | <b>-</b>  | <b>1,519</b>   |
| 1. Debt securities  | 1,602                                      | -   | 1,602  | X                       | 1,519                            | -   | 1,519  |
| 2. Equity instruments   | -  | -   | -  | X                       | -                                | -   | -  |
| 3. Loans  | -  | -   | -  | X                       | -                                | -   | -  |
| 4. Derivative instruments   | -  | -   | -  | X                       | -                                | -   | -  |
| <b>B. Other financial assets mandatorily at fair value</b>                  | <b>6</b>                                   | <b>6</b>  | <b>-</b>   | <b>3</b>                | <b>-</b>                         | <b>-</b>  | <b>-</b>   |
| 1. Debt securities  | -  | -   | -  | -                       | -                                | -   | -  |
| 2. Equity instruments   | -  | -   | -  | X                       | -                                | -   | -  |
| 3. Loans  | 6  | 6   | -  | 3                       | -                                | -   | -  |
| <b>C. Financial assets designated at fair value</b>                         | <b>45</b>                                  | <b>-</b>  | <b>45</b>  | <b>-</b>                | <b>38</b>                        | <b>-</b>  | <b>38</b>  |
| 1. Debt securities  | 45   | -   | 45   | -                       | 38                               | -   | 38   |
| 2. Loans  | -  | -   | -  | -                       | -                                | -   | -  |
| <b>D. Financial assets at fair value through other comprehensive income</b> | <b>8,202</b>                               | <b>-</b>  | <b>8,202</b>   | <b>-</b>                | <b>6,168</b>                     | <b>-</b>  | <b>6,168</b>   |
| 1. Debt securities  | 8,202                                      | -   | 8,202  | -                       | 6,168                            | -   | 6,168  |
| 2. Equity instruments   | -  | -   | -  | X                       | -                                | -   | -  |
| 3. Loans  | -  | -   | -  | -                       | -                                | -   | -  |
| <b>E. Financial assets at amortised cost</b>                                | <b>43,278</b>                              | <b>27,542</b>                                   | <b>15,736</b>  | <b>399</b>              | <b>14,183</b>                    | <b>1,178</b>                                    | <b>13,005</b>  |
| 1. Debt securities  | 26,530                                     | 10,794  | 15,736   | -                       | 13,005                           | -   | 13,005   |
| 2. Loans  | 16,748                                     | 16,748  | -  | 399                     | 1,178                            | 1,178   | -  |
| <b>Total 31.12.2022</b>   | <b>53,133</b>                              | <b>27,548</b>                                   | <b>25,585</b>  | <b>402</b>              | <b>21,908</b>                    | <b>1,178</b>                                    | <b>20,730</b>  |
| <b>Total 31.12.2021</b>   | <b>62,214</b>                              | <b>27,640</b>                                   | <b>34,569</b>  | <b>653</b>              | <b>28,038</b>                    | <b>662</b>                                      | <b>27,376</b>  |



## Part E - Information on risks and related hedging policies

## D.2 Regulatory consolidation - Financial assets sold and partially recognised and associated financial liabilities: book value

(€ million)

|   | ORIGINAL GROSS VALUE<br>OF ASSETS BEFORE SALE | BOOK VALUE OF ASSETS<br>STILL PARTIALLY<br>RECOGNISED | OF WHICH NON-<br>PERFORMING | BOOK VALUE OF<br>ASSOCIATED FINANCIAL<br>LIABILITIES |
|---|---|---|-----------------------------|--|
| <b>A. Financial assets held for trading</b>                                 | -   | -   | X                           | -  |
| 1. Debt securities  | -   | -   | X                           | -  |
| 2. Equity instruments   | -   | -   | X                           | -  |
| 3. Loans  | -   | -   | X                           | -  |
| 4. Derivative instruments   | -   | -   | X                           | -  |
| <b>B. Other financial assets mandatory at fair value</b>                    | -   | -   | -                           | -  |
| 1. Debt securities  | -   | -   | -                           | -  |
| 2. Equity instruments   | -   | -   | X                           | -  |
| 3. Loans  | -   | -   | -                           | -  |
| <b>C. Financial assets designated at fair value</b>                         | -   | -   | -                           | -  |
| 1. Debt securities  | -   | -   | -                           | -  |
| 2. Loans  | -   | -   | -                           | -  |
| <b>D. Financial assets at fair value through other comprehensive income</b> | -   | -   | -                           | -  |
| 1. Debt securities  | -   | -   | -                           | -  |
| 2. Equity instruments   | -   | -   | X                           | -  |
| 3. Loans  | -   | -   | -                           | -  |
| <b>E. Financial assets at amortised cost</b>                                | <b>60</b>                                     | <b>14</b>   | <b>14</b>                   | <b>4</b>   |
| 1. Debt securities  | -   | -   | -                           | -  |
| 2. Loans  | 60  | 14  | 14                          | 4  |
| <b>Total 31.12.2022</b>   | <b>60</b>                                     | <b>14</b>   | <b>14</b>                   | <b>4</b>   |
| <b>Total 31.12.2021</b>   | <b>60</b>                                     | <b>14</b>   | <b>14</b>                   | <b>3</b>   |

## D.3 Regulatory consolidation - Sale transactions relating to financial liabilities with repayment exclusively based on assets sold and not fully derecognised: fair value

(€ million)

|   | FULLY<br>RECOGNISED | PARTIALLY<br>RECOGNISED | TOTAL         |               |
|---|---------------------|-------------------------|---------------|---------------|
|   |                     |                         | 31.12.2022    | 31.12.2021    |
| <b>A. Financial assets held for trading</b>                                 | -                   | -                       | -             | -             |
| 1. Debt securities  | -                   | -                       | -             | -             |
| 2. Equity instruments   | -                   | -                       | -             | -             |
| 3. Loans  | -                   | -                       | -             | -             |
| 4. Derivative instruments   | -                   | -                       | -             | -             |
| <b>B. Other financial assets mandatorily at fair value</b>                  | <b>6</b>            | -                       | <b>6</b>      | <b>318</b>    |
| 1. Debt securities  | -                   | -                       | -             | 311           |
| 2. Equity instruments   | -                   | -                       | -             | -             |
| 3. Loans  | 6                   | -                       | 6             | 7             |
| <b>C. Financial assets designated at fair value</b>                         | -                   | -                       | -             | -             |
| 1. Debt securities  | -                   | -                       | -             | -             |
| 2. Loans  | -                   | -                       | -             | -             |
| <b>D. Financial assets at fair value through other comprehensive income</b> | -                   | -                       | -             | -             |
| 1. Debt securities  | -                   | -                       | -             | -             |
| 2. Equity instruments   | -                   | -                       | -             | -             |
| 3. Loans  | -                   | -                       | -             | -             |
| <b>E. Financial assets at amortised cost (fair value)</b>                   | <b>26,300</b>       | <b>14</b>               | <b>26,314</b> | <b>27,617</b> |
| 1. Debt securities  | 10,794              | -                       | 10,794        | 9,638         |
| 2. Loans  | 15,506              | 14                      | 15,520        | 17,979        |
| <b>Total associated financial assets</b>                                    | <b>26,306</b>       | <b>14</b>               | <b>26,320</b> | <b>27,935</b> |
| <b>Total associated financial liabilities</b>                               | <b>1,126</b>        | <b>4</b>                | <b>X</b>      | <b>X</b>      |
| <b>Total net amount 31.12.2022</b>  | <b>25,180</b>       | <b>10</b>               | <b>25,190</b> | <b>X</b>      |
| <b>Total net amount 31.12.2021</b>  | <b>27,345</b>       | <b>11</b>               | <b>X</b>      | <b>27,356</b> |

## Part E - Information on risks and related hedging policies

### B. Financial assets sold and fully derecognised with recognition of continuous involvement

#### Qualitative and quantitative information

At the end of the year there were no disposals of financial assets that had been fully derecognised, which required the recognition of continuing involvement.

### C. Financial assets sold and fully derecognised

#### Quantitative information

As at 31 December 2022, UniCredit group holds asset-backed securities and units in investment funds acquired following the sale of financial assets fully derecognised, carried out in 2022 and in previous years.

These transactions involved the sale of financial assets, consisting of loans both performing and non-performing, by the originator companies of the Group to securitisation vehicles or investment funds and their derecognition from the financial statements pursuant to IFRS9, following the assessment that the originator itself has substantially transferred the risks and benefits of the assets sold and at the same time has not maintained any control over the same assets.

Instead of these derecognised assets, the asset-backed securities or the units in investment funds received in the same transactions were recognized among the Financial assets.

For further information on each transaction carried out in the 2022 and also in the previous years, refer to "Annex 3 - Securitizations - qualitative tables" and "Annex 4 - Sales of financial assets to investment funds, receiving as consideration units issued by the same funds - qualitative tables".

### C. Regulatory Consolidation - Financial assets sold and fully derecognised

|   | (€ million)                                  |                         |   |
|---|--|-------------------------|---|
|   | ORIGINAL BOOK VALUE OF<br>ASSETS BEFORE SALE | OF WHICH NON-PERFORMING | BOOK VALUE OF THE<br>BALANCE-SHEET EXPOSURE<br>ACQUIRED |
| <b>A. Financial assets held for trading</b>                                 | -  | X                       | -   |
| 1. Debt securities  | -  | X                       | -   |
| 2. Equity instruments   | -  | X                       | -   |
| 3. Loans  | -  | X                       | -   |
| 4. Derivative instruments   | -  | X                       | -   |
| <b>B. Other financial assets mandatorily at fair value</b>                  | -  | -                       | -   |
| 1. Debt securities  | -  | -                       | -   |
| 2. Equity instruments   | -  | X                       | -   |
| 3. Loans  | -  | -                       | -   |
| <b>C. Financial assets designated at fair value</b>                         | -  | -                       | -   |
| 1. Debt securities  | -  | -                       | -   |
| 2. Loans  | -  | -                       | -   |
| <b>D. Financial assets at fair value through other comprehensive income</b> | 2  | 2                       | 1   |
| 1. Debt securities  | -  | -                       | -   |
| 2. Equity instruments   | -  | X                       | -   |
| 3. Loans  | 2  | 2                       | 1   |
| <b>E. Financial assets at amortised cost</b>                                | 2,267  | 952                     | 1,654   |
| 1. Debt securities  | -  | -                       | -   |
| 2. Loans  | 2,267  | 952                     | 1,654   |
| <b>Total 31.12.2022</b>   | <b>2,269</b>                                 | <b>954</b>              | <b>1,655</b>  |

The asset-backed securities acquired during the year by such transactions, amounting to €1,651 million, are classified in the Financial assets at amortised cost, in those at fair value through other comprehensive income and in those mandatorily at fair value, while the units in investment Funds underwritten, amounting to €4 million, are classified in the Financial assets mandatorily at fair value portfolio.

## Part E - Information on risks and related hedging policies

### D.4 Regulatory consolidation - Covered Bond Transactions

In 2008 the Group initiated a first Covered Bond (OBG or Obbligazioni Bancarie Garantite) Programme with residential mortgage loans as the underlying assets and in 2012 a second Covered Bond Programme with both residential and commercial mortgage loans as underlying assets, in line with Law 130/99, the MEF decree dated 14 December 2006 and Banca d'Italia instructions dated 17 May 2007 as amended on 24 March 2010 and on 24 June 2014.

Under these programmes:

- UniCredit S.p.A. is issuer and also acts as transferor of suitable assets and servicer;
- UniCredit BpC Mortgage S.r.l. and UniCredit OBG S.r.l. (special purpose vehicles set up within the banking group as expressly authorised by Banca d'Italia) are guarantors of the OBG holders of the first and the second programme respectively, within the limits of the cover pools; and
- the auditing firm BDO Italia S.p.A. is Asset Monitor for both the programmes.

The first programme, guaranteed by UniCredit BpC Mortgage S.r.l., is characterised by a Soft Bullet method<sup>71</sup> of reimbursement and is rated by Fitch (AA), S&P (AA-), Moody's (Aa3).

The second programme, guaranteed by UniCredit OBG S.r.l., previously characterised by a Conditional Pass-Through method<sup>72</sup> of reimbursement, subsequently to contractual amendments finalized in May 2022, is currently characterised by a Soft Bullet method<sup>1</sup> of repayment and is rated by Moody's (Aa3).

The Group's main aims in issuing OBGs are to diversify its funding sources and fund at competitive rates. As with the securitisations, the difficulties in the markets made it advisable to use covered bonds as a means of increasing the Group's counterbalancing capacity by retaining with the Group part of the securities issued.

An integral feature of OBG Programme management is maintaining a balance between the characteristics of the assets sold and the issues. This is necessary to maintain the efficacy of the guarantee given by the SPV to the bondholders.

Given the complexity of the transaction, a system of first- and second-level controls and procedures has been set up, as required by Banca d'Italia instructions, to identify units, functions, duties and responsibilities, and specific policy has been issued to this end.

The policy was approved by the competent committees, the Statutory Auditors and the Board of Directors of UniCredit S.p.A.

As required by Banca d'Italia instructions on controls:

- UniCredit's Risk Management function is charged with the management of the issuer's risks and checks:
  - the quality, suitability and integrity of the assets sold to guarantee the OBGs;
  - that the maximum ratio of OBGs issued to assets sold to guarantee them is adhered to;
  - that limits on sales and supplementary sales procedures are followed;
  - the effectiveness and adequacy of the hedges provided by any derivatives contracts entered into in relation to the Programme; and
  - the trend in the balance between the cash flow arising from the cover pool and that absorbed by the OBGs in issue;
- the Asset Monitor is an outside independent entity charged with checking at least annually the regularity of the transactions and the integrity of the guarantee to the bondholders;
- UniCredit's internal audit department is responsible for a complete audit (to be conducted at least once a year) of the adequacy of the controls performed;
- the results of the audits performed by the Asset Monitor and the issuer's internal audit department are submitted to the governing bodies.

As at 31 December 2022 the series of covered bonds issued under the two programmes totalled 24 and were worth €20,856 million, of which €16,200 million was repurchased by UniCredit S.p.A.

<sup>71</sup> Soft Bullet repayment method: in case the issuer is insolvent and the OBG guarantor has insufficient funds to repay in full the OBG at the maturity date, the maturity date is automatically extended by 1 year and any unpaid and due amount shall be payable by such date. In case the OBG guarantor is not able to redeem the OBG at the extended maturity all the outstanding OBG become due and payable and the guarantor has to sale the whole underlying portfolio.

<sup>72</sup> Conditional pass-through repayment method: in case the issuer is insolvent and the OBG guarantor has insufficient funds to repay in full the OBG at the maturity date, the OBG turns in to "pass-through" and the maturity date is extended by 38 years. During the extended period the OBG guarantor has the option to attempt a selected sale of the underlying portfolio every 6 months in order to redeem the pass-through OBG.

## Part E - Information on risks and related hedging policies

| NAME   | SOFT BULLET COVERED BONDS PROGRAMME  |
|--|--|
| Originator:  | UniCredit S.p.A. (formerly UniCredit Family Financing Bank S.p.A.)               |
| Issuer:  | UniCredit S.p.A.   |
| Servicer:  | UniCredit S.p.A.   |
| Arranger:  | UniCredit Bank AG, London Branch   |
| Target transaction:  | Funding  |
| Type of asset:   | Residential Mortgage loans   |
| Quality of Asset:  | performing   |
| Book value of the underlying assets at the end of accounting period (€ million): | 5,469  |
| Covered Bonds issued at the end of accounting period (€ million):                | 2,606  |
| Other Credit Enhancements:   | UniCredit S.p.A. granted to the SPV a subordinated loan of total €5,989 million. |
| Rating Agencies:   | S & P - Moody's - Fitch  |
| Rating:  | AA- (since 01/03/2019) - Aa3 (since 24/10/2018) - AA (since 22/12/2021)          |

| NAME   | SECOND SOFT BULLET COVERED BONDS PROGRAMME   |
|--|--|
| Originator:  | UniCredit S.p.A.   |
| Issuer:  | UniCredit S.p.A.   |
| Servicer:  | UniCredit S.p.A.   |
| Arranger:  | UniCredit Bank AG, London Branch   |
| Target transaction:  | Funding - Counterbalancing Capacity  |
| Type of asset:   | Residential and Commercial Mortgage loans  |
| Quality of Asset:  | Performing   |
| Book value of the underlying assets at the end of accounting period (€ million): | 28,625   |
| Covered Bonds issued at the end of accounting period (€ million):                | 18,250   |
| Other Credit Enhancements:   | UniCredit S.p.A. granted to the SPV a subordinated loan of total Eur 29,749 million. |
| Rating Agencies:   | Moody's  |
| Rating:  | Aa3 (since 24/10/2018)   |

### Information on Sovereign Exposures

With reference to the Group's sovereign exposures<sup>73</sup>, the book value of sovereign debt securities as at 31 December 2022 amounted to €99,103 million<sup>74</sup>, of which over 80% concentrated in eight countries; Italy, with €34,826 million, represents over 35% 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 at 31 December 2022.

<sup>73</sup> 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 at 31 December 2022;
- ABSs.

<sup>74</sup> Information on Sovereign exposures refers to the scope of the UniCredit Consolidated financial statements as at 31 December 2022, determined under IAS/IFRS.

For information on Sovereign exposures with reference to the regulatory scope of consolidation refer to UniCredit Group Disclosure (Pillar III) as at 31 December 2022 - Credit Risk.

## Part E - Information on risks and related hedging policies

## Breakdown of sovereign debt securities by country and portfolio

(€ million)

| COUNTRY/PORTFOLIO   | AMOUNTS AS AT 31.12.2022 |               |               |
|---|--------------------------|---------------|---------------|
|   | NOMINAL VALUE            | BOOK VALUE    | FAIR VALUE    |
| <b>- Italy</b>  | <b>37,133</b>            | <b>34,826</b> | <b>34,679</b> |
| financial assets/liabilities held for trading (net exposure*)     | (1,259)                  | (1,162)       | (1,162)       |
| financial assets designated at fair value                         | 0                        | 0             | 0             |
| 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        |
| <b>- Spain</b>  | <b>14,620</b>            | <b>13,767</b> | <b>13,526</b> |
| financial assets/liabilities held for trading (net exposure*)     | 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        |
| <b>- Japan</b>  | <b>10,342</b>            | <b>10,310</b> | <b>10,324</b> |
| financial assets/liabilities held for trading (net exposure*)     | -                        | -             | -             |
| 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         |
| <b>- Germany</b>  | <b>7,308</b>             | <b>7,146</b>  | <b>6,929</b>  |
| financial assets/liabilities held for trading (net exposure*)     | 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         |
| <b>- United States of America</b>                                 | <b>7,133</b>             | <b>6,120</b>  | <b>6,113</b>  |
| financial assets/liabilities held for trading (net exposure*)     | 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         |
| <b>- France</b>   | <b>2,950</b>             | <b>2,678</b>  | <b>2,548</b>  |
| financial assets/liabilities held for trading (net exposure*)     | 846                      | 724           | 724           |
| financial assets designated at fair value                         | 0                        | 0             | 0             |
| financial assets mandatorily at fair value                        | 0                        | 0             | 0             |
| financial assets at fair value through other comprehensive income | 1,445                    | 1,289         | 1,289         |
| financial assets at amortised cost                                | 659                      | 665           | 535           |
| <b>- Romania</b>  | <b>2,546</b>             | <b>2,525</b>  | <b>2,305</b>  |
| financial assets/liabilities held for trading (net exposure*)     | 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         |
| <b>- Bulgaria</b>   | <b>2,415</b>             | <b>2,305</b>  | <b>2,145</b>  |
| financial assets/liabilities held for trading (net exposure*)     | 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           |
| <b>Total on-balance sheet exposures</b>                           | <b>84,447</b>            | <b>79,677</b> | <b>78,569</b> |

## Notes:

(\*) Including exposures in Credit Derivatives.

Negative amount indicates the prevalence of liabilities positions.

## Part E - Information on risks and related hedging policies

The weighted duration of the sovereign bonds shown in the table above, divided by the banking<sup>75</sup> and trading book, is the following:

### Weighted duration

|                            | 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             | -                     |

(years)

The remaining 20% of the total of sovereign debt securities, amounting to €19,426 million with reference to the book values as at 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 at 31 December 2022 there were no indications that default has 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. For more information on the criteria adopted for the evaluation of the Russian counterparties, refer to Section 5 - Other matters, Notes to the consolidated account Part A - Accounting policies- A.1 - General.

It should also be noted that among the aforementioned remaining part of sovereign debt securities as at 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.

The table below shows the classification of bonds belonging to the banking book and their percentage proportion of the total of the portfolio under which they are classified.

### Breakdown of sovereign debt securities by portfolio (banking book)

(€ million)

|             | AMOUNTS AS AT 31.12.2022                  |  |   |                                    |  | TOTAL  |
|-------------|---|--|---|------------------------------------|--|--------|
|             | FINANCIAL ASSETS DESIGNATED AT FAIR VALUE | FINANCIAL ASSETS MANDATORILY AT FAIR VALUE | FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME | FINANCIAL ASSETS AT AMORTISED COST |  |        |
| Book value  | 272                                       | 2,071                                      | 41,453  | 53,013                             |  | 96,809 |
| % Portfolio | 84.32%                                    | 25.28%                                     | 75.52%  | 9.10%                              |  | 14.98% |

<sup>75</sup> 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.

## Part E - Information on risks and related hedging policies

In addition to the exposures to sovereign debt securities, loans<sup>76</sup> given to central and local governments and governmental bodies must be taken into account.

The table below shows the total amount as at 31 December 2022 of loans booked in financial assets at amortised cost portfolio given to countries towards which the overall exposure exceeds €100 million, representing about 96% of the total.

## Breakdown of sovereign loans by country

| COUNTRY                                 | AMOUNTS AS AT<br>31.12.2022 |
|---|-----------------------------|
|   | BOOK VALUE                  |
| - Austria <sup>(*)</sup>                | 5,627                       |
| - Italy                                 | 5,198                       |
| - Germany <sup>(**)</sup>               | 5,045                       |
| - Croatia                               | 2,351                       |
| - Czech Republic                        | 1,151                       |
| - Qatar                                 | 768                         |
| - Hungary <sup>(***)</sup>              | 370                         |
| - Romania                               | 326                         |
| - Egypt                                 | 300                         |
| - Slovakia                              | 296                         |
| - Kenya                                 | 228                         |
| - Slovenia                              | 224                         |
| - Turkey                                | 188                         |
| - Bulgaria                              | 181                         |
| - Indonesia                             | 166                         |
| - Bosnia and Herzegovina                | 139                         |
| - Trinidad and Tobago                   | 131                         |
| - Angola                                | 116                         |
| - Laos                                  | 115                         |
| - Serbia                                | 109                         |
| <b>Total on-balance sheet exposures</b> | <b>23,029</b>               |

## Notes:

(\*) of which €24 million in financial assets mandatorily at fair value.

(\*\*) of which €573 million in financial assets mandatorily at fair value.

(\*\*\*) of which €6 million in financial assets mandatorily at fair value.

It should also be noted that, as at 31 December 2022, there are in addition also loans to Supranational Organisations amounting to €1,193 million booked in financial assets held for trading portfolio.

Lastly, it should be noted that derivatives are traded within the ISDA master agreement and accompanied by Credit Support Annexes, which provide for the use of cash collaterals or low-risk eligible securities.

For more details on the sensitivity analysis of credit spreads and on the results of stress tests refer to the "Recession Scenario" and "Hawkish Scenario" in chapter Stress test of the Section 2.2 - Market risk, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter and for liquidity management policies see Section 2.4 Liquidity risk, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter.

<sup>76</sup> Tax items are not included.

## Part E - Information on risks and related hedging policies

### *Other transactions*

With reference to the indications of Banca d'Italia/Consob/IVASS document No.6 of 8 March 2013 - Booking of "long-term structured repos" instructions, there are no transactions of this kind to report.

### *Information on structured trading derivatives with customers*

The business model governing OTC derivatives trading with customers provides for the centralisation of market risk in the Group Client Solutions division - Group Client Risk Management, while credit risk is assumed by the Group company which, under the divisional or geographical segmentation model, manages the relevant customer's account.

The Group's operational model provides for customer trading derivatives business to be carried on, as part of each subsidiary's operational independence:

- by the commercial banks and divisions that close transactions in OTC derivatives in order to provide non-institutional clients with products to manage currency, interest-rate and price risks. Under these transactions, the commercial banks transfer their market risks to the Group Credit Solutions division by means of equal and opposite contracts, retaining only the relevant counterparty risk. The commercial banks also place or collect orders on behalf of others for investment products with embedded derivatives (e.g. structured bonds);
- by CE and EE Banks, which transact business directly with their customers.

UniCredit group trades OTC derivatives on a wide range of underlying, e.g. interest rates, currency rates, share prices and indexes, commodities (precious metals, base metals, petroleum and energy materials) and credit rights.

OTC derivatives offer considerable scope for personalisation: new payoff profiles can be constructed by combining several OTC derivatives (for example, a plain vanilla IRS with one or more plain vanilla or exotic options). The risk and the complexity of the structures obtained in this manner depend on the respective characteristics of the components (reference parameters and indexation mechanisms) and the way in which they are combined.

Credit and market risk arising from OTC derivatives business is controlled by the Chief Risk Officer competence line (CRO) in the Parent and/or in the Division or subsidiary involved. This control is carried out by means of guidelines and policies covering risk management, measurement and controls in terms of principles, rules and processes, as well as by setting VaR limits.

The business with non-institutional clients does not (usually) entail the use of margin calls, whereas with institutional counterparties (dealt with by the CIB Division) recourse may be made to 'credit-risk mitigation' (CRM) techniques, by using netting and/or collateral agreements.

Write-downs and write-backs of derivatives to take account of counterparty risk are determined in line with the procedure used to assess other credit exposure, specifically:

- performing exposure to customers are mapped by deriving EAD (Exposure at Default) with simulation techniques that take into account the Wrong-Way Risk and measured with PD (Probability of Default) and LGD (Loss Given Default) implied by current market default rates obtained from credit & loan-credit default swaps, in order to obtain a value in terms of 'expected loss' (EL) to be used for items designated and measured at fair value maximising the usage of market's inputs;
- non-performing positions are valued in terms of estimated expected future cash flows according to specific indications of impairment (which are the basis for the calculation of the amount and timing of the cash flow).

Here follows the breakdown of balance-sheet asset item "20. Financial assets at fair value through profit or loss: a) financial assets held for trading" and of balance-sheet liability item "20. Financial liabilities held for trading".

For the purpose of the distinction between customers and banking counterparties, the definition contained in Circular No.262 of 22 December 2005 of Banca d'Italia and subsequent amendments (which was used for the preparation of the accounts) was used as a reference.

Structured products were defined as derivative contracts that incorporate in the same instrument forms of contracts that generate exposure to several types of risk (with the exception of cross-currency swaps) and/or leverage effects.



## Part E - Information on risks and related hedging policies

Fair values of OTC derivatives managed through Central Clearing counterparts are reported on a net basis. The related reduction of balances is €240,126 million and €237,693 million on trading asset (item "20. Financial assets at fair value through profit or loss: a) financial assets held for trading") and liabilities ("20. Financial liabilities held for trading"), respectively.

The balance of item "20. Financial assets at fair value through profit or loss: a) financial assets held for trading" of the Consolidated accounts with regard to derivative contracts totaled €39,643 million (with a notional value of €3,303,777 million) including €24,466 million with customers. The notional value of derivatives with customers amounted to €1,650,130 million including €1,645,638 million in plain vanilla (with a fair value of €24,044 million) and €4,491 million in structured derivatives (with a fair value of €422 million).

The notional value of derivatives with banking counterparties totaled €1,653,647 million (fair value of €15,177 million) including €8,650 million relating to structured derivatives (fair value of €147 million).

The balance of item "20. Financial liabilities held for trading" of the consolidated accounts with regard to derivative contracts totaled €40,341 million (with a notional value of €3,362,739 million) including €26,844 million with customers. The notional value of derivatives with customers amounted to €1,681,692 million including €1,672,171 million in plain vanilla (with a fair value of €26,079 million) and €9,521 million in structured derivatives (with a fair value of €765 million).

The notional value of derivatives with banking counterparties totaled €1,681,047 million (fair value of €13,497 million) including €7,522 million relating to structured derivatives (fair value of €75 million).

### *E. Prudential perimeter - Credit risk measurement models*

As at 31 December 2022 the expected loss on the credit risk perimeter was 0.38% of total UniCredit group credit exposure. The result does not include the exposures which have migrated to default and therefore do not enter in the calculation of expected loss. Besides, since risk measurement systems tend to be anti-cyclical, this may result in a smaller elasticity to the swift changes of the macroeconomic scenario.

As at 31 December 2022, the ratio between credit economic capital (including a component to cover migration risk) and its relative credit exposure amount is 2.27%.

As far as UniCredit S.p.A. quantitative information, reference is made to the paragraph "F. Credit risk measurement models" of Company financial statements of UniCredit S.p.A., Notes to the accounts, Part E - Information on risks and related hedging policies, Section 1 - Credit Risk, Quantitative information, which is herewith quoted entirely.

## Part E - Information on risks and related hedging policies

### 2.2 Market risks

Market risk derives from the effect that changes in market variables (interest rates, securities prices, exchange rates, etc.) can cause to the economic value of the Group's portfolio, including the assets held both in the Trading book, as well as those posted in the Banking book, which involve both the operations typical of the commercial banking and in the choice of strategic investments. Market risk management within UniCredit group accordingly includes all the activities relating to cash transactions and capital structure management, both for the Parent Company, as well as for the individual entities of the Group.

From a regulatory perspective, market risk stems from all the positions included in banks' trading book as well as from commodity and foreign exchange risk positions in the whole Balance sheet.

Therefore, the risks subject to market risk capital requirements include but are not limited to:

- default risk, interest rate risk, credit spread risk, equity risk, foreign exchange (FX) risk and commodities risk for trading book instruments;
- FX risk and commodities risk for banking book instruments.

From a managerial perspective, the Group extends the definition of Market Risk to include Fair value through Profit and Loss (i.e., FVtPL) and Other Comprehensive Income (i.e., FVtOCI assets, net of Micro Fair Value Hedges) portfolios, which are therefore monitored and limited through a set of market-risk specific metrics.

Amortised Cost (AC) securities are also included in the scope with the aim to check the consistency with the Investment Plan.

The current organisational model guarantees the ability to steer, coordinate and control the activities of some aggregated risks (so-called Portfolio Risks), through dedicated responsibility centers (Portfolio Risk Managers), completely focused and specialised on such risks, under a Group and interdivisional perspective.

According to this organisation, the structure at first level of reporting to "Group Risk Management", dedicated to market risk governance is the "Group Financial Risk" department.

#### **Risk management strategies and processes**

The Parent Company's Board of Directors lays down strategic guidelines for taking on market risks by calculating capital allocation for the Parent company and its subsidiaries, depending on risk appetite and value creation objectives in proportion to the risks assumed. The Parent Company has defined Global Rules to manage and control market risk, including strategies and processes to be followed. Market risk strategies are set by the Parent Company at least on an annual basis, in line with the definition of the overall Group Risk appetite and then cascaded to the legal entities. Market risk appetite is also fundamental for the development of the Group's business strategy, ensuring the consistence between the budgeted revenues and the setting of Value-at-Risk limits.

In this context, on an annual basis Market Risk Management function of the Parent Company agrees with the local Market Risk functions possible changes to the Group Market Risk Framework. Changes to the Group Market Risk Framework can include changes to the perimeter for the calculation of managerial market risk metrics and methodological changes in the limit monitoring framework.

For this purpose, Market Risk Management of the Parent Company gathers the information needed to set up the Group Market Risk Strategy for the following year. In particular, Group Market Risk Management receives from the competent function the Group Risk Appetite Framework, which sets, among others, Market Risk KPIs and from local Market Risk functions the list of legal entities (LEs)/Business Lines allowed to assume market risk exposures, the severities of the related limits and the proposals for the review of market risk levels.

Based on these inputs, the Group Market Risk strategy is defined including the following information:

- the proposed Market Risk Takers Map;
- limits and Warning Levels (WLs) proposal in accordance with the proposed Market Risk Takers Map;
- any change occurred to the risk limit framework compared to the previous year;
- overview on the macroeconomic scenario and related risks for the Group;
- Market Risk RAF KPIs;
- the business strategy and key initiatives to support the limit proposal.

After that all the Group relevant Bodies have approved the Group Market Risk Strategy and given the relevant NBOs for local market risk limits, the approval is communicated to the local functions.

In terms of monitoring, the LEs carry out periodical activities (e.g., daily monitoring of VaR, weekly monitoring of Regulatory VaR, IRC and SVaR, monthly monitoring of Stress Test Warning Level) under the coordination of the Parent Company Market Risk Management function and the breaches are timely escalated locally to Senior Management and to the Parent Company.

Ultimately, it has to be highlighted that detailed Global Rules on market risk strategy definition, limits setting, monitoring, escalation and reporting activities are in place and applied at Group level.

## Part E - Information on risks and related hedging policies

### Trading Book

In accordance with the Capital Requirements Regulation, and as defined in the current policy "Group Market Risk Governance Guidelines", the Trading book is defined as all positions in financial instruments and commodities held either with trading intent, or in order to hedge positions held with trading intent.

Books held with trading intent are composed of:

- positions arising from client servicing and market making;
- positions intended to be resold in the short term;
- positions intended to benefit from actual or expected short-term price differences between buying and selling prices or from other price or interest rate variations.

In addition, Trading book may include internal or intra-group hedging derivatives transferring risk from Banking book into Trading book, entitled to manage the relevant risk and having access to the derivatives market.

The essential requirement for the Regulatory Trading book assignment is a clear "trading intent", as defined above, which the trader has to commit to and has to confirm on an ongoing basis. Additionally, the so called "tradability", "marketability" and "hedge-ability" requirements have to be assessed in order to evaluate the appropriateness for the Trading book assignment:

- tradability refers to positions free of restrictions on their tradability and coherently reflected within the "Trader Mandate" of the risk taker;
- marketability refers to the positions for which a reliable Fair Value can be evaluated based to the largest extent on independently verified observable market parameters;
- hedge-ability refers to positions for which a hedge could be put in place. The hedge-ability is meant to concern the "material" risks of a position which implies not necessarily that all the various risk features are to be hedge-able.

When opening a new book, the book manager makes the proposal whether the book should be managed as a Trading book, or a Banking book based on the planned trading activity. This has to be in line with the bank's internal rules and criteria for the assignment to either Trading book or Banking book. The book manager is required to clearly declare the trading intent and therefore to explain the business strategy behind the request for the Regulatory Trading assignment. The book manager is then responsible for all the positions held in his book and the eligibility criteria are expected to be fulfilled on an ongoing basis.

Concerning the monitoring phase, to demonstrate adequate trading intent, the following minimum criteria must be fulfilled at book level and are checked at least on a quarterly basis:

- minimum of 5 trades during the past 90 trading days;
- minimum of 5% of the volume of each book traded during the past 90 trading days with reference to the last day of the period.

In case a breach of the trading intent criteria, the possibility to re-classify the book must be assessed.

With reference to the methodology used to ensure that the policies and procedures implemented for the management of the Trading book are appropriate, first of all it has to be noted that any new/updated regulation has to be preliminary shared with the main impacted functions/legal entities in order to collect their feedback. The competent Group function also assesses the compliance risks with reference to the regulations falling within its direct scope of competence. In addition, before the issuance, the owner of the rule submits to the competent body/function for the approval.

The financial instruments (an asset or a liability, cash, or derivative) held by the Group are exposed to changes over time driven by moves of market risk factors. The market risk factors are classified in the following five standard market risk asset classes:

- Credit risk: the risk that the value of the instrument decreases due to credit spreads changes, issuer correlation and recovery rates;
- Equity risk: the risk that the value of the instrument decreases due to increase/decrease of index/stock prices, equity volatilities, implied correlation;
- Interest rate risk: the risk that the value of the instrument decreases due to interest rates changes, basis risk, interest rates volatility;
- Currency risk: the risk that the value of the instrument decreases due to foreign exchange rates changes, foreign exchange rates volatility;
- Commodity risk: the risk that the value of the instrument decreases due to changes of the commodity prices, for example gold, crude oil, commodity prices volatility.

Market risk in UniCredit group is measured and limited mainly through two sets of metrics: Broad Market Risk measures and Granular Market Risk measures:

- **Broad Market Risk measures:** these measures are meant to set a boundary to the regulatory capital absorption and to the economic loss accepted for FVtOCI and/or FVtPL exposures. Limitations on Broad Market Risk measures must be reviewed at least annually in the context of the drafting of the Group and Local Market Risk Strategies and must be consistent with assigned budget of revenues, the defined risk-taking capacity (ICAAP process) and Group Risk Appetite KPIs. The set of all limitations on Broad Market Risk measures assigned to a specific market risk taker must be consistent with each other.

## Part E - Information on risks and related hedging policies

The consistency must be checked whenever a level for a Broad Market Risk Measure is defined. The legal entity Market Risk Function needs to provide evidence of such consistency when required. Broad Market Risk measures are:

- Value at Risk ("VaR"), the potential 1-day loss in value of a portfolio for a 99% single-tail confidence interval; calculated through historical simulation in full revaluation using the last 250 equally weighted daily observations;
- Stressed VaR ("SVaR"), the VaR of a portfolio calculated using a 250-day period of significant financial stress;
- Incremental Risk Charge ("IRC"), the amount of regulatory capital aimed at addressing the credit shortcomings (migration and default risks) that can affect a portfolio in one year at a 99.9% confidence level;
- 60 days PL, set as the 60 calendar days rolling period Accumulated Economic P&L without resetting at year end; the limitation on this metrics is called Loss Warning Level ("LWL");
- Worst Stress test result, defined as the worst conditional loss on a given portfolio resulting from the application of a predefined set of scenarios; the limitation on this metrics is called Stress Test Warning Level ("STWL"); for all STWL included in the Market Risk Taker Maps, Parent Company monitoring is based on the set of scenarios defined in the Group Market Risk Strategy; legal entities are allowed to add specific scenarios for local monitoring purposes.

The Group has undertaken a progressive review of Market Risk measure scope and, starting from 2019, Warning Levels for 60 days PL and Worst Stress test result have been defined on FVtPL and FVtOCI perimeters.

- **Granular Market Risk measures:** these measures allow a more detailed and stringent control of risk exposures than Broad Market Risk measures. Limitations on Granular Market Risk measures (so-called Granular Market Limits, GMLs) are specific limits to individual risk factors or group of risk factors:
  - sensitivity levels, which represent the change in the market value of a financial instrument due to small moves of the relevant market risk asset classes/factors. Among others, and not limited to, particularly relevant considering the asset and liability structure of the commercial bank are the Basis Point Value Sensitivity, that measures the change in the present value of the interest rate sensitive positions resulting from a 1bp parallel shift to interest rate, and the Credit Point Value Sensitivity, that measure the change in the present value of the credit risk sensitive positions resulting from a 1bp parallel shift to credit spread (per issuer, rating or industry);
  - stress scenario levels, which represent the change in the market value of a financial instrument due to large moves of the relevant market risk asset classes/factors;
  - nominal levels, which are based on the notional value of the exposure.

The main objectives of Granular Market Limits are:

- supporting the management of market risk;
- ensuring desk's focus to exposure under their mandate;
- restricting risk concentration, i.e. preventing the build-up of positions that, although consistent with allocated VaR limits, could become unmanageable in case of turmoil or in case of reduced market liquidity;
- complementing VaR when it does not cover sufficiently a specific risk factor;
- facilitating interaction with traders, who manage their books according to sensitivities or scenario analysis;
- limiting P&L volatility due to a specific risk factor;
- complementing the compliance framework (e.g., Volcker rule and the German Trennbanken act).

The Granular Market Limits must be consistent with limitations on Broad Market Risk measures.

To cover also Amortised Cost securities, the Market Risk Strategy defines notional and CPV granular limits on Regulatory Banking book perimeter. This ensures the monitoring of Credit spread risk in the Banking book, which originates mainly from government bond portfolios held for liquidity purposes. The main credit spread exposure relates to Italian sovereign risk in the Italian perimeter.

As for Banking book FX risk, the FX Management & Control Global Policy in force requires every legal entity to setup local processes and controls to transfer the transactional exchange risk exposures to one single unit, generally in the Treasury department, mandated to manage the open exposure within the allotted limits and the general market risk appetite.

Finally, the Group is exposed to FX risk in relation to the holding of subsidiaries, associates and joint ventures presenting their financial statements in currencies different than EUR (Structural FX Risk). To limit the impacts of the FX rates movements on the Capital ratios volatility, a RAF KPI on Structural FX risk is set at Group level to identify an appropriate level of risk the Group is willing to maintain and thresholds that in case of breaches require the activation of the proper escalation mechanisms. Group risk management strategy could envisage the steering of the FX risk exposure in the LEs or the booking in the Holding of positions deliberately taken to hedge the Total capital ratio from FX volatility. On a yearly basis, this strategy is presented to the relevant Group committees and approved by the BoD. The potential losses deriving from the implemented strategy is limited through the market risk metrics.

The general policy is to hedge the foreign currency exposures from dividends and contributions to consolidate profit (loss) considering hedging cost and market circumstances. The FX exposure is hedged using forwards and options that are classified as Trading book. This general rule is valid for the Parent Company. The hedge strategy is reviewed by the relevant risk committees on a regular basis.

## Part E - Information on risks and related hedging policies

### Banking Book

The main components of market risk in the Banking book are: credit spread risk, FX risk and interest rate risk.

As for the first two components (Credit Spread risk and exchange rate risk), please refer to what is reported in this paragraph in the Trading Portfolio section.

With regards to the third component (interest rate risk), the exposure is measured in terms of sensitivity of the economic value and of the net interest income.

The Group Financial and Credit Risk Committee (GFRC) is responsible for the definition of the interest rate risk strategy for the strategic position of the banking book, including the strategic management of the capital and structural gap between non-interest rate sensitive assets and liabilities.

Within the management of Banking book interest rate the main target is the reduction of the adverse impacts on net interest income due to interest rate volatility in a multiyear horizon, in order to achieve a flow of earnings and a return on capital coherent with the strategic plan. The strategy does not imply any intended directional or discretionary positioning to generate additional earnings, unless approved by relevant bodies and separately monitored. The only exception is for those functions authorised to carry interest rates positions within an approved level of limitations from the relevant risk committees.

The Treasury functions manage the interest rate risk deriving from commercial transactions maintaining the exposure within the limits set by the relevant risk committees. Daily, the exposure is monitored and measured from risk management functions.

The interest rate management strategy takes also into account the main impacts from clients' behavior, which may impact on the value of interest margins or on the economic value of the banking book. Such are for instance the loans prepayment and the stability of sight deposits.

The prepayment risk is managed through the adaptation of the contractual profile on the basis of behavior of clients inferred from historical data. In UniCredit S.p.A., UniCredit Bank AG, UniCredit Bank Austria AG e UniCredit Bank Czech Republic and Slovakia S.A. the prepayment rate is modelled considering also, if relevant, the financial incentive linked to the trend of interest rates. The prepayment risk is considered also in the credit portfolios of AO UniCredit Bank and UniCredit Bank Hungary ZRT.

The stability of sight deposits is assessed through an internal model which estimates the stable volume and that non-sensitive to interest rates. Starting from those volumes, the hedging strategy is built, consistently with the maturity profile approved by the GFRC and coherently with the management strategy of interest rate risk of the banking book. The adoption of the internal models applied to the sight deposits is present across all the banks of the Group, with exception for UniCredit International Bank (Luxembourg) S.A. The hedging strategy is enacted through fixed rate positions at medium long term (commercial loans, government bonds or alternatively financial derivatives as interest rate swaps). The composition of the hedging portfolio in terms of products and their maturities depends on their availability and their liquidity.

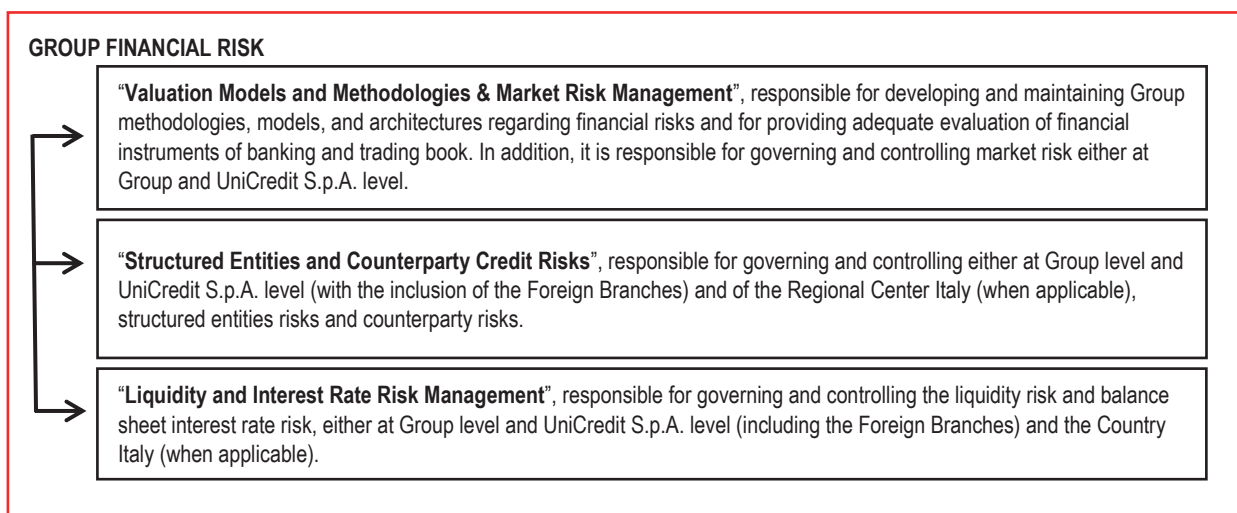
## Part E - Information on risks and related hedging policies

### Structure and organisation

The Group Financial Risk department is responsible, at Group level, for the definition of the strategies of financial risk management of the Group to be submitted to the competent functions/Bodies (i.e., liquidity risk, balance sheet interest rate risk, market risk and counterpart risk), ensuring that the control of the risks in charge of the UniCredit S.p.A. Foreign Branches are monitored and reported to the Group Chief Risk Officer and to the Top Management. In addition, the structure governs the Group activities aimed to ensure the independent control of the prices and of the Front Office relevant parameters, for the fair value calculation.

Finally, the structure is directly responsible for the approval and the oversight of the internal rule revision plan proposed by the Group Financial Risk structure in charge of it.

The structure breaks down as follows:



The relevant Committees of reference are:

- Group Financial and Credit Risks Committee (GFRC) - Market Risk session;
- Group Executive Committee (GEC) - Risk Session.

The “Group Financial and Credit Risks Committee (GFRC) - Market Risk session” meets monthly and is responsible for approving strategies, policies and methodologies for Market Risks and for the monitoring of risks, with the aim to optimize the usage of financial resources (e.g., capital) in coherence with Risk Appetite and Business Strategies. It is also responsible for evaluating the impact of transactions significantly affecting the overall market risk portfolio profile.

The “Group Executive Committee (GEC) - Risk Session” which has approval as well as consulting and proposal functions, meets monthly and aims at supporting the CEO in its role of steering, coordinating and monitoring all categories of risks (included compliance risk), managing and overseeing the internal control system also at a Group level, as well as discussing and approving strategic risk topics such as Group Risk Appetite Framework, ICAAP, ILAAP, SREP, key highlights from Internal Control Systems, NPE, ESG.

## Part E - Information on risks and related hedging policies

The Holding Company's governing bodies delegate to the Group Financial and Credit Risk Committee (GFRC) the development of detailed internal regulations with the goal of establishing an integrated and consistent IRRBB management framework within the Group with the goal of facilitating an effective decision-making process and governance.

Local relevant committee of the liquidity reference banks (LRBs) or Legal Entities (LEs) (in accordance with local rules in force), within the scope of their responsibilities and delegated powers, are responsible for implementing the IRRBB management framework established by GFRC, also considering the peculiarities of each LRB or LEs and given the guidelines and indications of their respective governing bodies (both those responsible for strategic supervision and management).

The GFRC is also responsible for the Group-wide monitoring of IRR within the broader perspective of market risk. Having regard to the overall operations and risk exposures of the Group, it involves the Group Executive Committee (GEC) within its responsibilities and delegated powers.

The committee's involvement in interest rate risk management includes:

- the definition of granular interest rate Banking book limits;
- the initial approval and fundamental modifications for the measurement and control system of Banking book interest rate risks with the support of internal validation function (where necessary);
- the optimization of the Group profile for Banking book interest rate risk;
- the definition of the operational strategies of Balance sheet (e.g., replicating portfolio) and application of the internal transfer prices within the Italian perimeter.

### **Risk measurement and reporting systems**

#### **Trading Book**

In the second half of 2022, UniCredit group continued to improve and consolidate market risk models to properly measure, represent and control the Group risk profile, reflecting these changes in the reporting activity. As regards market risk measurements, further details can be reported in paragraph "Internal Model for Price, Interest Rate and Exchange Rate Risk of the Regulatory Trading book", while for both monthly and daily reporting process, Global Process Regulation are periodically updated.

Within the organisational context described above, the policy implemented by UniCredit group within the scope of market risk management is aimed at gradually adopting and using common principles, rules and processes in terms of appetite for risk, limit calculations, model development, pricing and risk model scrutiny.

The Group Financial Risk department is specifically required to ensure that principles, rules, and processes are in line with industry best practice and consistent with standards and uses in the various countries in which they are applied.

The main tool used by UniCredit group to measure market risk on trading positions is Value at Risk (VaR), calculated using the historical simulation method. Further details on risk valuation models are included in the following chapter.

Group Financial Risk defines market risk reporting standards, both in terms of contents and recurrence, and provides timely information to the Senior Management and regulators regarding the market risk profile at consolidated level.

In addition to VaR and Basel 2 risk measures, stress tests represent an important risk management tool that provides UniCredit with an indication of how much capital might be needed to absorb losses in case of large financial shocks. Stress testing forms an integral part of the Internal Capital Adequacy Assessment Process (ICAAP), which requires UniCredit to undertake rigorous, forward-looking stress testing that identifies possible events or changes in market conditions that could adversely impact on the bank.

## Part E - Information on risks and related hedging policies

### Banking Book

The primary responsibility of the monitoring and control of the risk management for market risk in the Banking book lies in the bank's competent bodies. For instance, the Parent company is responsible for the process of monitoring the market risks on the Banking book at consolidated level. As such, it defines structure, data, and frequency of the necessary Group reporting.

The Banking book interest rate risk measure covers both the economic value and net interest income risk aspects. In particular, the different and complementary perspectives involve:

- **Economic Value:** variations in interest rates can affect the economic value of assets and liabilities. The economic value of the bank can be viewed as the present value of the bank's expected net cash flows, defined as the expected cash flows on assets minus the expected cash flows on liabilities; a relevant risk measure from this perspective is the economic value sensitivity per time bucket for a 1bp rate shock. This measure is reported to the relevant committees to assess the economic value impact of various changes in the yield curve. In addition, the economic value sensitivity is computed also for the regulatory scenarios ("Supervisory Outlier Test" described in EBA/GL/2018/02);
- **Net Interest Income:** the focus of the analysis is the impact of changes of interest rates on Net Interest Income. An example of a measure of risks used is Net Interest Income sensitivity for a 100bps parallel shock of rates. This measure is reported to the competent committees to the end of evaluating its impact on the interest income over the next 12 months. Additional stress test scenarios are performed and monitored including basis risk and non-parallel shocks with hypothesis of increase or decrease of interest rates levels under constant balance sheet assumption.

As for other sources of market risk, such as Credit Spread risk and FX risk, please refer to the information in the paragraph Risk management strategies and processes, relating to the Trading Book section.

### Hedging policies and risk mitigation

#### Trading Book

The mitigation of Trading book risk is performed through the Market Risk Strategy, where Broad and Granular Limits are defined. The effective limit utilization is provided to "Group Financial and Credit Risks Committee" (through the Market Risk Overview report) and related breaches are escalated to the competent Body, according to the severity assigned by the Market Risk Strategy. The escalation process is ruled by the Global Policy "Group Market Risk Governance Guidelines" which defines the nature of the various thresholds/limits applied, as well as the relevant bodies to be involved establishing the most appropriate course of action to restore exposure within the approved limits.

A set of risk indicators is also provided to the Group Executive Committee (and subsequently to the Internal Control & Risk Committee and to the BoD) on a quarterly basis through the Group Risk Appetite Framework (RAF) and Integrated Risk Report (IRR), which includes Regulatory VaR, Stressed VaR and IRC trend for Group and legal entities (UniCredit S.p.A., UniCredit Bank AG, UniCredit Bank Austria AG, Centrale Europe and Eastern Europe), Sovereign and non-Sovereign (ABS, Financials and Corporates) Exposure.

If required, focus is provided to relevant committees on the activity of a specific business line/desk to ensure the highest level of understanding and discussion of the risks in certain areas which are deemed to deserve particular attention.

#### Banking Book

On a regular basis, at least quarterly, the relevant IRR exposure, complemented by the analysis of the compliance to the limits, must be reported to Management bodies and internal committees. As a general principle, the compliance to the limits must be reported to Boards and committees depending on their role in limit setting and it is proportionate to the severity hierarchy outlined in the previous section.

The Group Financial and Credit Risk Committee (GFRC) must be subject to reporting with respect to RAF KPIs and Overall Group and LRB Granular Limits and Triggers with the same frequency of the committee's meetings. The same reporting process must be implemented within LRBs with respect to Local relevant committees (in accordance with local rules in force).

Breaches of limits and warning levels are reported, upon occurrence, to the relevant bodies. Consequently, the escalation process is activated in line with the procedures set in relative Policy, to establish the most appropriate course of action to restore exposure within the approved limits.

The execution of structural hedges to mitigate the interest rate risk exposure on client business is responsibility of the treasury functions. The strategic transactions in the Banking book are managed by the Asset and Liability Management department, ALM.



## Part E - Information on risks and related hedging policies

### **Internal model for price, interest rate and exchange rate risk of the regulatory trading book**

The current Market Risk internal model is based on Value-at-Risk (VaR) framework, integrated with other risk measures: incremental risk capital charge (IRC) and stressed Value-at-Risk (SVaR) aimed at reducing the pro-cyclicality of the minimum capital requirements for market risk, in line with the European directives in force.

All the regulatory requirements in the contest of Market Risk have been addressed via internal development of the necessary model and IT infrastructure as opposed to the external acquisition of ready-made solutions.

This enabled UniCredit to craft solutions that in many aspects can be considered on the sophisticated end of the spectrum of practices that can be found in the industry. In this respect one distinctive feature of the market (and counterparty) risk frameworks implemented in UniCredit group is the full revaluation approach employing the same pricing libraries used in the Front Office.

UniCredit group calculates both VaR and SVaR for market risk on trading positions using the historical simulation method.

Under the historical simulation method positions are revaluated (in full revaluation approach) based on trends in market prices over an appropriate observation period. The empirical distribution of profits/losses deriving therefrom is analysed to determine the effect of extreme market movements on the portfolios. For a given portfolio, probability and time horizon, VaR is defined as a threshold value so that the probability that the mark-to-market loss on the portfolio, over the given time horizon, not exceeding this value (assuming no trading in the portfolio) has the given confidence level. Current configuration of the internal model defines VaR at a 99% confidence level on the 1-day P&L distribution obtained from equally weighted historical scenarios covering the last 250 days.

Historical scenarios are built relying on proportional shocks for Equities and FX rates, and on absolute shocks for Interest Rates and Credit Spreads. UniCredit VaR Model simulates all the risk factors, both referring to general and specific risk, thus providing diversification in a straightforward approach. The model is recalibrated daily. The use of a 1-day time horizon makes the immediate comparison with realised profits/losses possible and such comparison is the core of the back-testing exercise.

The VaR measure identifies a consistent measure across all the portfolios and products, since it:

- allows a comparison of risk among different businesses;
- provides a means of aggregating and netting position within a portfolio to reflect correlation and offset between different assets classes;
- facilitates comparisons of market risk both over time and against daily results.

Although a valuable guide to risk, VaR should always be viewed within its limitations:

- historical simulation relies on past occurrences to forecast potential losses. In case of extreme shifts this might not be appropriate;
- the length of the time window used to generate the forecasted distribution will necessarily embed a trade-off between the responsiveness of the metric to recent market evolutions (short window) and the spectrum of scenarios that will embed (long window);
- assuming a constant one/ten-day horizon there is no discrimination between different risk-factor liquidity.

Stressed VaR calculation is based on the very same methodology and architecture of the VaR, and it is analogously calculated with a 99% confidence level and 1-day time horizon on a weekly basis, but over a stressed observation period of 250 days. The chosen historical period identifies the 1-year observation window which produces the highest resulting measure for the current portfolio.

Stress windows are recalibrated monthly and are tailored to the portfolio of each legal entity of the Group, plus the Group itself that is relevant for RWA calculation on a consolidated level. The SVaR window at Group level and for all the legal entities (UniCredit Bank AG, UniCredit Bank Austria AG and UniCredit S.p.A. solo level) corresponds to the "Lehman Crisis" (2008-2009).

The 10-day capital requirement is however obtained by extending the 1-day risk measure to the 10-day horizon taking the maximum of the square root of time scaling and a convolution approach that turns the one-day distribution into a 10-day distribution for both the VaR and the Stressed VaR. The 1-day measures are instead actively used for market risk management.

In order to validate the consistency of VaR internal models used in calculating capital requirements on market risks, back-testing is performed by comparing the internal model risk estimates with the portfolio profit and loss, to check if the 99% of the trading outcomes is covered by the 99th percentile of the risk measures.

The test is based on the last twelve months data (250 daily observations). In case the number of exceptions in the previous year exceeds what forecasted by the confidence level assumed, a careful revision of model parameters and assumptions is initiated. Market, Operational & Pillar II Risks Validation performed the periodic validation of the VaR/SVaR framework to assess the compliance with regulatory requirements including an independent back-testing analysis complemented with different parameterisations (e.g., different time horizon, percentile) and detailing the results for a set of representative portfolios of the Bank.

The IRC capital charge captures default risk as well as migration risk for un-securitised credit products held in the Trading book. The internally developed model simulates via multivariate version of a Merton-type model the rating migration events of all the issuers relevant to the Group trading positions over a capital horizon of one year. The transition probabilities and the sector correlations are historically calibrated, while idiosyncratic correlations are derived from the IRB correlation formula. Simulated migration events are turned into credit spread scenarios while default events are associated to a simulated recovery rate. In doing so a constant position assumption is employed and products are conservatively all attributed a common liquidity horizon of 1 year.

## Part E - Information on risks and related hedging policies

In each scenario all the relevant product inventory is revaluated under such spread and default events producing a simulated profit or loss (P&L) that fully reflects convexity, basis risk, portfolio effects and portfolio concentration risks. In this way a high number of paths Monte Carlo simulation generates a P&L distribution for the Group (and each leaf of its portfolio tree).

IRC is defined as the 99.9 percentile of such loss distribution.

Additional capital charge for securitisations and credit products not covered by IRC is evaluated through the standardised approach.

The following table summarises the main characteristics of the different measures that define the capital requirement for market risk in UniCredit.

| MEASURE | RISK TYPE                  | HORIZON | QUANTILE | SIMULATION  | CALIBRATION                 |
|---------|----------------------------|---------|----------|-------------|-----------------------------|
| VaR     | All Market Risk Factors    | 10d     | 99%      | Historical  | 1Y window, equally weighted |
| SVaR    | All Market Risk Factors    | 10d     | 99%      | Historical  | 1Y window, equally weighted |
| IRC     | Rating Migration & Default | 1Y      | 99.9%    | Monte Carlo | Through-the-cycle (min 8Y)  |

The IRC Model is subject to a quarterly program of Stress tests aimed at evaluating the robustness of the model. The relevant parameters as Recovery Rates, Transition Probabilities, idiosyncratic correlation, Credit Spread shocks are stressed and the impact on the IRC measure is computed.

"Market, Operational & Pillar II Risks Validation" performed its analyses to evaluate the conceptual soundness of the IRC model, to supplement the available analyses on that topic and to ensure the compliance of the resulting risk management environment with all the relevant regulatory requirements and internal standards. As already remarked by the regulation, traditional back-testing procedures, regarding the 99.9% one-year soundness standard for IRC, are not applicable due to the 1-year time horizon of the measure.

Consequently, while validation of the IRC model relied heavily on indirect methods (including stress tests, sensitivity analysis and scenario analysis) in order to assess the qualitative and quantitative reasonableness of the model, special focus has indeed been given to the specific situation of UniCredit portfolios.

"Market, Operational & Pillar II Risks Validation" Unit kept the scope of their analyses as wide as possible in order to comprise the many diverse issues that are acting concurrently in such a model (general model design, regulatory compliance, numerical implementation, outcomes explanation). Market, Operational & Pillar II Risks Validation performed a full spectrum of validation analyses on the IRC measure calculation using its internal replica libraries. The replica allows a simple verification of the results provided by the productive environment, and in addition opens the door to a more dynamical and tailored implementation of the needed tests. The spectrum of analysis encompassed Monte Carlo stability, correlation analysis and stressing, assessment on portfolio concentration, calculation of parameters sensitivity, marginal contribution analysis, alternative models' comparisons. All major parameters were tested, i.e., correlation matrices, transition probabilities matrices, transition shocks, recovery rates, probabilities of default, number of scenarios. To understand the overall performance of the model in replicating the real-world migration and default phenomena, Market, Operational & Pillar II Risks Validation also performed a historical performance exercise comparing the migrations and defaults predicted by UniCredit IRC model with the ones actually observed since 1981 (due to data availability).

Banca d'Italia authorised UniCredit group to use internal models for the calculation of capital requirements for market risk. As of today, the Group legal entities within CEE countries are the ones that are mainly using the standardised approach for calculating capital requirements relating to trading positions. However, the VaR measure is used for the management of market risk in the abovementioned entities.

For Trading book VaR the bank differentiates between regulatory and managerial views. The managerial measure is used for Risk monitoring and Business steering purposes as prescribed by Market Risk Framework: in particular VaR limits represent the main metric translating the Risk Appetite into the Market Risk framework.

The managerial VaR has a wider scope: it is used to monitor both Trading book and Banking book perimeter (specifically FVtPL and FVtOCI positions), also including legal entities for which the standardised measurement method is applied for Regulatory purposes, in order to have a complete picture of risk through PL and capital. Furthermore, the exposure coming from hedges of the XVA sensitivities is excluded from managerial VaR monitoring but included in the Regulatory VaR limits in order to allow a proper steering of MRWA; additionally, respective sensitivities are closely monitored against XVA risk.

The standardised measurement method is also applied to the calculation of capital covering the risk of holding Banking book exposure in foreign currencies for UniCredit S.p.A., which does not have an approval for FX Risk simulation under Internal Model.

In this respect the FX risk for both Trading and the Banking book is included in VaR and SVaR for Regulatory purposes as for the approved legal entities (UniCredit Bank AG and UniCredit Bank Austria AG); as regards the managerial view the FX Risk of Banking book is included in the Overall (Trading book and Banking book) VaR.

UniCredit Internal Model Approach includes the Risk Not In Model Engine framework, that provides an estimate on the completeness of the risk factors included in VaR, SVaR and IRC. Although RNIME program shows that UniCredit IMA captures adequately the material price risks, since fourth quarter 2019 UniCredit computes via Stress Test a prudential capital add-on.

## Part E - Information on risks and related hedging policies

To sum up, the Internal Model approach is used for Regulatory purposes for UniCredit S.p.A., UniCredit Bank AG, UniCredit Bank Austria AG, and UniCredit Bank Austria sub-group, while it is used for all legal entities (including CEE countries) for managerial purposes.

Finally Trading portfolios are subject to Stress tests according to a wide range of simple and complex scenarios. Simple scenarios which envisage the shock of single asset classes, are defined in the context of Interest Rate Risk/Price Risk/Exchange Rate Risk/Credit Spread Risk Sensitivity. Complex scenarios apply simultaneous changes on several risk factors. Both simple and complex scenarios are applied to the whole Trading book. Detailed descriptions are included in the paragraph on the Stress test.

Stress tests results are calculated in the Group Market Risk system, thus ensuring a common methodological approach across the Group. Results are calculated applying a full revaluation approach meaning that all positions are revalued under stressed conditions; no ad hoc models or pricing functions are applied for stress testing.

According to national regulations, some relevant scenarios are also a matter of regulatory reporting on a quarterly basis.

In addition, a set of scenarios is run monthly on overall Group perimeter, thus covering both Trading and Banking book positions. Results are discussed monthly in Market Risk Stress Test Open Forum involving Market Risk function's representatives of all the legal entities and Business' representatives.

Results are analysed in depth in the monthly report "Monthly Overview on Market Stress Test".

Stress test Warning levels Usage is monitored monthly. More details on Warning Levels and Strategy are given in the previous paragraph Risk management strategies and processes.

### Effects arising from Covid-19 pandemic

After the sharp increase of both managerial and regulatory market risk metrics caused by the outbreak of Covid-19 during the first half of 2020, the evolution of the crisis and the related risk metrics development is under strict monitoring by both risk and business functions. The cautious approach adopted in positions management since the beginning of the crisis resulted in a progressive relief in limits utilization.

### VaR, SVaR and IRC

Diversified VaR, SVaR and IRC are calculated taking into account the diversification arising from positions taken by different entities within the Imod perimeter (i.e., for which the use of the internal model for the risk calculation is approved). VaR is however in place for all the Legal Entities and its value is reported in Managerial VaR section for information purpose.

The VaR and SVaR increasing trend observed during the third quarter of 2022 is mainly driven by market transactions primarily affecting Equity Risk in the Trading book of UniCredit Bank AG, that reversed back in the fourth quarter.

While the IRC decreasing trend observed during the second half of 2022 is mainly driven by lower exposure towards Republic of Italy Credit Spread in the Trading book of UniCredit S.p.A.

### Risk on trading book

#### Daily VaR on Regulatory Trading Book<sup>(\*)</sup>

(€ million)

| I-MOD PERIMETER             | 29 DECEMBER<br>2022 | AVERAGE<br>LAST 60 DAYS | 2022    |      |     | 2021    |
|-----------------------------|---------------------|-------------------------|---------|------|-----|---------|
|                             |                     |                         | AVERAGE | MAX  | MIN | AVERAGE |
| Diversified UniCredit group | 16.1                | 16.8                    | 15.3    | 30.3 | 8.8 | 7.0     |

#### SVaR on Regulatory Trading Book<sup>(\*)</sup>

(€ million)

| I-MOD PERIMETER             | 29 DECEMBER<br>2022 | AVERAGE<br>LAST 12 WEEKS | 2022    |      |      | 2021    |
|-----------------------------|---------------------|--------------------------|---------|------|------|---------|
|                             |                     |                          | AVERAGE | MAX  | MIN  | AVERAGE |
| Diversified UniCredit group | 21.7                | 24.9                     | 26.6    | 37.2 | 16.8 | 21.5    |

#### IRC on Regulatory Trading Book<sup>(\*)</sup>

(€ million)

| I-MOD PERIMETER             | 29 DECEMBER<br>2022 | AVERAGE<br>LAST 12 WEEKS | 2022    |       |      | 2021    |
|-----------------------------|---------------------|--------------------------|---------|-------|------|---------|
|                             |                     |                          | AVERAGE | MAX   | MIN  | AVERAGE |
| Diversified UniCredit group | 78.2                | 81.2                     | 108.2   | 149.0 | 62.3 | 149.6   |

Note:

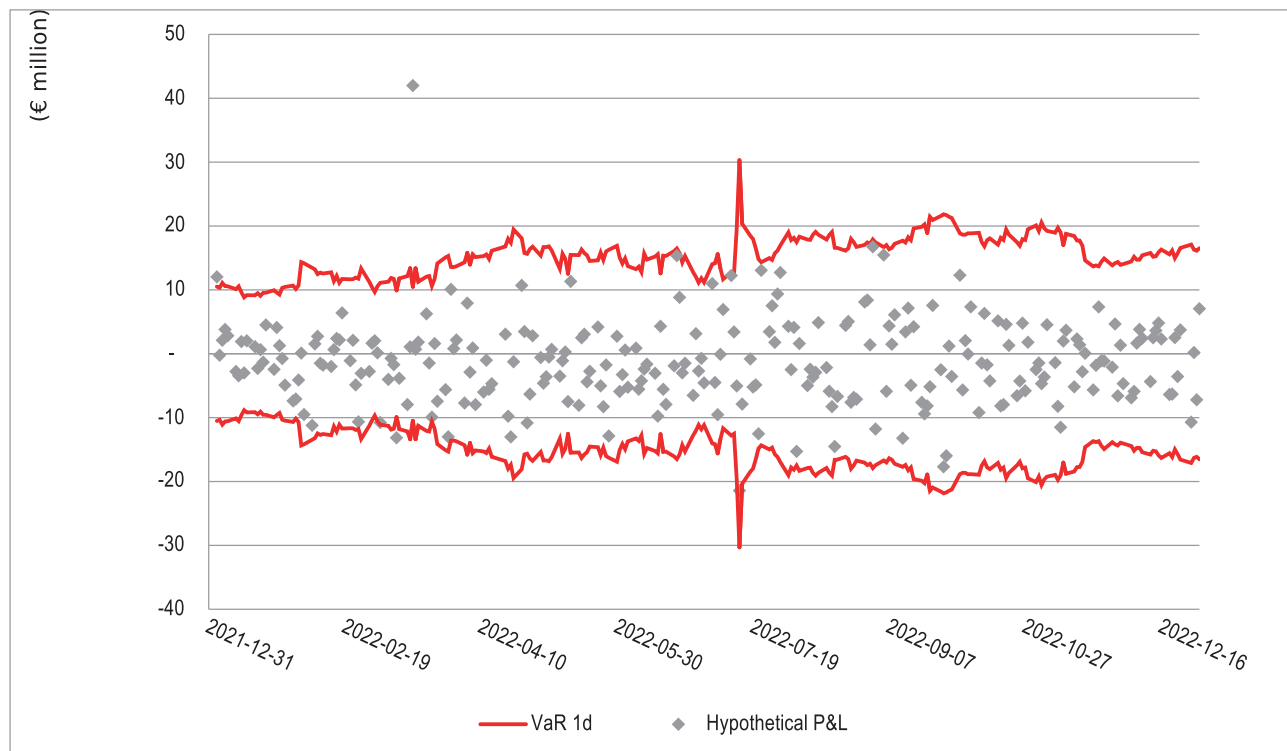
(\*) End of month for Regulatory risk metrics refers to last Thursday of the month, differently from managerial metrics

## Part E - Information on risks and related hedging policies

### EU MR4 Comparison of VaR estimates with gain/losses

The following graph shows back-testing results referred to the market risk on the Trading book, in which VaR results for the last twelve months are compared to the hypothetical “profit and loss” results for Group (I-Mod Perimeter).

During the second semester of 2022 no overdraft occurred.



## Part E - Information on risks and related hedging policies

### Managerial VaR

Below are reported the Managerial Diversified Trading book VaR as of end of December 2022 at Group and Regional Centre levels and the Undiversified Trading book VaR at Group level, calculated as sum of the values of all Legal Entities (without considering diversification benefit). Difference with Regulatory Trading book was described above.

#### Daily VaR on Managerial Trading Book

(€ million)

| TRADING BOOK   | 30 DECEMBER 2022 |
|--|------------------|
| <b>Diversified UniCredit group as per internal model</b> | <b>18.5</b>      |
| Germany  | 17.0             |
| Italy  | 3.7              |
| Central Europe   | 0.8              |
| Austria  | 0.3              |
| Czech Republic   | 0.8              |
| Hungary  | 0.7              |
| Slovenia   | 0.0              |
| Eastern Europe   | 7.0              |
| Bosnia   | 0.0              |
| Bulgaria   | 0.1              |
| Croatia  | 0.1              |
| Romania  | 0.6              |
| Russia   | 7.0              |
| Serbia   | 0.1              |
| <b>Undiversified UniCredit group</b>                     | <b>30.4</b>      |

### Marginal Regulatory VaR

The table below provides a breakdown of 10-days VaR figure (i.e., referred to a 10-days' time horizon) according to the different market risks (debt, equity, FX, commodities) and its evolution during the year, in the form of template C24 of COREP.

#### Risk on Trading book by instruments classes

#### 10-days VaR on Regulatory Trading book

(€ million)

|                                       | 2022        |             |             |             | 2021        |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
|                                       | Q1          | Q2          | Q3          | Q4          | Q4          |
| Traded Debt Instruments               | 26.0        | 34.7        | 36.0        | 34.5        | 20.6        |
| TDI - General Risk                    | 24.6        | 36.6        | 37.2        | 32.8        | 20.5        |
| TDI - Specific Risk                   | 6.4         | 8.5         | 8.5         | 11.6        | 6.4         |
| Equities                              | 5.5         | 9.7         | 67.0        | 30.0        | 4.0         |
| Equities - General Risk               | -           | -           | -           | -           | -           |
| Equities - Specific Risk              | 5.5         | 9.7         | 67.0        | 30.0        | 4.0         |
| Foreign Exchange Risk                 | 5.3         | 8.4         | 10.2        | 13.0        | 3.1         |
| Commodities Risk                      | 19.8        | 21.1        | 26.1        | 34.7        | 13.3        |
| <b>Total Amount For General Risk</b>  | <b>33.3</b> | <b>45.8</b> | <b>48.5</b> | <b>48.0</b> | <b>23.5</b> |
| <b>Total Amount For Specific Risk</b> | <b>6.9</b>  | <b>11.2</b> | <b>70.4</b> | <b>36.3</b> | <b>6.6</b>  |

The VaR increasing trend observed during the third quarter of 2022 is mainly driven by market transactions primarily affecting Equity Risk in the Trading book of UniCredit Bank AG, that reversed back in the fourth quarter.

### CVA

The CVA charge data values for the Trading book for the Group are reported below (as sum of the individual legal entities charges since the diversification benefit is not considered). The charge accounts for the credit-spread volatility affecting regulatory CVA. It consists of a VaR figure computed over the current window (CVA VaR) and a VaR figure computed over a stressed window (CVA SVaR).

For exposures not covered by the CCR Internal model (used to calculate CVA exposure profiles) the standardised approach (SA) is used. The mitigation of the XVA exposure across UniCredit group "Western Europe" perimeter is managed by a dedicated CVA Desk, whose mandate is to provide a centralised Front Office service function in Markets with the responsibility for XVA pricing & exposure management for OTC derivatives. The CVA Desk actively hedges the exposure to risk factors within the prescribed limit framework in UCI S.p.A., UCB AG and UCBA AG. Overall CVA RWA remained relatively stable with respect the third quarter in 2022.

## Part E - Information on risks and related hedging policies

## Risk on Trading book

## CVA Trading book

(€ million)

|          | 2022  |      |       |      | 2021  |
|----------|-------|------|-------|------|-------|
|          | Q1    | Q2   | Q3    | Q4   | Q4    |
| CVA      | 128.9 | 90.9 | 103.2 | 98.8 | 108.0 |
| CVA VaR  | 12.1  | 11.7 | 15.4  | 16.2 | 8.4   |
| CVA SVaR | 43.9  | 37.8 | 42.0  | 43.6 | 49.5  |
| CVA SA   | 72.9  | 41.4 | 45.9  | 39.0 | 50.1  |

## 2.2.1 Interest rate risk and price risk - Regulatory trading book

## Qualitative information

## Interest rate risk

## A. General aspects

Interest rate risk arises from financial positions taken by Group specialist centres holding assigned market risk limits within certain levels of discretion. Regardless of use of the internal models in calculating capital requirements on market risks, risk positions in the Group are monitored and subject to limits assigned to the portfolios based on managerial responsibilities and not purely on regulatory criteria.

## B. Risk management processes and measurement methods

For both a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyse exposure, also refer to the introduction on internal models.

As regards Stress Test refer to the introduction on Risk Management Strategies and Processes and for the complex scenarios' description to Stress Test paragraph.

In addition to the monitoring of Granular Market Limits, Group Market Risk functions conduct sensitivity analysis at least on monthly basis, in order to determine the effect on the income statement of changes in the value of individual risk factors or several risk factors of the same type.

Additionally to the sensitivity of financial instruments to changes in the underlying risk factor, the sensitivity to the volatility of interest rates is also calculated assuming positive and negative shifts of 30% in volatility curves or matrices.

## Price risk

## A. General aspects

Price risk relating to equities, commodities, investment funds and related derivative products included in the Trading book originates from positions taken by Group specialist centres holding assigned market risk limits within certain levels of discretion.

Price risk deriving from own trading of these instruments is managed using both directional and relative value strategies via direct sale and purchase of securities, regulated derivatives and OTCs and recourse to security lending. Volatility trading strategies are implemented using options and complex derivatives

## B. Risk management processes and measurement methods

For both a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyse exposure, refer to the introduction on internal models.

As regards stress test refers to the introduction on "Risk management strategies and processes" and for the complex scenarios' description to the "Stress test" paragraph.

## Part E - Information on risks and related hedging policies

### Quantitative information

#### 1. Regulatory trading portfolio: distribution by residual duration (re-pricing date) of financial assets and liabilities for cash and financial derivatives

The table is not reported since a table showing Interest Rate sensitivity is described below, in accordance with Internal Model.

#### 2. Regulatory trading portfolio: distribution of equity exposures and equity indices for the main listing countries

The table is not reported since a table showing price risk sensitivity is described below, in accordance with Internal Model.

#### 3. Regulatory trading portfolio: internal models and other methods for sensitivity analysis

For both a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyse exposure, also refer to the introduction on internal models.

### Interest rate risk

#### Interest rate risk sensitivity

Sensitivity to changes in interest rates is determined using both parallel shifts of interest-rate curves, and changes in the curve itself.

The curves are analysed using parallel shifts of  $\pm 1\text{bp}/\pm 10\text{bps}$  and  $\pm 100\text{bps}$ .

For each 1bp shift, sensitivity is calculated for a series of time-buckets. Sensitivity for changes in the steepness of the rate curve is analysed by clockwise turning (Turn CW), i.e. an increase in short-term rates and a simultaneous fall in long-term rates, and by counter-clockwise turning (Turn CCW), whereby short-term rates fall and long-term rates rise.

In particular, clockwise and counter-clockwise turning use the following changes in absolute terms:

- +50bps/-50bps for the one-day bucket;
- 0bps for the one-year bucket;
- -50bps/+50bps for the 30-year plus bucket;
- for buckets between the above ones, the change to be set is found by linear interpolation.

The Group also calculates sensitivity to the volatility of Interest Rate assuming a positive shift of 30% or negative change of 30% in volatility curves or matrices.

The tables below show trading book sensitivities.

(€ million)

| INTEREST RATES | +1BP LESS THAN 1 MONTH | +1BP 1 MONTH TO 6 MONTHS | +1BP 6 MONTHS TO 1 YEAR | +1BP 1 YEAR TO 5 YEARS | +1BP 5 YEARS TO 10 YEARS | +1BP 10 YEARS TO 20 YEARS | +1BP OVER 20 YEARS | +1 BP TOTAL | -10 BP      | +10 BP      | -100 BP      | +100 BP      | CW          | CCW        |
|----------------|------------------------|--------------------------|-------------------------|------------------------|--------------------------|---------------------------|--------------------|-------------|-------------|-------------|--------------|--------------|-------------|------------|
| <b>Total</b>   | <b>0.0</b>             | <b>0.5</b>               | <b>-0.2</b>             | <b>0.3</b>             | <b>-0.3</b>              | <b>-0.1</b>               | <b>0.5</b>         | <b>0.6</b>  | <b>-2.3</b> | <b>-4.6</b> | <b>-11.2</b> | <b>-55.6</b> | <b>-8.4</b> | <b>8.3</b> |
| of which:      |                        |                          |                         |                        |                          |                           |                    |             |             |             |              |              |             |            |
| EUR            | 0.1                    | 0.5                      | -0.2                    | 0.1                    | -0.4                     | -0.2                      | 0.5                | 0.3         | -3.7        | 3.1         | -24.0        | 14.6         | -3.1        | 3.1        |
| USD            | -0.0                   | -0.0                     | -0.0                    | -0.0                   | 0.2                      | 0.0                       | 0.0                | 0.2         | 2.9         | -2.9        | 28.6         | -29.3        | -5.5        | 5.3        |
| GBP            | 0.0                    | -0.0                     | -0.0                    | 0.0                    | 0.1                      | 0.0                       | -0.0               | 0.1         | -0.9        | 0.9         | -9.9         | 8.7          | -1.8        | 1.8        |
| CHF            | -0.0                   | 0.0                      | -0.0                    | -0.0                   | 0.0                      | -0.0                      | 0.0                | -0.0        | 0.2         | -0.2        | 2.3          | -2.1         | 0.7         | -0.7       |
| JPY            | -0.0                   | 0.0                      | -0.0                    | 0.2                    | -0.1                     | -0.0                      | 0.0                | 0.1         | -0.6        | 0.6         | -6.4         | 6.3          | 0.6         | -0.6       |

(€ million)

|                       | -30%       | +30%         |
|-----------------------|------------|--------------|
| <b>Interest Rates</b> | <b>5.7</b> | <b>-35.3</b> |
| EUR                   | 6.6        | -35.4        |
| USD                   | -1.0       | 0.5          |

## Part E - Information on risks and related hedging policies

### Price risk

#### Share-price sensitivity

Share-price sensitivity is expressed in two ways:

- as a “Delta cash-equivalent”, i.e. the euro equivalent of the quantity of the underlying that would expose the bank to the same risk arising from its actual portfolio;
- as the economic result of a rise or fall in spot prices of 1%, 10% and 20%.

The Delta cash-equivalent and the Delta 1% (i.e. the economic impact of a 1% rise in spot prices) are calculated both for each geographical region (assuming that all stock markets in the region are perfectly correlated) and on the total (assuming therefore that all stock markets are perfectly correlated). The sensitivity arising from changes of 10% and 20% is calculated solely on the total.

The Group also calculates sensitivity to the volatility of equities assuming a positive shift of 30% or negative change of 30% in volatility curves or matrixes.

In addition, sensitivity to commodity price changes is calculated according to the above criteria. Given its secondary importance as compared to other risk exposures, this is calculated as a single class.

The tables below show Trading book sensitivities.

(€ million)

| EQUITIES<br>ALL MARKETS | DELTA<br>CASH-EQUIVALENT | -20%         | -10%         | -1%         | +1%         | +10%         | +20%         |
|-------------------------|--------------------------|--------------|--------------|-------------|-------------|--------------|--------------|
| Europe                  | 25.9                     | -            | -            | -           | 0.3         | -            | -            |
| USA                     | 1.9                      | -            | -            | -           | 0.0         | -            | -            |
| Japan                   | 0.6                      | -            | -            | -           | 0.0         | -            | -            |
| Asia ex-Japan           | 0.7                      | -            | -            | -           | 0.0         | -            | -            |
| Latin America           | -0.3                     | -            | -            | -           | 0.0         | -            | -            |
| Other                   | -30.1                    | -            | -            | -           | -0.3        | -            | -            |
| <b>Total</b>            | <b>-1.3</b>              | <b>-54.6</b> | <b>-12.4</b> | <b>-0.2</b> | <b>0.0</b>  | <b>-14.3</b> | <b>-60.5</b> |
| <b>Commodity</b>        | <b>-57.2</b>             | <b>11.7</b>  | <b>5.7</b>   | <b>0.5</b>  | <b>-0.6</b> | <b>-4.6</b>  | <b>-8.6</b>  |

(€ million)

|          | -30%  | +30% |
|----------|-------|------|
| Equities | -15.8 | 12.0 |



## Part E - Information on risks and related hedging policies

### 2.2.2 Interest rate risk and price risk - Banking book

#### Qualitative information

##### Interest rate risk

###### A. General aspects, operational processes and methods for measuring interest rate risk

Interest rate risk refers to the current or future risk to the bank's capital and earnings arising from unfavorable movements in interest rates that affect the bank's positions. As interest rates change, the present value and timing of future cash flows change and this, in turn, changes the underlying value of a bank's assets, liabilities and off-balance sheet items and therefore its economic value. Changes in interest rates also affect the formation of the interest margin and, consequently, the bank's profits.

Interest rate risk monitoring and management procedures are applied to all positions sensitive to changes in interest rates, excluding:

- The banking book held for trading;
- Defined Benefit Obligations (DBO) portfolio.

The Group Financial and Credit Risk Committee is responsible for defining the operational strategy for managing the interest rate risk of the banking book, including the strategy for managing the capital and the structural gap between assets and liabilities not sensitive to the interest rate.

The management of the interest rate risk of the Banking book is aimed at guaranteeing the reduction of the negative impacts on the long-term interest margins, due to the volatility of interest rates, to achieve a flow of profits and a return on capital consistent with the strategic plan. The strategy does not envisage any directional or discretionary positioning aimed at generating additional profits, unless approved by the competent bodies and monitored separately. The only exception is for the functions authorised to take positions on interest rates within the limits approved by the Risk Committees.

The treasury functions manage the interest rate risk deriving from commercial transactions while maintaining the exposure within the limits set by the Risk Committees.

Limits and alert thresholds are defined for each Bank or Group Company in terms of sensitivity to the economic value or interest margin. The set of metrics is defined according to the level of complexity of the Company's business.

Each of the banks or companies of the Group is responsible for managing the exposure to interest rate risk within the defined limits. At consolidated level, the Group Risk Management function is responsible for measuring interest rate risk, which reports to the Group Financial and Credit Risk Committee the interest rate risk of the banking book exposures and analysis on a monthly basis.

The interest rate risk management strategy is established considering also the main impacts deriving from the behavioral aspects of customers, which can impact on the value of interest margins and the economic value of the banking book, such as the example of early repayments of disbursed loans ("prepayment") and the stability of on demand items.

The monitoring activity is coupled with constant Stress Testing aimed at verifying compliance with the limits under more severe stress scenarios from those expected and present by the market. The calibration and monitoring of stress test scenarios takes place at least annually.

The Internal Validation functions periodically carries out an independent assessment of the correct application of the measurement methodology applied by the risk functions within the monitoring perimeter of the banking book including behavioral assumptions.

The Audit functions ensure the adequacy and compliance with regulatory and internal regulations, at least with an annual frequency.

The Group measures and monitors interest rate risk every day. The main sources of interest rate risk can be classified as follows:

- "Gap" risk: arises from the term structure of the banking book; this is the risk that is generated from different timings in the rate changes of the instruments. The extent of the change in the "gap" also depends on the linearity of the change in the term structure of rates, which can occur consistently across the entire rate curve (parallel risk) or differently from period to period of the curve (non-parallel risk). The "gap" risk also includes the repricing risk, i.e., the risk of changes in the interest margin which occurs when the rate of a financial contract resets; the same also refers to the yield curve risk, which occurs when a shift in an interest rate curve impacts the economic value of the assets and liabilities sensitive to interest rate risk.
- Basis risk: it can be divided into two types of risk:
  - "tenor" risk: derives from the mismatch between the maturity of the instrument and changes in interest rates;
  - currency risk: derives from the potential lack of compensation between interest rate sensitivities emerging from different currencies;
- Option risk: derives from positions in derivatives or from optional elements incorporated in many assets, liabilities and off-balance sheet items of the bank, where either the bank or the customer has the right to change the amount and timing of cash flows.

## Part E - Information on risks and related hedging policies

The measurement of interest rate risk includes:

- the sensitivity analysis of interest margins to changes in interest rates: a constant balance sheet analysis (under the assumption that positions remain constant during the period), and a simulation of the impact on the interest margin for the current period, that also considering the elasticity assumptions for items on demand. Furthermore, with the simulation analysis is assessed the impact on income of different shocks of the interest rate curves, including an instantaneous and parallel rate hike scenario of +100bps and a rate fall scenario of -100bps or lower in a function of the level of rates in the individual currencies as required by the EBA regulations. Additional scenarios are simulated to consider basis risk and other non-parallel shocks;
- the analysis of the sensitivity of the Economic Value to changes in interest rates: it includes the calculation of duration measures, sensitivity of the economic value of the balance sheet items for the different points of the curve, as well as the impact on the economic value deriving from large changes in market rates, according to the scenarios of the "Supervisory Outlier Test" required by the EBA regulation (EBA/GL/2018/02).

The interest rate risk is monitored daily in terms of the sensitivity of the economic value, for an instantaneous and parallel shock of +1 basis point of the term structure of the interest rates. The function responsible for managing interest rate risk, checks on a daily basis the use of the limits for exposure to interest rate risk following a 1bp shock. The basis risk and the risk emerging from options are, respectively measured by the "IR Basis" and "IR Vega" metrics. On a monthly basis, the sensitivity of the Economic Value is monitored for more severe parallel and non-parallel shocks on the term structure of interest rates and that of the interest margin, as described in the previous paragraph.

The assumptions and parameters of the behavioral models used for the internal measurement systems are the same used to generate the regulatory exposures published in EU IRRBB1 tables.

The mitigation of the interest rate risk and the hedging activities of the banking book are carried out through the use of regulated or Over the Counter (OTC) derivatives with an underlying interest rate. The optimization of the natural hedge of the assets with the bank's liabilities is managed by the Group Treasury function and the single legal entities. The interest rate risk is mainly transferred within the trading book of UniCredit Bank AG, which optimizes the UniCredit group's hedging costs and outsources them to the market.

Derivative contracts hedging the interest rate risk of the banking book not held for trading are recognised in the accounts as cash flow hedges or fair value hedges.

The presence and effects of behavioral options in the balance sheet are taken into consideration through the development and application of behavioral models. The maturity profile as well as the average maturity of repricing of maturity deposits take into account the identification of the "stable" portion of the balances, or the amount of the deposit that could represent a stable source of financing despite the short contractual maturity, or the identification of the "core" part of the deposits, that is the amount of the deposits which is stable and difficult to revalue even in the presence of significant changes in the context of interest rates, determined through the statistical evaluation of the stability of the volume and elasticity of the customer rate (i.e. the beta parameter).

The maturity profile, as well as the average repricing maturity of mortgages and retail loans, both take into account the optionality of the advance payment, which is assessed through the statistical estimate of the CPR (conditional early repayment rate) on the loan portfolio.

The estimates on the sensitivity of the interest income in the templates below assume static balance sheet size and structure, no management actions and constant foreign exchange rates.

The scenarios used in the EU IRRBB1 template related to the change in economic value correspond to the scenarios of the "Supervisory Outlier Test" required by the EBA regulation (EBA/GL/2018/02). The scenarios used for the sensitivity of the interest margin reported in the EU IRRBB1 template were defined as follows:

- parallel up: parallel shock of +100bps on all interest rate curves, for all currencies;
- parallel down: parallel downward shock in interest rates 100bps or lower depending on the level of interest rates in the individual currencies (CHF, EUR, BAM and BGN -25bps; JPY, HRK -50bps; HUF, RON -75bps).

The average repricing maturity assigned to non-maturity deposits is 2.3 years.

The longest repricing maturity assigned to non-maturity deposits is 20 years.

### Price risk

#### A. General aspects, operational processes and methods for measuring price risk

Banking Book price risk primarily originates from equity interests held by the Parent Company and its subsidiaries as stable investments, as well as units in mutual investment funds not included in the Trading Book as they are also held as stable investments.

As regards Stress Test refer to the introduction on Risk Management Strategies and Processes paragraph and for the complex scenarios' description to Stress Test paragraph, Part E - Information on risks and related hedging policies, 2.2 Market risk.

## Part E - Information on risks and related hedging policies

## Quantitative information

## 1. Banking book: breakdown by maturity (repricing date) of financial assets and liabilities

(€ million)

| TYPE/RESIDUAL MATURITY                         | AMOUNTS AS AT 31.12.2022 |                |               |                    |                |               |               |                     |
|--|--------------------------|----------------|---------------|--------------------|----------------|---------------|---------------|---------------------|
|  | ON DEMAND                | UP TO 3 MONTHS | 3 TO 6 MONTHS | 6 MONTHS TO 1 YEAR | 1 TO 5 YEARS   | 5 TO 10 YEARS | OVER 10 YEARS | INDEFINITE MATURITY |
| <b>1. On-balance sheet assets</b>              | <b>137,949</b>           | <b>233,163</b> | <b>44,762</b> | <b>30,546</b>      | <b>136,446</b> | <b>79,293</b> | <b>50,934</b> | <b>344</b>          |
| 1.1 Debt securities                            | 2,781                    | 32,356         | 5,835         | 8,744              | 51,747         | 36,700        | 13,161        | -                   |
| - With prepayment option                       | -                        | 263            | 67            | 73                 | 689            | 721           | 144           | -                   |
| - Other  | 2,781                    | 32,093         | 5,768         | 8,671              | 51,058         | 35,979        | 13,017        | -                   |
| 1.2 Loans to banks                             | 55,088                   | 37,017         | 1,137         | 2,646              | 3,510          | 170           | 71            | -                   |
| 1.3 Loans to customers                         | 80,080                   | 163,790        | 37,790        | 19,156             | 81,189         | 42,423        | 37,702        | 344                 |
| - Current accounts                             | 25,473                   | 1,892          | 151           | 130                | 202            | 10            | 486           | -                   |
| - Other loans                                  | 54,607                   | 161,898        | 37,639        | 19,026             | 80,987         | 42,413        | 37,216        | 344                 |
| - With prepayment option                       | 1,279                    | 51,860         | 12,744        | 5,833              | 26,109         | 10,945        | 12,623        | -                   |
| - Other  | 53,328                   | 110,038        | 24,895        | 13,193             | 54,878         | 31,468        | 24,593        | 344                 |
| <b>2. On-balance sheet liabilities</b>         | <b>430,562</b>           | <b>107,230</b> | <b>79,695</b> | <b>23,529</b>      | <b>61,869</b>  | <b>26,905</b> | <b>11,386</b> | <b>67</b>           |
| 2.1 Deposits from customers                    | 409,094                  | 71,790         | 6,488         | 11,821             | 4,739          | 1,377         | 1,145         | 2                   |
| - Current accounts                             | 401,018                  | 4,021          | 920           | 675                | 21             | 19            | 3             | -                   |
| - Other  | 8,076                    | 67,769         | 5,568         | 11,146             | 4,718          | 1,358         | 1,142         | 2                   |
| - With prepayment option                       | 91                       | -              | -             | -                  | -              | -             | -             | -                   |
| - Other  | 7,985                    | 67,769         | 5,568         | 11,146             | 4,718          | 1,358         | 1,142         | 2                   |
| 2.2 Deposits from banks                        | 14,049                   | 20,930         | 66,484        | 2,365              | 21,182         | 4,339         | 392           | -                   |
| - Current accounts                             | 8,711                    | 57             | -             | -                  | -              | -             | -             | -                   |
| - Other  | 5,338                    | 20,873         | 66,484        | 2,365              | 21,182         | 4,339         | 392           | -                   |
| 2.3 Debt securities in issue                   | 1,088                    | 14,209         | 6,660         | 9,162              | 35,370         | 21,064        | 9,823         | 3                   |
| - With prepayment option                       | 137                      | 33             | -             | 12                 | 2,777          | 1,824         | 448           | 3                   |
| - Other  | 951                      | 14,176         | 6,660         | 9,150              | 32,593         | 19,240        | 9,375         | -                   |
| 2.4 Other liabilities                          | 6,331                    | 301            | 63            | 181                | 578            | 125           | 26            | 62                  |
| - With prepayment option                       | -                        | -              | -             | 1                  | 3              | -             | -             | -                   |
| - Other  | 6,331                    | 301            | 63            | 180                | 575            | 125           | 26            | 62                  |
| <b>3. Financial derivatives</b>                |                          |                |               |                    |                |               |               |                     |
| 3.1 With underlying security                   |                          |                |               |                    |                |               |               |                     |
| - Option                                       |                          |                |               |                    |                |               |               |                     |
| + Long positions                               | -                        | 69             | 32            | 50                 | 328            | 289           | 768           | -                   |
| + Short positions                              | -                        | 75             | 28            | 41                 | 256            | 260           | 661           | -                   |
| - Other derivatives                            |                          |                |               |                    |                |               |               |                     |
| + Long positions                               | -                        | 45             | -             | -                  | 1              | -             | -             | -                   |
| + Short positions                              | -                        | 45             | -             | -                  | 1              | -             | -             | -                   |
| 3.2 Without underlying security                |                          |                |               |                    |                |               |               |                     |
| - Option                                       |                          |                |               |                    |                |               |               |                     |
| + Long positions                               | 1                        | 998            | 56            | 144                | 191            | 34            | 511           | -                   |
| + Short positions                              | 1                        | 1,079          | 73            | 154                | 327            | 66            | 766           | -                   |
| - Other derivatives                            |                          |                |               |                    |                |               |               |                     |
| + Long positions                               | 80,924                   | 186,657        | 62,635        | 54,585             | 87,141         | 44,132        | 13,656        | -                   |
| + Short positions                              | 94,346                   | 184,340        | 51,291        | 50,912             | 90,144         | 29,893        | 28,095        | -                   |
| <b>4. Other off-balance sheet transactions</b> |                          |                |               |                    |                |               |               |                     |
| + Long positions                               | 101,183                  | 35,271         | 3,384         | 3,633              | 4,476          | 2,303         | 3,774         | 389                 |
| + Short positions                              | 116,800                  | 25,879         | 1,657         | 2,511              | 3,356          | 593           | 3,230         | 389                 |

## Part E - Information on risks and related hedging policies

## 1. Banking book: breakdown by maturity (repricing date) of financial assets and liabilities - Currency: euro

(€ million)

| TYPE/RESIDUAL MATURITY                         | AMOUNTS AS AT 31.12.2022 |                |               |                    |                |               |               |                     |
|--|--------------------------|----------------|---------------|--------------------|----------------|---------------|---------------|---------------------|
|  | ON DEMAND                | UP TO 3 MONTHS | 3 TO 6 MONTHS | 6 MONTHS TO 1 YEAR | 1 TO 5 YEARS   | 5 TO 10 YEARS | OVER 10 YEARS | INDEFINITE MATURITY |
| <b>1. On-balance sheet assets</b>              | <b>120,800</b>           | <b>210,148</b> | <b>40,778</b> | <b>27,145</b>      | <b>116,521</b> | <b>67,611</b> | <b>46,108</b> | <b>337</b>          |
| 1.1 Debt securities                            | 758                      | 31,034         | 5,485         | 7,900              | 41,789         | 28,866        | 9,279         | -                   |
| - With prepayment option                       | -                        | 143            | 67            | 48                 | 689            | 721           | 144           | -                   |
| - Other  | 758                      | 30,891         | 5,418         | 7,852              | 41,100         | 28,145        | 9,135         | -                   |
| 1.2 Loans to banks                             | 53,575                   | 28,376         | 979           | 2,321              | 3,358          | 153           | 63            | -                   |
| 1.3 Loans to customers                         | 66,467                   | 150,738        | 34,314        | 16,924             | 71,374         | 38,592        | 36,766        | 337                 |
| - Current accounts                             | 23,531                   | 1,151          | 132           | 114                | 197            | 10            | 476           | -                   |
| - Other loans                                  | 42,936                   | 149,587        | 34,182        | 16,810             | 71,177         | 38,582        | 36,290        | 337                 |
| - With prepayment option                       | 1,256                    | 50,924         | 12,093        | 5,634              | 25,481         | 10,560        | 12,565        | -                   |
| - Other  | 41,680                   | 98,663         | 22,089        | 11,176             | 45,696         | 28,022        | 23,725        | 337                 |
| <b>2. On-balance sheet liabilities</b>         | <b>381,834</b>           | <b>92,022</b>  | <b>78,526</b> | <b>19,246</b>      | <b>58,333</b>  | <b>24,816</b> | <b>8,324</b>  | <b>63</b>           |
| 2.1 Deposits from customers                    | 362,825                  | 60,134         | 5,423         | 10,495             | 4,272          | 1,233         | 1,078         | 1                   |
| - Current accounts                             | 355,365                  | 2,707          | 890           | 668                | 2              | -             | 2             | -                   |
| - Other  | 7,460                    | 57,427         | 4,533         | 9,827              | 4,270          | 1,233         | 1,076         | 1                   |
| - With prepayment option                       | 87                       | -              | -             | -                  | -              | -             | -             | -                   |
| - Other  | 7,373                    | 57,427         | 4,533         | 9,827              | 4,270          | 1,233         | 1,076         | 1                   |
| 2.2 Deposits from banks                        | 12,135                   | 17,846         | 66,419        | 2,287              | 20,971         | 4,319         | 392           | -                   |
| - Current accounts                             | 7,835                    | 11             | -             | -                  | -              | -             | -             | -                   |
| - Other  | 4,300                    | 17,835         | 66,419        | 2,287              | 20,971         | 4,319         | 392           | -                   |
| 2.3 Debt securities in issue                   | 891                      | 13,752         | 6,622         | 6,286              | 32,536         | 19,141        | 6,832         | -                   |
| - With prepayment option                       | -                        | 33             | -             | 12                 | 2,777          | 1,824         | 448           | -                   |
| - Other  | 891                      | 13,719         | 6,622         | 6,274              | 29,759         | 17,317        | 6,384         | -                   |
| 2.4 Other liabilities                          | 5,983                    | 290            | 62            | 178                | 554            | 123           | 22            | 62                  |
| - With prepayment option                       | -                        | -              | -             | -                  | -              | -             | -             | -                   |
| - Other  | 5,983                    | 290            | 62            | 178                | 554            | 123           | 22            | 62                  |
| <b>3. Financial derivatives</b>                |                          |                |               |                    |                |               |               |                     |
| 3.1 With underlying security                   |                          |                |               |                    |                |               |               |                     |
| - Option                                       |                          |                |               |                    |                |               |               |                     |
| + Long positions                               | -                        | 69             | 32            | 50                 | 328            | 289           | 768           | -                   |
| + Short positions                              | -                        | 75             | 28            | 41                 | 256            | 260           | 661           | -                   |
| - Other derivatives                            |                          |                |               |                    |                |               |               |                     |
| + Long positions                               | -                        | -              | -             | -                  | 1              | -             | -             | -                   |
| + Short positions                              | -                        | -              | -             | -                  | 1              | -             | -             | -                   |
| 3.2 Without underlying security                |                          |                |               |                    |                |               |               |                     |
| - Option                                       |                          |                |               |                    |                |               |               |                     |
| + Long positions                               | 1                        | 752            | 56            | 144                | 191            | 34            | 511           | -                   |
| + Short positions                              | 1                        | 390            | 73            | 154                | 325            | 66            | 766           | -                   |
| - Other derivatives                            |                          |                |               |                    |                |               |               |                     |
| + Long positions                               | 79,459                   | 185,163        | 60,667        | 54,289             | 85,389         | 43,858        | 13,656        | -                   |
| + Short positions                              | 92,881                   | 183,363        | 49,549        | 50,543             | 86,627         | 29,572        | 28,095        | -                   |
| <b>4. Other off-balance sheet transactions</b> |                          |                |               |                    |                |               |               |                     |
| + Long positions                               | 97,178                   | 33,467         | 2,342         | 1,952              | 3,095          | 2,031         | 1,743         | 49                  |
| + Short positions                              | 112,631                  | 24,017         | 645           | 860                | 1,980          | 321           | 1,356         | 49                  |

## Part E - Information on risks and related hedging policies

## 1. Banking book: breakdown by maturity (repricing date) of financial assets and liabilities - Currency: other currencies

(€ million)

| TYPE/RESIDUAL MATURITY                         | AMOUNTS AS AT 31.12.2022 |                |               |                    |               |               |               |                     |
|--|--------------------------|----------------|---------------|--------------------|---------------|---------------|---------------|---------------------|
|  | ON DEMAND                | UP TO 3 MONTHS | 3 TO 6 MONTHS | 6 MONTHS TO 1 YEAR | 1 TO 5 YEARS  | 5 TO 10 YEARS | OVER 10 YEARS | INDEFINITE MATURITY |
| <b>1. On-balance sheet assets</b>              | <b>17,149</b>            | <b>23,015</b>  | <b>3,984</b>  | <b>3,401</b>       | <b>19,925</b> | <b>11,682</b> | <b>4,826</b>  | <b>7</b>            |
| 1.1 Debt securities                            | 2,023                    | 1,322          | 350           | 844                | 9,958         | 7,834         | 3,882         | -                   |
| - With prepayment option                       | -                        | 120            | -             | 25                 | -             | -             | -             | -                   |
| - Other  | 2,023                    | 1,202          | 350           | 819                | 9,958         | 7,834         | 3,882         | -                   |
| 1.2 Loans to banks                             | 1,513                    | 8,641          | 158           | 325                | 152           | 17            | 8             | -                   |
| 1.3 Loans to customers                         | 13,613                   | 13,052         | 3,476         | 2,232              | 9,815         | 3,831         | 936           | 7                   |
| - Current accounts                             | 1,942                    | 741            | 19            | 16                 | 5             | -             | 10            | -                   |
| - Other loans                                  | 11,671                   | 12,311         | 3,457         | 2,216              | 9,810         | 3,831         | 926           | 7                   |
| - With prepayment option                       | 23                       | 936            | 651           | 199                | 628           | 385           | 58            | -                   |
| - Other  | 11,648                   | 11,375         | 2,806         | 2,017              | 9,182         | 3,446         | 868           | 7                   |
| <b>2. On-balance sheet liabilities</b>         | <b>48,728</b>            | <b>15,208</b>  | <b>1,169</b>  | <b>4,283</b>       | <b>3,536</b>  | <b>2,089</b>  | <b>3,062</b>  | <b>4</b>            |
| 2.1 Deposits from customers                    | 46,269                   | 11,656         | 1,065         | 1,326              | 467           | 144           | 67            | 1                   |
| - Current accounts                             | 45,653                   | 1,314          | 30            | 7                  | 19            | 19            | 1             | -                   |
| - Other  | 616                      | 10,342         | 1,035         | 1,319              | 448           | 125           | 66            | 1                   |
| - With prepayment option                       | 4                        | -              | -             | -                  | -             | -             | -             | -                   |
| - Other  | 612                      | 10,342         | 1,035         | 1,319              | 448           | 125           | 66            | 1                   |
| 2.2 Deposits from banks                        | 1,914                    | 3,084          | 65            | 78                 | 211           | 20            | -             | -                   |
| - Current accounts                             | 876                      | 46             | -             | -                  | -             | -             | -             | -                   |
| - Other  | 1,038                    | 3,038          | 65            | 78                 | 211           | 20            | -             | -                   |
| 2.3 Debt securities in issue                   | 197                      | 457            | 38            | 2,876              | 2,834         | 1,923         | 2,991         | 3                   |
| - With prepayment option                       | 137                      | -              | -             | -                  | -             | -             | -             | 3                   |
| - Other  | 60                       | 457            | 38            | 2,876              | 2,834         | 1,923         | 2,991         | -                   |
| 2.4 Other liabilities                          | 348                      | 11             | 1             | 3                  | 24            | 2             | 4             | -                   |
| - With prepayment option                       | -                        | -              | -             | 1                  | 3             | -             | -             | -                   |
| - Other  | 348                      | 11             | 1             | 2                  | 21            | 2             | 4             | -                   |
| <b>3. Financial derivatives</b>                |                          |                |               |                    |               |               |               |                     |
| 3.1 With underlying security                   |                          |                |               |                    |               |               |               |                     |
| - Option                                       |                          |                |               |                    |               |               |               |                     |
| + Long positions                               | -                        | -              | -             | -                  | -             | -             | -             | -                   |
| + Short positions                              | -                        | -              | -             | -                  | -             | -             | -             | -                   |
| - Other derivatives                            |                          |                |               |                    |               |               |               |                     |
| + Long positions                               | -                        | 45             | -             | -                  | -             | -             | -             | -                   |
| + Short positions                              | -                        | 45             | -             | -                  | -             | -             | -             | -                   |
| 3.2 Without underlying security                |                          |                |               |                    |               |               |               |                     |
| - Option                                       |                          |                |               |                    |               |               |               |                     |
| + Long positions                               | -                        | 246            | -             | -                  | -             | -             | -             | -                   |
| + Short positions                              | -                        | 689            | -             | -                  | 2             | -             | -             | -                   |
| - Other derivatives                            |                          |                |               |                    |               |               |               |                     |
| + Long positions                               | 1,465                    | 1,494          | 1,968         | 296                | 1,752         | 274           | -             | -                   |
| + Short positions                              | 1,465                    | 977            | 1,742         | 369                | 3,517         | 321           | -             | -                   |
| <b>4. Other off-balance sheet transactions</b> |                          |                |               |                    |               |               |               |                     |
| + Long positions                               | 4,005                    | 1,804          | 1,042         | 1,681              | 1,381         | 272           | 2,031         | 340                 |
| + Short positions                              | 4,169                    | 1,862          | 1,012         | 1,651              | 1,376         | 272           | 1,874         | 340                 |

## Part E - Information on risks and related hedging policies

### 2. Banking book: internal models and other methods for sensitivity analysis

#### Interest Rate Risk

As at 31 December 2022, the sensitivity of the economic value of shareholders' equity to an immediate and parallel change in interest rates ("parallel shift") of +200bps and -200bps was respectively equal to -€5,069 million and €1,917 million. The sensitivity to interest rates changes for the worst-of-six "Supervisory Outlier Test", as envisioned by EBA guideline (EBA/GL/2018/02) was equal to -€5,141 million.

The interest income sensitivity to an immediate and parallel shift of +100bps was +€314 million, whilst the immediate change to a parallel downward shift of interest rate of -100bps (or less, according to the interest rates level of each currency) was equal to -€129 million.

The EU IRRBB1 template in the table below, contains the Interest rate risk exposure metrics on 31 December 2022 and 31 December 2021. For the descriptions of the scenarios refer to Qualitative information - Interest rate risk.

#### Template EU IRRBB1 - Interest rate risks on positions not held in the trading book

| SUPERVISORY SHOCK SCENARIOS |                  | a                                       |         | b          |  | c                                  |       | d          |  |
|-----------------------------|------------------|---|---------|------------|--|------------------------------------|-------|------------|--|
|                             |                  | CHANGES OF THE ECONOMIC VALUE OF EQUITY |         |            |  | CHANGES OF THE NET INTEREST INCOME |       |            |  |
|                             |                  | 31.12.2022                              |         | 31.12.2021 |  | 31.12.2022                         |       | 31.12.2021 |  |
| 1                           | Parallel up      | (5,141)                                 | (4,082) |            |  | 314                                | 771   |            |  |
| 2                           | Parallel down    | 1,898                                   | 77      |            |  | (129)                              | (239) |            |  |
| 3                           | Steeper          | 577                                     | 26      |            |  |                                    |       |            |  |
| 4                           | Flattener        | (1,628)                                 | (948)   |            |  |                                    |       |            |  |
| 5                           | Short rates up   | (2,874)                                 | (1,898) |            |  |                                    |       |            |  |
| 6                           | Short rates down | 1,137                                   | 342     |            |  |                                    |       |            |  |

**Note:**  
The template above is prepared according to Regulation (EU) 631/2022 of 13 April 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 637/2021 as regards the disclosure of exposures to interest rate risk on positions not held in the trading book.

The changes in the sensitivity of the Economic Value in 2022, observable in the table EU IRRBB1 above, are mainly due to the increase in stress on behavioral models, driven by the increase of EUR rates, and to the execution during Q3 of TLTRO III hedge.

The decrease in the sensitivity of the net interest income ("NII Sensitivity") between 31 December 2021 and 31 December 2022 is predominantly driven by the TLTRO III hedge and by the increase of the ECB rate from -50bps to 200bps, which reduces the commercial sensitivity to interest rates mainly due to liabilities.

#### Sensitivity of the net interest income to the +/-10bps scenarios

| INTEREST RATE RISK SCENARIOS |            | a                                  |      | b          |  |
|------------------------------|------------|------------------------------------|------|------------|--|
|                              |            | CHANGES OF THE NET INTEREST INCOME |      |            |  |
|                              |            | 31.12.2022                         |      | 31.12.2021 |  |
| 1                            | NII +10bps | 31                                 | 79   |            |  |
| 2                            | NII -10bps | (31)                               | (78) |            |  |

#### Sensitivity of the net interest income to the Parallel Up scenario

| SCENARIO PER CURRENCY |                        | a                                  |     | b          |  |
|-----------------------|------------------------|------------------------------------|-----|------------|--|
|                       |                        | CHANGES OF THE NET INTEREST INCOME |     |            |  |
|                       |                        | 31.12.2022                         |     | 31.12.2021 |  |
| 1                     | Total                  | 314                                | 771 |            |  |
| 2                     | Euro (EUR)             | 205                                | 686 |            |  |
| 3                     | Czech Koruna (CZK)     | 1                                  | 21  |            |  |
| 4                     | Croatian Kuna (HRK)    | 38                                 | 40  |            |  |
| 5                     | Hungarian Forint (HUF) | 14                                 | 25  |            |  |
| 6                     | Other currencies       | 57                                 | (0) |            |  |

## Part E - Information on risks and related hedging policies

## Sensitivity of the net interest income to the Parallel Down scenario

(€ million)

| SCENARIO PER CURRENCY |                        | a                                  | b          |
|-----------------------|------------------------|------------------------------------|------------|
|                       |                        | CHANGES OF THE NET INTEREST INCOME |            |
|                       |                        | 31.12.2022                         | 31.12.2021 |
| 1                     | Total                  | (129)                              | (239)      |
| 2                     | Euro (EUR)             | (73)                               | (166)      |
| 3                     | Czech Koruna (CZK)     | (0)                                | (21)       |
| 4                     | Croatian Kuna (HRK)    | (19)                               | (20)       |
| 5                     | Hungarian Forint (HUF) | (7)                                | (19)       |
| 6                     | Other currencies       | (30)                               | (14)       |

## 2.2.3 Exchange rate risk

## Qualitative information

## A. General aspects, risk management processes and measurement methods

Exchange rate risk originates both from banks in the Group operating in currency areas other than the Eurozone and from positions taken by specialist centres holding the Group's market risk within the limits assigned.

Risk deriving from own trading of these instruments is managed using both directional and relative value strategies via direct sale and purchase of securities, regulated derivatives, and OTC. Volatility trading strategies are implemented using options. Exchange rate risk is constantly monitored and measured by using internal models developed by Group companies.

For both a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyse exposure, refer to the introduction on internal models. These models are also used to calculate capital requirements on market risks due to the exposure to such risk.

As regards Stress Test refer to the introduction on Risk Management Strategies and Processes paragraph and for the complex scenarios' description to the paragraph "Stress Test" of the Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, 2.2 Market risk.

## B. Hedging exchange rate risk

The exchange risk hedging activity within the Trading book is aimed at keeping the FX risk within the defined Granular and Global limits.

Regarding banking book, the Group adopts hedge strategies for profits and dividends arising from its subsidiaries not belonging to the euro zone, considering market circumstances for the hedging strategies.

## Part E - Information on risks and related hedging policies

### Quantitative information

#### 1. Distribution by currency of assets and liabilities and derivatives

(€ million)

| ITEMS                           | AMOUNTS AS AT 31.12.2022 |                      |               |               |               |                     |
|---------------------------------|--------------------------|----------------------|---------------|---------------|---------------|---------------------|
|                                 | CURRENCIES               |                      |               |               |               |                     |
|                                 | U.S. DOLLAR              | SWITZERLAND<br>FRANC | JAPAN YEN     | BRITISH POUND | CZECH CROWN   | OTHER<br>CURRENCIES |
| <b>A. Financial assets</b>      | <b>38,256</b>            | <b>4,667</b>         | <b>10,546</b> | <b>2,656</b>  | <b>499</b>    | <b>3,406</b>        |
| A.1 Debt securities             | 14,393                   | 95                   | 10,309        | 273           | 15            | 881                 |
| A.2 Equity securities           | 1,230                    | 166                  | 36            | 928           | -             | 257                 |
| A.3 Loans to banks              | 5,165                    | 289                  | 86            | 71            | 8             | 1,079               |
| A.4 Loans to customers          | 17,446                   | 4,100                | 115           | 1,372         | 475           | 1,172               |
| A.5 Other financial assets      | 22                       | 17                   | -             | 12            | 1             | 17                  |
| <b>B. Other assets</b>          | <b>512</b>               | <b>4</b>             | <b>2</b>      | <b>11</b>     | <b>9</b>      | <b>68</b>           |
| <b>C. Financial liabilities</b> | <b>41,288</b>            | <b>883</b>           | <b>150</b>    | <b>1,526</b>  | <b>356</b>    | <b>2,225</b>        |
| C.1 Deposits from banks         | 6,890                    | 37                   | 17            | 157           | 3             | 168                 |
| C.2 Deposits from customers     | 23,174                   | 836                  | 96            | 1,341         | 214           | 1,770               |
| C.3 Debt securities in issue    | 11,144                   | 7                    | 36            | 17            | 134           | 246                 |
| C.4 Other financial liabilities | 80                       | 3                    | 1             | 11            | 5             | 41                  |
| <b>D. Other liabilities</b>     | <b>226</b>               | <b>2</b>             | <b>-</b>      | <b>10</b>     | <b>5</b>      | <b>47</b>           |
| <b>E. Financial derivatives</b> |                          |                      |               |               |               |                     |
| - Options                       |                          |                      |               |               |               |                     |
| + Long positions                | 7,000                    | 79                   | 5             | 1,513         | 59            | 2,045               |
| + Short positions               | 8,555                    | 67                   | 33            | 1,549         | 142           | 679                 |
| - Other derivatives             |                          |                      |               |               |               |                     |
| + Long positions                | 397,133                  | 37,787               | 23,477        | 66,512        | 17,656        | 45,797              |
| + Short positions               | 178,513                  | 21,919               | 16,196        | 24,314        | 4,173         | 31,458              |
| <b>Total assets</b>             | <b>442,901</b>           | <b>42,537</b>        | <b>34,030</b> | <b>70,692</b> | <b>18,223</b> | <b>51,316</b>       |
| <b>Total liabilities</b>        | <b>228,582</b>           | <b>22,871</b>        | <b>16,379</b> | <b>27,399</b> | <b>4,676</b>  | <b>34,409</b>       |
| <b>Difference (+/-)</b>         | <b>214,319</b>           | <b>19,666</b>        | <b>17,651</b> | <b>43,293</b> | <b>13,547</b> | <b>16,907</b>       |

#### 2. Internal models and other methodologies for sensitivity analysis

Transactional FX risk (impact of fluctuations in foreign exchange rates on the Group's Profit & Loss in the period) measurement and reporting is part of the Group's market risk framework.

In UGM, transactional exchange risk exposures are incorporated in the relevant risk calculation, limit monitoring and reporting. Every Legal Entity is required to setup, as part of the respective Market Risk framework, a sound limit system for managing and controlling Transactional Exchange Risk. As a minimum requirement, the limit system shall envisage FX Delta limits for the main currencies which the business is exposed to or for aggregation of currencies.

FX Delta limits are part of the Granular Market Risk Limits and are ruled by the Group Policy "Market Risk Limits".



## Part E - Information on risks and related hedging policies

### Credit spread risk

#### Qualitative information

##### A. General aspects

Risk relating to credit spreads and related credit derivative products included in Trading book originates from positions taken by Group specialist centres holding assigned market risk limits within certain levels of discretion.

Risk deriving from own trading of these instruments is managed using both directional and relative value strategies via direct sale and purchase of securities, regulated derivatives and OTC.

##### B. Risk management processes and measurement methods

For both a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyse exposure, refer to introduction on internal models, Notes to the consolidated account, Part E - Information on risks and related hedging policies, 2.2 Market risk.

As regards stress Test refer to the introduction on "Risk management strategies and processes" and for the complex scenarios' description to "Stress test" paragraph, Notes to the consolidated account Part E - Information on risks and related hedging policies, 2.2 Market risk.

#### Quantitative information

##### Credit spread sensitivity

Credit spread sensitivity is calculated by assuming a worsening of creditworthiness seen in a parallel shift of +1bp/+10bp/+100bps in the credit spread curves.

These sensitivities are calculated both inclusively, assuming a parallel shift of all the credit spread curves, and in respect of specific rating classes and economic sectors.

The table below shows Trading book sensitivities.

(€ million)

|                                 | +1BP<br>LESS THAN<br>1 MONTH | +1BP<br>1 MONTH TO<br>6 MONTHS | +1BP<br>6 MONTHS<br>TO 1 YEAR | +1BP<br>1 YEAR TO<br>5 YEARS | +1BP<br>5 YEARS TO<br>10 YEARS | +1BP<br>10 YEARS<br>TO<br>20 YEARS | +1BP<br>OVER 20<br>YEARS | +1 BP<br>TOTAL | +10BP | +100BP |
|---------------------------------|------------------------------|--------------------------------|-------------------------------|------------------------------|--------------------------------|------------------------------------|--------------------------|----------------|-------|--------|
| <b>Total</b>                    | -0.0                         | 0.1                            | 0.0                           | 0.6                          | -0.3                           | -0.3                               | 0.4                      | 0.5            | 5.3   | 50.0   |
| <b>Rating</b>                   |                              |                                |                               |                              |                                |                                    |                          |                |       |        |
| AAA                             | -0.0                         | -0.0                           | 0.0                           | -0.1                         | 0.1                            | 0.1                                | 0.0                      | 0.1            | 1.2   | 10.8   |
| AA                              | 0.0                          | -0.0                           | 0.0                           | -0.0                         | -0.0                           | -0.1                               | -0.1                     | -0.2           | -1.7  | -16.3  |
| A                               | 0.0                          | 0.0                            | -0.0                          | 0.1                          | -0.0                           | 0.0                                | -0.0                     | 0.1            | 0.7   | 7.0    |
| BBB                             | -0.0                         | 0.1                            | 0.0                           | 0.7                          | -0.4                           | -0.3                               | 0.4                      | 0.5            | 5.3   | 50.5   |
| BB                              | 0.0                          | -0.0                           | 0.0                           | -0.0                         | -0.0                           | 0.0                                | -0.0                     | -0.0           | -0.2  | -1.5   |
| B                               | 0.0                          | 0.0                            | -0.0                          | -0.0                         | -0.0                           | 0.0                                | 0.0                      | -0.0           | -0.1  | -1.0   |
| CCC and NR                      | 0.0                          | 0.0                            | 0.0                           | 0.0                          | 0.0                            | 0.0                                | 0.0                      | 0.0            | 0.0   | 0.4    |
| <b>Sector</b>                   |                              |                                |                               |                              |                                |                                    |                          |                |       |        |
| <b>Sovereigns &amp; Related</b> | -0.0                         | 0.0                            | -0.0                          | 0.3                          | -0.2                           | -0.2                               | 0.4                      | 0.2            | 1.9   | 16.9   |
| <b>ABS and MBS</b>              | 0.0                          | 0.0                            | 0.0                           | -0.0                         | 0.0                            | 0.0                                | 0.0                      | -0.0           | -0.0  | -0.1   |
| <b>Financial Services</b>       | 0.0                          | 0.0                            | 0.0                           | 0.0                          | -0.1                           | -0.0                               | 0.0                      | -0.0           | -0.1  | -0.8   |
| <b>All Corporates</b>           | -0.0                         | -0.0                           | -0.0                          | 0.4                          | -0.0                           | 0.0                                | 0.0                      | 0.4            | 3.5   | 34.0   |
| <i>Basic Materials</i>          | -0.0                         | 0.0                            | -0.0                          | 0.0                          | 0.0                            | 0.0                                | 0.0                      | 0.0            | 0.4   | 3.7    |
| <i>Communications</i>           | 0.0                          | -0.0                           | 0.0                           | 0.1                          | -0.0                           | 0.0                                | 0.0                      | 0.1            | 0.7   | 6.3    |
| <i>Consumer Cyclical</i>        | 0.0                          | -0.0                           | -0.0                          | 0.0                          | -0.0                           | 0.0                                | 0.0                      | 0.0            | 0.4   | 3.5    |
| <i>Consumer Non cyclical</i>    | 0.0                          | -0.0                           | -0.0                          | 0.1                          | -0.0                           | 0.0                                | 0.0                      | 0.1            | 0.8   | 8.0    |
| <i>Energy</i>                   | 0.0                          | -0.0                           | -0.0                          | 0.0                          | -0.0                           | 0.0                                | 0.0                      | 0.0            | 0.2   | 2.2    |
| <i>Technology</i>               | 0.0                          | -0.0                           | -0.0                          | 0.0                          | 0.0                            | 0.0                                | 0.0                      | 0.0            | 0.1   | 0.6    |
| <i>Industrial</i>               | 0.0                          | -0.0                           | 0.0                           | 0.1                          | -0.0                           | 0.0                                | 0.0                      | 0.0            | 0.5   | 4.6    |
| <i>Utilities</i>                | 0.0                          | -0.0                           | -0.0                          | 0.1                          | -0.0                           | 0.0                                | 0.0                      | 0.0            | 0.5   | 4.8    |
| <i>All other Corporates</i>     | 0.0                          | 0.0                            | -0.0                          | 0.0                          | 0.0                            | 0.0                                | 0.0                      | 0.0            | 0.0   | 0.2    |

## Part E - Information on risks and related hedging policies

### Stress test

Stress tests complement the sensitivity analysis and VaR results in order to assess the potential risks in a different way. A stress test performs the evaluation of a portfolio under both simple scenarios (assuming change to single risk factors) and complex scenarios (assuming simultaneous changes in a number of risk factors).

The description of complex scenarios, which combine changes in interest rate, price, exchange-rate and credit spread risk factors is reported below. For the description of simple scenarios, refer to the previous paragraphs.

As far as complex scenarios are concerned, different scenarios have been applied to the whole Group Trading book on a monthly basis and reported to the Top Management.

### Recession Scenario

In this scenario, we assume that an escalation of the conflict in Ukraine leads to a meaningful decline of Russia's gas supply, which cannot be compensated for by alternative sources. The price of energy soars while that of food and other commodities rise strongly, fueling inflation. High uncertainty, erosion of real incomes and further supply disruption on top of those related to Covid-19 push the European economy in a recession. Inflation expectations at short maturities rise strongly, but, crucially, we assume that expectations at intermediate-to-longer maturities remain well anchored and even decline as economic slack works its way through the economy, affecting price formation and wage setting. The ECB exits negative rates and then stops.

Eurozone GDP would increase by 1.5% in 2022 (-1.1pp compared to baseline), contract by 2% in 2023 (almost 4pp below baseline) and rebound by 2% in 2024 (+0.3pp) as energy dependency from Russia ceases and alternative sources of supply are established.

The inflation path is hump shaped. Eurozone inflation surges to 8.5% in 2022, but then disinflationary forces kick in as demand weakness, a widening of the output gap and base effects prevail over supply-side disruption.

Inflation expectations remaining well anchored at longer maturities help avoid second-round effects. We forecast a decline in inflation to about 6.4% in 2023 and to below 2% in 2024.

Monetary policy normalization stops earlier than in the baseline scenario, as central banks look through the near-term inflation spike and focus more on growth damage and its implications for price stability at the policy-relevant horizon.

The ECB stops raising rates when the deposit rate reaches zero, while in the US the fed funds rate peaks at 2%. In both cases, this is 50bp below the baseline.

Sovereign credit spreads would be under moderate pressure due to lower growth outlook, only in part countered by accommodative monetary policy. BTPs are expected to widen 160bp in ASW once the shock materializes.

Corporate credit spreads would also be under widening pressure, especially at the lower end of the rating scale. Sector wise, Pharma and consumer goods are probably going to be more supported, benefitting from ongoing pandemic issues.

Equity markets are expected to post significant losses, of about 15-25%, reflecting the recessionary environment.

In FX, we expect the EUR to come under pressure given the higher vulnerability of the eurozone and a generalized increase in risk aversion, with a 10% depreciation vs. the USD once the shock materializes. Similarly, in this scenario we expect to see strengthening of the CHF and the Yen, which are typical safe haven currencies.

### Hawkish Scenario

In this scenario, we assume that the conflict in Ukraine escalates, uncertainty rises and energy flows from Russia stop completely, sinking the European economy in a deep recession while inflation surges amid commodity-price shocks and disruption to supply chains. This compounds the Covid-19 related dysfunctionality on the supply side still in place. Inflation expectations react to the price shock and become de-anchored, contributing to a material pick-up in wage-growth. Faster wage growth does not prevent a large drop in real disposable income and contributes to keeping inflation well above target levels for a prolonged period of time, triggering a forceful response by central banks.

Tighter financial conditions intensify the downward pressure on economic activity and lead to wider credit spreads. This is partly mitigated by the assumption that Europe implements a pan-European support scheme resembling NGEU.

## Part E - Information on risks and related hedging policies

Inflation, which was initially fueled by shocks to commodity prices and demand-supply imbalances caused by the pandemic, becomes more entrenched. The upward drift in inflation expectations plays a key role in this process, fueling second-round effects.

Firms change their management of supply chains, aiming to strengthen their resilience at the expense of efficiency. This structurally raises firms' costs, which are then passed on to the final consumers. In the eurozone, inflation averages 10% in 2022, 7% in 2023 and 5.0% in 2024.

Eurozone GDP growth would slow to 1.0% in 2022 (-1.6pp compared to baseline), followed by a contraction of about 4% in 2023 (-6pp) and expansion of 1.8% in 2024 (about in line with baseline).

Growth shocks for Germany, Italy and Austria exceed that for the eurozone.

Monetary policy responds forcefully to the shock, sacrificing growth in order to regain control of inflation expectations. The ECB hikes the deposit rate to 1.50 by end-2022 and to 2.50 by end-2023, a cumulative 200bps above the baseline. Also the Fed hikes rates by a cumulative 200bp above the baseline, with the fed funds rate reaching 4.50%. Tighter financial conditions put additional downward pressure on economic activity.

Sovereign credit spreads are expected to come under strong pressure, due to a combination of slower growth and aggressive monetary policy tightening. We pencil in a widening of BTP ASW spreads of 190bps once the shock materializes.

Corporate credit spreads would be under strong widening pressure, especially at the lower end of the rating scale. Energy and Industry are expected to be under stronger pressure in this scenario, due to increasing supply chain imbalances and rising energy prices.

In FX, we expect the EUR to come under significant pressure, with a 16% depreciation relative to the USD that reflects higher vulnerability of the eurozone and increased risk aversion. The Swiss franc and the Yen are expected to be supported, which are typical safe haven currencies.

Equity markets are expected to post very significant losses of about 30-40%, reflecting the recessionary environment and higher interest rates.

### Stress Test on Trading book (\*)

(€ million)

|                              | 29 DECEMBER 2022   |                   |
|------------------------------|--------------------|-------------------|
|                              | RECESSION SCENARIO | HAWKISH INFLATION |
| <b>UniCredit group total</b> | <b>-6</b>          | <b>-101</b>       |
| Germany                      | -39                | -143              |
| Italy                        | 35                 | 43                |
| Central Europe               | -2                 | 1                 |
| Eastern Europe               | 0                  | -2                |

**Note:**

(\*) End of month for Stress Test results refers to last Thursday.

Conditional losses of Managerial Trading book, as defined above, have been reported. Conditional losses are mainly coming from UCB AG and are driven by negative shocks on Equities, impacting Equity & Brokerage Trading and X-Asset Products business lines in Client Solutions perimeter, and positive shock on Interest Rate Volatility impacting Structured FI business line. In UniCredit S.p.A. conditional profits are mainly driven by short bond positions combined with Credit Spread widening.

## Part E - Information on risks and related hedging policies

### 2.3 Derivative instruments and hedging policies

#### 2.3.1 Trading financial derivatives

##### A. Financial Derivatives

##### A.1 Trading financial derivatives: end-of-period notional amounts

(€ million)

| UNDERLYING ACTIVITIES/TYPE OF DERIVATIVES           | AMOUNTS AS AT 31.12.2022  |                                   |                                 |                      | AMOUNTS AS AT 31.12.2021  |                                   |                                 |                      |
|---|---------------------------|-----------------------------------|---------------------------------|----------------------|---------------------------|-----------------------------------|---------------------------------|----------------------|
|   | OVER THE COUNTER          |                                   |                                 | ORGANISED<br>MARKETS | OVER THE COUNTER          |                                   |                                 | ORGANISED<br>MARKETS |
|   | CENTRAL<br>COUNTERPARTIES | WITHOUT CENTRAL<br>COUNTERPARTIES |                                 |                      | CENTRAL<br>COUNTERPARTIES | WITHOUT CENTRAL<br>COUNTERPARTIES |                                 |                      |
|   |                           | WITH NETTING<br>AGREEMENT         | WITHOUT<br>NETTING<br>AGREEMENT |                      |                           | WITH NETTING<br>AGREEMENT         | WITHOUT<br>NETTING<br>AGREEMENT |                      |
| <b>1. Debt securities and interest rate indexes</b> | <b>5,063,764</b>          | <b>772,178</b>                    | <b>118,096</b>                  | <b>60,162</b>        | <b>3,880,915</b>          | <b>757,530</b>                    | <b>117,149</b>                  | <b>74,668</b>        |
| a) Options  | -                         | 220,826                           | 22,109                          | 9,000                | -                         | 208,544                           | 17,836                          | 29,675               |
| b) Swap   | 3,845,224                 | 537,348                           | 94,329                          | -                    | 2,932,709                 | 539,224                           | 94,300                          | -                    |
| c) Forward  | 1,218,540                 | 14,004                            | 448                             | -                    | 933,982                   | 9,762                             | 1,433                           | -                    |
| d) Futures  | -                         | -                                 | 1,210                           | 51,162               | 14,224                    | -                                 | 2,907                           | 44,993               |
| e) Other  | -                         | -                                 | -                               | -                    | -                         | -                                 | 673                             | -                    |
| <b>2. Equity instruments and stock indexes</b>      | <b>-</b>                  | <b>26,174</b>                     | <b>2,660</b>                    | <b>91,664</b>        | <b>-</b>                  | <b>24,948</b>                     | <b>2,496</b>                    | <b>93,089</b>        |
| a) Options  | -                         | 14,726                            | 2,222                           | 61,781               | -                         | 11,604                            | 2,086                           | 67,132               |
| b) Swap   | -                         | 11,448                            | 65                              | -                    | -                         | 13,344                            | 87                              | -                    |
| c) Forward  | -                         | -                                 | -                               | -                    | -                         | -                                 | -                               | -                    |
| d) Futures  | -                         | -                                 | -                               | 29,871               | -                         | -                                 | -                               | 25,941               |
| e) Other  | -                         | -                                 | 373                             | 12                   | -                         | -                                 | 323                             | 16                   |
| <b>3. Gold and currencies</b>                       | <b>-</b>                  | <b>367,171</b>                    | <b>92,687</b>                   | <b>78</b>            | <b>211</b>                | <b>354,795</b>                    | <b>92,457</b>                   | <b>298</b>           |
| a) Options  | -                         | 40,518                            | 9,651                           | -                    | -                         | 40,796                            | 8,372                           | -                    |
| b) Swap   | -                         | 152,100                           | 16,569                          | -                    | -                         | 146,740                           | 17,799                          | -                    |
| c) Forward  | -                         | 61,562                            | 44,176                          | -                    | 211                       | 56,684                            | 38,591                          | 131                  |
| d) Futures  | -                         | -                                 | -                               | 78                   | -                         | -                                 | -                               | 167                  |
| e) Other  | -                         | 112,991                           | 22,291                          | -                    | -                         | 110,575                           | 27,695                          | -                    |
| <b>4. Commodities</b>                               | <b>-</b>                  | <b>7,583</b>                      | <b>6,371</b>                    | <b>18,621</b>        | <b>-</b>                  | <b>4,112</b>                      | <b>4,419</b>                    | <b>12,778</b>        |
| <b>5. Other</b>                                     | <b>-</b>                  | <b>2,784</b>                      | <b>3,322</b>                    | <b>6,023</b>         | <b>-</b>                  | <b>1,672</b>                      | <b>5,483</b>                    | <b>6,880</b>         |
| <b>Total</b>  | <b>5,063,764</b>          | <b>1,175,890</b>                  | <b>223,136</b>                  | <b>176,548</b>       | <b>3,881,126</b>          | <b>1,143,057</b>                  | <b>222,004</b>                  | <b>187,713</b>       |

This table refers to the notional values of financial derivatives according to classification within accounting trading portfolio applied in the separate financial statements of the legal entities belonging to the Regulatory consolidation.

## Part E - Information on risks and related hedging policies

## A.2 Trading financial derivatives: positive and negative gross fair value - breakdown by product

(€ million)

| TYPE OF DERIVATIVES           | AMOUNTS AS AT 31.12.2022 |                        |   |                   | AMOUNTS AS AT 31.12.2021 |                        |   |                   |
|-------------------------------|--------------------------|------------------------|---|-------------------|--------------------------|------------------------|---|-------------------|
|                               | OVER THE COUNTER         |                        |   | ORGANISED MARKETS | OVER THE COUNTER         |                        |   | ORGANISED MARKETS |
|                               | CENTRAL COUNTERPARTIES   | WITH NETTING AGREEMENT | WITHOUT CENTRAL COUNTERPARTIES<br>WITHOUT NETTING AGREEMENT |                   | CENTRAL COUNTERPARTIES   | WITH NETTING AGREEMENT | WITHOUT CENTRAL COUNTERPARTIES<br>WITHOUT NETTING AGREEMENT |                   |
| <b>1. Positive fair value</b> |                          |                        |   |                   |                          |                        |   |                   |
| a) Options                    | -                        | 4,501                  | 521   | 3,214             | -                        | 2,404                  | 1,185   | 4,513             |
| b) Interest rate swap         | 234,825                  | 13,649                 | 3,771   | -                 | 36,986                   | 21,577                 | 2,166   | -                 |
| c) Cross currency swap        | -                        | 5,292                  | 1,083   | -                 | -                        | 4,084                  | 839   | -                 |
| d) Equity swap                | -                        | -                      | -   | -                 | -                        | -                      | -   | -                 |
| e) Forward                    | 2,641                    | 2,651                  | 2,120   | -                 | 59                       | 1,410                  | 2,612   | -                 |
| f) Futures                    | -                        | 47                     | -   | 2,838             | -                        | 47                     | -   | 2,561             |
| g) Other                      | -                        | 4,158                  | 1,046   | 2                 | -                        | 2,726                  | 623   | 3                 |
| <b>Total</b>                  | <b>237,466</b>           | <b>30,298</b>          | <b>8,541</b>  | <b>6,054</b>      | <b>37,045</b>            | <b>32,248</b>          | <b>7,425</b>  | <b>7,077</b>      |
| <b>2. Negative fair value</b> |                          |                        |   |                   |                          |                        |   |                   |
| a) Options                    | -                        | 4,392                  | 778   | 4,666             | -                        | 4,129                  | 341   | 5,686             |
| b) Interest rate swap         | 233,634                  | 13,207                 | 4,135   | -                 | 41,964                   | 14,695                 | 1,492   | -                 |
| c) Cross currency swap        | -                        | 6,699                  | 518   | -                 | -                        | 3,871                  | 368   | -                 |
| d) Equity swap                | -                        | -                      | -   | -                 | -                        | -                      | -   | -                 |
| e) Forward                    | 2,737                    | 1,600                  | 1,435   | -                 | 52                       | 1,762                  | 3,257   | -                 |
| f) Futures                    | -                        | -                      | 2   | 2,140             | -                        | -                      | -   | 4,816             |
| g) Other                      | -                        | 3,122                  | 2,137   | 4                 | -                        | 3,480                  | 1,718   | 7                 |
| <b>Total</b>                  | <b>236,371</b>           | <b>29,020</b>          | <b>9,005</b>  | <b>6,810</b>      | <b>42,016</b>            | <b>27,937</b>          | <b>7,176</b>  | <b>10,509</b>     |

This table presents distribution by product of the gross positive and negative financial derivatives' fair values according to classification within accounting trading portfolio applied in the separate financial statements of the legal entities belonging to the Regulatory consolidation.

## Part E - Information on risks and related hedging policies

## A.3 OTC trading financial derivatives: notional amounts, positive and negative gross fair value by counterparty

(€ million)

| UNDERLYING ACTIVITIES                               | AMOUNTS AS AT 31.12.2022 |         |                           |                |
|---|--------------------------|---------|---------------------------|----------------|
|   | CENTRAL COUNTERPARTIES   | BANKS   | OTHER FINANCIAL COMPANIES | OTHER ENTITIES |
| <b>Contracts not included in netting agreement</b>  |                          |         |                           |                |
| <b>1) Debt securities and interest rate indexes</b> |                          |         |                           |                |
| - Notional amount                                   | X                        | 11,221  | 31,612                    | 75,263         |
| - Positive fair value                               | X                        | 636     | 1,474                     | 1,693          |
| - Negative fair value                               | X                        | 321     | 1,000                     | 3,369          |
| <b>2) Equity instruments and stock indexes</b>      |                          |         |                           |                |
| - Notional amount                                   | X                        | 392     | 1,090                     | 1,179          |
| - Positive fair value                               | X                        | 4       | 309                       | 19             |
| - Negative fair value                               | X                        | 86      | 4                         | 54             |
| <b>3) Gold and currencies</b>                       |                          |         |                           |                |
| - Notional amount                                   | X                        | 7,213   | 23,346                    | 62,128         |
| - Positive fair value                               | X                        | 199     | 722                       | 1,436          |
| - Negative fair value                               | X                        | 73      | 552                       | 1,373          |
| <b>4) Commodities</b>                               |                          |         |                           |                |
| - Notional amount                                   | X                        | 16      | 702                       | 5,652          |
| - Positive fair value                               | X                        | -       | 32                        | 1,630          |
| - Negative fair value                               | X                        | 3       | 95                        | 1,726          |
| <b>5) Other</b>                                     |                          |         |                           |                |
| - Notional amount                                   | X                        | 131     | 238                       | 2,953          |
| - Positive fair value                               | X                        | -       | 17                        | 369            |
| - Negative fair value                               | X                        | 2       | 45                        | 302            |
| <b>Contracts included in netting agreement</b>      |                          |         |                           |                |
| <b>1) Debt securities and interest rate indexes</b> |                          |         |                           |                |
| - Notional amount                                   | 5,063,764                | 261,411 | 439,733                   | 71,034         |
| - Positive fair value                               | 237,466                  | 9,110   | 5,826                     | 3,892          |
| - Negative fair value                               | 236,370                  | 6,641   | 6,857                     | 3,346          |
| <b>2) Equity instruments and stock indexes</b>      |                          |         |                           |                |
| - Notional amount                                   | -                        | 19,339  | 6,835                     | -              |
| - Positive fair value                               | -                        | 745     | 52                        | -              |
| - Negative fair value                               | -                        | 656     | 80                        | -              |
| <b>3) Gold and currencies</b>                       |                          |         |                           |                |
| - Notional amount                                   | -                        | 291,811 | 44,023                    | 31,338         |
| - Positive fair value                               | -                        | 5,792   | 895                       | 1,317          |
| - Negative fair value                               | -                        | 7,564   | 1,226                     | 1,120          |
| <b>4) Commodities</b>                               |                          |         |                           |                |
| - Notional amount                                   | -                        | 608     | 996                       | 5,979          |
| - Positive fair value                               | -                        | 36      | 262                       | 2,283          |
| - Negative fair value                               | -                        | 54      | 297                       | 1,129          |
| <b>5) Other</b>                                     |                          |         |                           |                |
| - Notional amount                                   | -                        | 286     | 887                       | 1,612          |
| - Positive fair value                               | -                        | 10      | 47                        | 32             |
| - Negative fair value                               | -                        | 42      | 5                         | 3              |

This table presents distribution by counterparty of the notional amount and gross positive and negative financial derivatives' fair values according to classification within accounting trading portfolio applied in the separate financial statements of the legal entities belonging to the Regulatory consolidation.

## Part E - Information on risks and related hedging policies

## A.4 OTC financial derivatives - residual life: notional amounts

(€ million)

| UNDERLYING/RESIDUAL MATURITY  | OVER 1 YEAR UP TO |                  |                  | TOTAL            |
|---|-------------------|------------------|------------------|------------------|
|   | UP TO 1 YEAR      | 5 YEARS          | OVER 5 YEARS     |                  |
| A.1 Financial derivative contracts on debt securities and interest rates  | 2,108,164         | 1,804,259        | 2,041,615        | 5,954,038        |
| A.2 Financial derivative contracts on equity securities and stock indexes | 9,495             | 10,632           | 8,708            | 28,835           |
| A.3 Financial derivative contracts on exchange rates and hold             | 283,016           | 126,881          | 49,960           | 459,857          |
| A.4 Financial derivative contracts on other values                        | 10,173            | 3,706            | 75               | 13,954           |
| A.5 Other financial derivatives   | 5,826             | 262              | 18               | 6,106            |
| <b>Total 31.12.2022</b>   | <b>2,416,674</b>  | <b>1,945,740</b> | <b>2,100,376</b> | <b>6,462,790</b> |
| <b>Total 31.12.2021</b>   | <b>1,932,816</b>  | <b>1,641,596</b> | <b>1,671,779</b> | <b>5,246,191</b> |

## B. Credit derivatives

## B.1 Trading credit derivatives: end of period notional amounts

(€ million)

| CATEGORY OF TRANSACTIONS                | TRADING DERIVATIVES        |  |
|---|----------------------------|--|
|   | WITH A SINGLE COUNTERPARTY | WITH MORE THAN ONE COUNTERPARTY (BASKET) |
| <b>1. Protection buyer's contracts</b>  |                            |  |
| a) Credit default products              |                            | 12,433                                   |
| b) Credit spread products               |                            | -  |
| c) Total rate of return swap            | 518                        | -  |
| d) Other                                |                            | -  |
| <b>Total 31.12.2022</b>                 | <b>582</b>                 | <b>12,433</b>                            |
| <b>Total 31.12.2021</b>                 | <b>958</b>                 | <b>7,641</b>                             |
| <b>2. Protection seller's contracts</b> |                            |  |
| a) Credit default products              |                            | 11,483                                   |
| b) Credit spread products               |                            | -  |
| c) Total rate of return swap            | 756                        | -  |
| d) Other                                |                            | -  |
| <b>Total 31.12.2022</b>                 | <b>1,278</b>               | <b>11,483</b>                            |
| <b>Total 31.12.2021</b>                 | <b>1,239</b>               | <b>6,199</b>                             |

This table refers to the notional values of credit derivatives according to product and classification within accounting trading portfolio applied in the separate financial statements of the legal entities belonging to the Regulatory consolidation.

## B.2 Trading credit derivatives: positive and negative gross fair value - breakdown by product

(€ million)

| TYPES OF DERIVATIVE INSTRUMENTS | AMOUNTS AS AT |            |
|---------------------------------|---------------|------------|
|                                 | 31.12.2022    | 31.12.2021 |
| <b>1. Positive fair value</b>   |               |            |
| a) Credit default products      | 121           | 204        |
| b) Credit spread products       | -             | -          |
| c) Total rate of return swap    | 1             | 2          |
| d) Other                        | -             | -          |
| <b>Total</b>                    | <b>122</b>    | <b>206</b> |
| <b>2. Negative fair value</b>   |               |            |
| a) Credit default products      | 134           | 251        |
| b) Credit spread products       | -             | -          |
| c) Total rate of return swap    | 153           | 84         |
| d) Other                        | -             | -          |
| <b>Total</b>                    | <b>287</b>    | <b>335</b> |

This table presents distribution by product of the gross positive and negative credit derivatives' fair values according to classification within the accounting trading portfolio applied in the separate financial statements of the legal entities belonging to the Regulatory consolidation.

## Part E - Information on risks and related hedging policies

## B.3 OTC trading credit derivatives: notional amounts, positive and negative gross fair value by counterparty

(€ million)

|  | AMOUNTS AS AT 31.12.2022 |       |                     |                |
|--|--------------------------|-------|---------------------|----------------|
|  | CENTRAL COUNTERPARTIES   | BANKS | FINANCIAL COMPANIES | OTHER ENTITIES |
| <b>Contracts not included in netting agreement</b> |                          |       |                     |                |
| <b>1) Protection buyer's contracts</b>             |                          |       |                     |                |
| - Notional amount                                  | X                        | 230   | -                   | -              |
| - Positive fair value                              | X                        | -     | -                   | -              |
| - Negative fair value                              | X                        | 28    | -                   | -              |
| <b>2) Protection seller's contracts</b>            |                          |       |                     |                |
| - Notional amount                                  | X                        | 522   | -                   | 6              |
| - Positive fair value                              | X                        | 1     | -                   | -              |
| - Negative fair value                              | X                        | 134   | -                   | -              |
| <b>Contracts included in netting agreement</b>     |                          |       |                     |                |
| <b>1) Protection buyer's contracts</b>             |                          |       |                     |                |
| - Notional amount                                  | -                        | 207   | 12,578              | -              |
| - Positive fair value                              | -                        | 5     | 1                   | -              |
| - Negative fair value                              | -                        | 1     | 115                 | -              |
| <b>2) Protection seller's contracts</b>            |                          |       |                     |                |
| - Notional amount                                  | -                        | 405   | 11,827              | -              |
| - Positive fair value                              | -                        | 6     | 109                 | -              |
| - Negative fair value                              | -                        | 7     | 3                   | -              |

This table presents distribution by counterparty of the notional amount and gross positive and negative credit derivatives' fair values according to classification within the accounting trading portfolio applied in the separate financial statements of the legal entities belonging to the Regulatory consolidation.

## B.4 OTC trading credit derivatives - residual life: notional amounts

(€ million)

| UNDERLYING/RESIDUAL MATURITY     | OVER 1 YEAR UP TO |               |              | TOTAL         |
|----------------------------------|-------------------|---------------|--------------|---------------|
|                                  | UP TO 1 YEAR      | 5 YEARS       | OVER 5 YEARS |               |
| 1. Protection buyer's contracts  | 781               | 11,891        | 89           | 12,761        |
| 2. Protection seller's contracts | 461               | 12,388        | 166          | 13,015        |
| <b>Total 31.12.2022</b>          | <b>1,242</b>      | <b>24,279</b> | <b>255</b>   | <b>25,776</b> |
| <b>Total 31.12.2021</b>          | <b>1,102</b>      | <b>14,643</b> | <b>292</b>   | <b>16,037</b> |

This table refers to the notional values of credit derivatives according to classification within accounting trading portfolio applied in the separate financial statements of the legal entities belonging to Regulatory consolidation.

## B.5 Credit derivatives linked to fair value option: annual changes

No data to be disclosed.



## Part E - Information on risks and related hedging policies

### 2.3.2 Hedging policies

#### Qualitative information

Hedging derivative transactions are used to manage the exposure to market risks and volatility of financial outcomes that arise as part of our normal business operations and are executed in accordance with internal policies.

Derivatives are mainly used to manage the banking book interest rate risk with the following goals:

- to reduce banking book interest rate risk profile according to *Risk Appetite Framework* approved by the Board of Directors and limits defined by relevant Committees or risk functions. Within *Risk Appetite Framework*, the banking book exposure to interest rate risk is defined either in terms of *Net Interest Income Sensitivity* or *Economic Value Sensitivity*;
- to optimise the natural hedge between the risk profile of assets and liabilities using derivatives to manage the mismatch, even temporary, between the volume and the rates of assets and liabilities with different repricing schedules;
- to minimise the net exposure of derivatives used as economic hedges of the most stable portion of either assets or liabilities subject to hedge accounting, thereby reducing the associated transaction cost.

#### A Fair value hedging activities

The objective of fair value hedge on assets/liabilities is to hedge the exposure to changes in fair value coming from the embedded risk factor subject to a hedging transaction.

The fair value hedge is applied both for identified financial instruments (securities, debt issues, loans, borrowings) and for portfolios of financial instruments (in particular, fixed rate loans and non-maturity deposits or other fixed rate liabilities).

The hedging relationship is classified at the inception of the hedge by identifying the portion and type of risk to be hedged (partial term hedge), the hedging strategy, the hedging instrument, and the methods used to assess the effectiveness of the hedging relationship.

The hedging strategy on identified financial instruments classified as *Held-to-Collect* (HTC) and *Held-to-Collect & Sell* (HTCS) considers the contractual features of each instrument and relevant risk management & business intent.

The hedging strategy on portfolios of financial instruments refers to the amounts of money contained in the portfolio of interest rate exposures that are not already subject to "micro/specific" hedging and mirrors to the nominal amount and financial conditions of hedging derivatives.

The objective of fair value hedge on assets/liabilities denominated in foreign currency could refer to hedge the exposure to changes in fair value by converting to Euro denominated assets/liabilities.

The hedging instruments used mainly consist of Interest Rate Swaps, Basis Swaps, Caps, Floors, and Cross Currencies Swaps.

## Part E - Information on risks and related hedging policies

### B. Cash flow hedging activities

The objective of cash flow hedge on assets/liabilities is to hedge the exposure to changes in cash flows from borrowings/lending that bear a floating interest rate or provide for a variable FX countervalue amount.

The hedging relationship is classified at the inception of the hedge by identifying the portion and type of risk to be hedged (partial term hedge), the hedging strategy, the hedging instrument, and the methods used to assess the effectiveness of the hedging relationship.

Cash flow hedges are particularly used to hedge interest rate risk on floating-rate assets and liabilities, including rollovers, and foreign exchange risks on highly probable forecast of foreign currency cost/revenue streams.

The hedging instruments used mainly consist of Interest Rate Swaps, Caps, Floors, Cross Currency Swaps with a maturity up to 20-30 years for some commercial hedged assets.

### C. Foreign net investments hedge activities

The objective of net investment hedging on entities that have different functional currency from the Group is to reduce the impact of fluctuations in exchange rates on the Group's capital adequacy ratios.

The management of this risk embeds the annual definition of hedging strategies in compliance with the EBA guidelines on the treatment of Structural Foreign Exchange risk (EBA/GL/2020/09), and its continuous monitoring to remain within the relevant Risk Appetite Framework thresholds.

The hedging instruments used consist mainly of foreign exchange options. At consolidated level these derivatives qualify as Net Investment Hedge relationship with the investment. The effective component (*intrinsic value*) of the hedging instruments is deferred into Other Comprehensive Income - booked to sub-item "Foreign Investments Hedge" of Valuation Reserves-, offsetting the "FX differences" of the related hedged item. However, at Bank level, a FVH relationship of the controlling stake is recognised.

Furthermore, the Group put in place some economic hedges on forecasted foreign currency revenues stemming from those entities. The objective of the economic hedge is to reduce the volatility on the income statement coming from the foreign exchange risks. FX risk on forecasted foreign currency revenues is continuously monitored and hedging strategies are periodically assessed.

The derivatives used consist mainly of currency options. These derivatives may not or should not qualify for hedge accounting even though achieve substantially the same economic results. The impact of economic hedges is accounted in Item "80 - Net gains (losses) on trading".

In general term, both the hedging strategies and the percentage to be hedged is defined considering, inter alia, the diversification effect and taking into account the volatility and correlation in the FX rates.

### D. Hedging instruments and E. Hedged elements

Prospective hedge effectiveness is established by the fact that all derivatives must, at inception, have the effect of reducing interest rate (or other identified) risk in term of *Economic Value Sensitivity* (Fair Value Hedge) or *Net Interest Income Sensitivity* (Cash Flow Hedge) in the specific/portfolio of hedged underlyings.

Retrospectively the hedge effectiveness is quarterly measured by referring to the most stable portion of assets/liabilities using a portfolio hedge approach or by referring to the portion of risk being hedged using a micro/specific approach.

Sources of ineffectiveness comes from (i) the Euribor vs Eonia/€STER basis for hedging derivatives transactions subject to a collateral agreement, (ii) Credit/Debit Value and Funding Value adjustment impacting derivative transactions fair values, (iii) shortfall arising in the underlying's specifically associated with that hedge in term of nominal or reverse sensitivity due to prepayment or default on commercial assets or withdrawals on liabilities included such as commercial non-maturity deposits and are presented in Item 90 - Net gains (losses) on hedge accounting.

## Part E - Information on risks and related hedging policies

## Quantitative information

## A. Hedging financial derivatives

## A.1 Hedging financial derivatives: end-of-period notional amounts

(€ million)

| UNDERLYING ACTIVITIES/TYPE OF DERIVATIVES           | AMOUNTS AS AT 31.12.2022  |                                   |                                 |                      | AMOUNTS AS AT 31.12.2021  |                                   |                                 |                      |
|---|---------------------------|-----------------------------------|---------------------------------|----------------------|---------------------------|-----------------------------------|---------------------------------|----------------------|
|   | OVER THE COUNTER          |                                   |                                 | ORGANISED<br>MARKETS | OVER THE COUNTER          |                                   |                                 | ORGANISED<br>MARKETS |
|   | CENTRAL<br>COUNTERPARTIES | WITHOUT CENTRAL<br>COUNTERPARTIES |                                 |                      | CENTRAL<br>COUNTERPARTIES | WITHOUT CENTRAL<br>COUNTERPARTIES |                                 |                      |
|   |                           | WITH NETTING<br>AGREEMENT         | WITHOUT<br>NETTING<br>AGREEMENT |                      |                           | WITH NETTING<br>AGREEMENT         | WITHOUT<br>NETTING<br>AGREEMENT |                      |
| <b>1. Debt securities and interest rate indexes</b> | <b>293,904</b>            | <b>10,493</b>                     | <b>96,563</b>                   | <b>264</b>           | <b>244,323</b>            | <b>19,134</b>                     | <b>80,380</b>                   | <b>3,893</b>         |
| a) Options  | -                         | 1,141                             | 17,500                          | -                    | -                         | 1,433                             | -                               | -                    |
| b) Swap   | 292,904                   | 9,352                             | 3,985                           | -                    | 241,523                   | 17,701                            | 4,286                           | -                    |
| c) Forward  | 1,000                     | -                                 | -                               | -                    | 2,800                     | -                                 | -                               | -                    |
| d) Futures  | -                         | -                                 | 75,078                          | 264                  | -                         | -                                 | 76,094                          | 3,893                |
| e) Other  | -                         | -                                 | -                               | -                    | -                         | -                                 | -                               | -                    |
| <b>2. Equity instruments and stock indexes</b>      | <b>-</b>                  | <b>-</b>                          | <b>-</b>                        | <b>-</b>             | <b>-</b>                  | <b>-</b>                          | <b>-</b>                        | <b>-</b>             |
| a) Options  | -                         | -                                 | -                               | -                    | -                         | -                                 | -                               | -                    |
| b) Swap   | -                         | -                                 | -                               | -                    | -                         | -                                 | -                               | -                    |
| c) Forward  | -                         | -                                 | -                               | -                    | -                         | -                                 | -                               | -                    |
| d) Futures  | -                         | -                                 | -                               | -                    | -                         | -                                 | -                               | -                    |
| e) Other  | -                         | -                                 | -                               | -                    | -                         | -                                 | -                               | -                    |
| <b>3. Gold and currencies</b>                       | <b>-</b>                  | <b>10,057</b>                     | <b>53</b>                       | <b>-</b>             | <b>489</b>                | <b>7,819</b>                      | <b>182</b>                      | <b>-</b>             |
| a) Options  | -                         | 2,378                             | -                               | -                    | -                         | -                                 | -                               | -                    |
| b) Swap   | -                         | 5,921                             | 53                              | -                    | -                         | 5,519                             | 182                             | -                    |
| c) Forward  | -                         | 1,758                             | -                               | -                    | 489                       | 2,300                             | -                               | -                    |
| d) Futures  | -                         | -                                 | -                               | -                    | -                         | -                                 | -                               | -                    |
| e) Other  | -                         | -                                 | -                               | -                    | -                         | -                                 | -                               | -                    |
| <b>4. Commodities</b>                               | <b>-</b>                  | <b>-</b>                          | <b>-</b>                        | <b>-</b>             | <b>-</b>                  | <b>-</b>                          | <b>-</b>                        | <b>-</b>             |
| <b>5. Other</b>                                     | <b>-</b>                  | <b>-</b>                          | <b>-</b>                        | <b>-</b>             | <b>-</b>                  | <b>-</b>                          | <b>-</b>                        | <b>-</b>             |
| <b>Total</b>  | <b>293,904</b>            | <b>20,550</b>                     | <b>96,616</b>                   | <b>264</b>           | <b>244,812</b>            | <b>26,953</b>                     | <b>80,562</b>                   | <b>3,893</b>         |

This table refers the notional value of hedging financial derivatives according to classification within the accounting hedging portfolio applied in the separate financial statements of the legal entities belonging to the Regulatory consolidation.

## Part E - Information on risks and related hedging policies

## A.2 Hedging financial derivatives: positive and negative gross fair value - breakdown by product

(€ million)

| TYPE OF DERIVATIVES           | AMOUNT AS AT 31.12.2022          |                                |                           |                      | AMOUNT AS AT 31.12.2021          |                                |            |                      | AMOUNT AS AT<br>31.12.2022                                     | AMOUNT AS AT<br>31.12.2021 |
|-------------------------------|----------------------------------|--------------------------------|---------------------------|----------------------|----------------------------------|--------------------------------|------------|----------------------|--|----------------------------|
|                               | POSITIVE AND NEGATIVE FAIR VALUE |                                |                           |                      | POSITIVE AND NEGATIVE FAIR VALUE |                                |            |                      |  |                            |
|                               | OVER THE COUNTER                 |                                |                           |                      | OVER THE COUNTER                 |                                |            |                      | CHANGES IN VALUE USED TO<br>CALCULATE HEDGE<br>INEFFECTIVENESS |                            |
|                               | CENTRAL<br>COUNTERPARTIES        | WITHOUT CENTRAL COUNTERPARTIES |                           | ORGANISED<br>MARKETS | CENTRAL<br>COUNTERPARTIES        | WITHOUT CENTRAL COUNTERPARTIES |            | ORGANISED<br>MARKETS |  |                            |
| WITH NETTING<br>AGREEMENT     |                                  | WITHOUT NETTING<br>AGREEMENT   | WITH NETTING<br>AGREEMENT |                      |                                  | WITHOUT NETTING<br>AGREEMENT   |            |                      |  |                            |
| <b>1. Positive fair value</b> |                                  |                                |                           |                      |                                  |                                |            |                      |  |                            |
| a) Options                    | -                                | 42                             | 4                         | -                    | -                                | 20                             | -          | -                    | -  |                            |
| b) Interest rate swap         | 6,899                            | 481                            | 120                       | -                    | 3,361                            | 213                            | 75         | -                    | -  |                            |
| c) Cross currency swap        | -                                | 325                            | 2                         | -                    | -                                | 142                            | -          | -                    | -  |                            |
| d) Equity swap                | -                                | -                              | -                         | -                    | -                                | -                              | -          | -                    | -  |                            |
| e) Forward                    | -                                | 12                             | -                         | -                    | -                                | 7                              | -          | -                    | -  |                            |
| f) Futures                    | -                                | -                              | 173                       | 3                    | -                                | -                              | 38         | 1                    | -  |                            |
| g) Other                      | -                                | -                              | -                         | -                    | -                                | -                              | -          | -                    | -  |                            |
| <b>Total</b>                  | <b>6,899</b>                     | <b>860</b>                     | <b>299</b>                | <b>3</b>             | <b>3,361</b>                     | <b>382</b>                     | <b>113</b> | <b>1</b>             | <b>-</b>   |                            |
| <b>2. Negative fair value</b> |                                  |                                |                           |                      |                                  |                                |            |                      |  |                            |
| a) Options                    | -                                | 58                             | 45                        | -                    | -                                | 160                            | -          | -                    | -  |                            |
| b) Interest rate swap         | 10,340                           | 204                            | 274                       | -                    | 1,382                            | 480                            | 176        | -                    | -  |                            |
| c) Cross currency swap        | -                                | 118                            | 1                         | -                    | -                                | 74                             | 3          | -                    | -  |                            |
| d) Equity swap                | -                                | -                              | -                         | -                    | -                                | -                              | -          | -                    | -  |                            |
| e) Forward                    | 5                                | 4                              | -                         | -                    | 1                                | 49                             | -          | -                    | -  |                            |
| f) Futures                    | -                                | -                              | 292                       | -                    | -                                | -                              | 51         | -                    | -  |                            |
| g) Other                      | -                                | -                              | -                         | -                    | -                                | -                              | -          | -                    | -  |                            |
| <b>Total</b>                  | <b>10,345</b>                    | <b>384</b>                     | <b>612</b>                | <b>-</b>             | <b>1,383</b>                     | <b>763</b>                     | <b>230</b> | <b>-</b>             | <b>-</b>   |                            |

This table presents distribution by product of the gross positive and negative hedging financial derivatives' fair values according to classification within the accounting hedging portfolio applied in the separate financial statements of the legal entities belonging to the Regulatory consolidation.

## Part E - Information on risks and related hedging policies

## A.3 OTC hedging financial derivatives: notional amounts, positive and negative gross fair value by counterparty

(€ million)

| UNDERLYING ACTIVITIES                               | AMOUNTS AS AT 31.12.2022 |        |                           |                |
|---|--------------------------|--------|---------------------------|----------------|
|   | CENTRAL COUNTERPARTIES   | BANKS  | OTHER FINANCIAL COMPANIES | OTHER ENTITIES |
| <b>Contracts not included in netting agreement</b>  |                          |        |                           |                |
| <b>1) Debt securities and interest rate indexes</b> |                          |        |                           |                |
| - Notional amount                                   | X                        | 96,067 | 38                        | 457            |
| - Positive fair value                               | X                        | 296    | -                         | 3              |
| - Negative fair value                               | X                        | 576    | 2                         | 33             |
| <b>2) Equity instruments and stock indexes</b>      |                          |        |                           |                |
| - Notional amount                                   | X                        | -      | -                         | -              |
| - Positive fair value                               | X                        | -      | -                         | -              |
| - Negative fair value                               | X                        | -      | -                         | -              |
| <b>3) Gold and currencies</b>                       |                          |        |                           |                |
| - Notional amount                                   | X                        | 53     | -                         | -              |
| - Positive fair value                               | X                        | 1      | -                         | -              |
| - Negative fair value                               | X                        | 1      | -                         | -              |
| <b>4) Commodities</b>                               |                          |        |                           |                |
| - Notional amount                                   | X                        | -      | -                         | -              |
| - Positive fair value                               | X                        | -      | -                         | -              |
| - Negative fair value                               | X                        | -      | -                         | -              |
| <b>5) Other</b>                                     |                          |        |                           |                |
| - Notional amount                                   | X                        | -      | -                         | -              |
| - Positive fair value                               | X                        | -      | -                         | -              |
| - Negative fair value                               | X                        | -      | -                         | -              |
| <b>Contracts included in netting agreement</b>      |                          |        |                           |                |
| <b>1) Debt securities and interest rate indexes</b> |                          |        |                           |                |
| - Notional amount                                   | 293,904                  | 8,008  | 2,474                     | 10             |
| - Positive fair value                               | 6,899                    | 402    | 105                       | -              |
| - Negative fair value                               | 10,345                   | 136    | 98                        | 2              |
| <b>2) Equity instruments and stock indexes</b>      |                          |        |                           |                |
| - Notional amount                                   | -                        | -      | -                         | -              |
| - Positive fair value                               | -                        | -      | -                         | -              |
| - Negative fair value                               | -                        | -      | -                         | -              |
| <b>3) Gold and currencies</b>                       |                          |        |                           |                |
| - Notional amount                                   | -                        | 8,385  | 1,672                     | -              |
| - Positive fair value                               | -                        | 287    | 66                        | -              |
| - Negative fair value                               | -                        | 137    | 11                        | -              |
| <b>4) Commodities</b>                               |                          |        |                           |                |
| - Notional amount                                   | -                        | -      | -                         | -              |
| - Positive fair value                               | -                        | -      | -                         | -              |
| - Negative fair value                               | -                        | -      | -                         | -              |
| <b>5) Other</b>                                     |                          |        |                           |                |
| - Notional amount                                   | -                        | -      | -                         | -              |
| - Positive fair value                               | -                        | -      | -                         | -              |
| - Negative fair value                               | -                        | -      | -                         | -              |

This table presents distribution by counterparty of the notional amount and the gross positive and negative hedging financial derivatives' fair values according to classification within the accounting hedging portfolio applied in the separate financial statements of the legal entities belonging to the Regulatory consolidation.

## Part E - Information on risks and related hedging policies

## A.4 OTC hedging financial derivatives - residual life: notional amounts

(€ million)

| UNDERLYING/RESIDUAL MATURITY  | OVER 1 YEAR UP TO |                |               | TOTAL          |
|---|-------------------|----------------|---------------|----------------|
|   | UP TO 1 YEAR      | 5 YEARS        | OVER 5 YEARS  |                |
| A.1 Financial derivative contracts on debt securities and interest rates  | 231,564           | 110,719        | 58,677        | 400,960        |
| A.2 Financial derivative contracts on equity securities and stock indexes | -                 | -              | -             | -              |
| A.3 Financial derivative contracts on exchange rates and gold             | 5,264             | 4,177          | 669           | 10,110         |
| A.4 Financial derivative contracts on other values                        | -                 | -              | -             | -              |
| A.5 Other financial derivatives   | -                 | -              | -             | -              |
| <b>Total 31.12.2022</b>   | <b>236,828</b>    | <b>114,896</b> | <b>59,346</b> | <b>411,070</b> |
| <b>Total 31.12.2021</b>   | <b>132,181</b>    | <b>165,133</b> | <b>55,012</b> | <b>352,326</b> |

## B. Hedging credit derivatives

No data to be disclosed.

## C. Hedging instruments not derivatives

Note that, as provided by the Circular No.262 of 22 December 2005 of Banca d'Italia (and subsequent amendments), the present table is not disclosed as the Group has exercised the option to continue applying the existing IAS39 hedge accounting requirements for all its hedging relationships until the IASB completes the project on accounting for macro-hedging.

## Part E - Information on risks and related hedging policies

*D. Hedges instruments*

Note that the Group has exercised the option to continue applying the existing IAS39 hedge accounting requirements for all its hedging relationships until the IASB completes the project on accounting for macro-hedging.

**D.1 Fair value hedges**

No data to be disclosed.

**Micro hedging and macro hedging: breakdown by hedged item and risk type**

|   | AMOUNT AS AT 31.12.2022         |                                 |
|---|---------------------------------|---------------------------------|
|   | MICRO HEDGE:<br>CARRYING AMOUNT | MACRO HEDGE:<br>CARRYING AMOUNT |
| (€ million)   |                                 |                                 |
| <b>A) Fair value hedge</b>  |                                 |                                 |
| <b>1. Assets</b>  |                                 |                                 |
| <b>1.1 Financial assets measured at fair value through other comprehensive income</b> | <b>34,987</b>                   | -                               |
| 1.1.1 Interest rate   | 34,987                          | X                               |
| 1.1.2 Equity  | -                               | X                               |
| 1.1.3 Foreign exchange and gold   | -                               | X                               |
| 1.1.4 Credit  | -                               | X                               |
| 1.1.5 Other   | -                               | X                               |
| <b>1.2 Financial assets measured at amortised cost</b>                                | <b>40,487</b>                   | <b>(4,478)</b>                  |
| 1.2.1 Interest rate   | 40,487                          | X                               |
| 1.2.2 Equity  | -                               | X                               |
| 1.2.3 Foreign exchange and gold   | -                               | X                               |
| 1.2.4 Credit  | -                               | X                               |
| 1.2.5 Other   | -                               | X                               |
| <b>2. Liabilities</b>   |                                 |                                 |
| <b>2.1 Financial liabilities measured at amortised costs</b>                          | <b>1,303</b>                    | <b>(14,058)</b>                 |
| 2.1.1 Interest rate   | 1,303                           | X                               |
| 2.1.2 Equity  | -                               | X                               |
| 2.1.3 Foreign exchange and gold   | -                               | X                               |
| 2.1.4 Credit  | -                               | X                               |
| 2.1.5 Other   | -                               | X                               |
| <b>B) Cash flow hedge</b>   |                                 |                                 |
| <b>1. Assets</b>  | <b>529</b>                      | <b>X</b>                        |
| 1.1 Interest rate   | 529                             | X                               |
| 1.2 Equity  | -                               | X                               |
| 1.3 Foreign exchange and gold   | -                               | X                               |
| 1.4 Credit  | -                               | X                               |
| 1.5 Other   | -                               | X                               |
| <b>2. Liabilities</b>   | <b>41</b>                       | <b>X</b>                        |
| 2.1 Interest rate   | 41                              | X                               |
| 2.2 Equity  | -                               | X                               |
| 2.3 Foreign exchange and gold   | -                               | X                               |
| 2.4 Credit  | -                               | X                               |
| 2.5 Other   | -                               | X                               |
| <b>C) Hedge of net investments in foreign operations</b>                              | <b>684</b>                      | <b>X</b>                        |
| <b>D) Portfolio - Assets</b>  | <b>X</b>                        | <b>(2,098)</b>                  |
| <b>E) Portfolio - Liabilities</b>   | <b>X</b>                        | <b>(7,445)</b>                  |

*E. Effects of hedging policy at equity*

This table has to be filled in only by entities that apply IFRS9 hedge accounting rules.

## Part E - Information on risks and related hedging policies

### 2.3.3 Other information on derivatives instruments (trading and hedging)

#### A. Financial and credit derivatives

##### A.1 OTC financial and credit derivatives: net fair value by counterparty

(€ million)

|  | AMOUNTS AS AT 31.12.2022  |         |                              |                |
|--|---------------------------|---------|------------------------------|----------------|
|  | CENTRAL<br>COUNTERPARTIES | BANKS   | OTHER FINANCIAL<br>COMPANIES | OTHER ENTITIES |
| <b>A. Financial derivatives</b>                |                           |         |                              |                |
| <b>1) Debt securities and interest rates</b>   |                           |         |                              |                |
| - Notional amount                              | 5,614,882                 | 842,677 | 116,408                      | 81,411         |
| - Positive net fair value                      | -                         | 28,936  | 3,378                        | 5,093          |
| - Negative net fair value                      | 1,632                     | 24,508  | 3,607                        | 2,900          |
| <b>2) Equity instruments and stock indexes</b> |                           |         |                              |                |
| - Notional amount                              | -                         | 19,715  | 7,841                        | 624            |
| - Positive net fair value                      | -                         | 746     | 361                          | 13             |
| - Negative net fair value                      | -                         | 742     | 82                           | 8              |
| <b>3) Gold and currencies</b>                  |                           |         |                              |                |
| - Notional amount                              | -                         | 290,659 | 58,306                       | 66,386         |
| - Positive net fair value                      | -                         | 6,417   | 1,428                        | 1,688          |
| - Negative net fair value                      | -                         | 8,013   | 1,574                        | 1,638          |
| <b>4) Commodities</b>                          |                           |         |                              |                |
| - Notional amount                              | -                         | 624     | 742                          | 7,207          |
| - Positive net fair value                      | -                         | 36      | 249                          | 2,739          |
| - Negative net fair value                      | -                         | 57      | 311                          | 1,983          |
| <b>5) Other</b>                                |                           |         |                              |                |
| - Notional amount                              | -                         | 324     | 1,124                        | 4,517          |
| - Positive net fair value                      | -                         | 12      | 64                           | 401            |
| - Negative net fair value                      | -                         | 44      | 50                           | 302            |
| <b>B. Credit derivatives</b>                   |                           |         |                              |                |
| <b>1) Protection buyer's contracts</b>         |                           |         |                              |                |
| - Notional amount                              | -                         | 521     | 12,578                       | -              |
| - Positive net fair value                      | -                         | 5       | 1                            | -              |
| - Negative net fair value                      | -                         | 29      | 115                          | -              |
| <b>2) Protection seller's contracts</b>        |                           |         |                              |                |
| - Notional amount                              | -                         | 927     | 11,827                       | 6              |
| - Positive net fair value                      | -                         | 7       | 109                          | -              |
| - Negative net fair value                      | -                         | 140     | 3                            | -              |



## Part E - Information on risks and related hedging policies

### 2.4 Liquidity risk

#### Qualitative information

##### A. General aspects, operational processes and methods for measuring liquidity risk

Liquidity risk is defined as the risk that the Group may find itself unable to fulfil its expected or unexpected payment obligations (by cash or delivery), current and future, without jeopardising its day-to-day operations or its financial condition.

#### The key principles

##### The liquidity reference banks

The Group aims at maintaining liquidity at a level that enables to fund its operations at the best rate conditions under normal operating circumstances, and to remain always in a position to meet payment obligations.

To this end, the Group complies accurately with the legal and regulatory provisions imposed by the national Central Banks and by the national authorities of each country where it operates.

In addition to local legal and regulatory requirements, the Parent Company, under the responsibility of the Group Risk Management, defines policies and metrics to be applied at Group level, to ensure that liquidity position of any entity meets the requirements of the Group.

For these reasons, the Group is organised on a managerial perspective, according to the concept of the liquidity reference bank.

The liquidity reference banks are legal entities that act in their responsibility as liquidity hub. They are in charge:

- of the liquidity management and concentration process of liquidity flows of the legal entities falling within their perimeter of responsibility;
- of the funding optimisation carried out on the relevant local markets and are responsible to coordinate the access to short-term and medium long-term markets of the legal entities belonging to their perimeter;
- finally, of the implementation of the Group's liquidity rules at local level in line with Group's Governance Guideline and Policy and with local regulations.

A particularly important role is played by the Parent Company, as a "supervisory and overarching liquidity reference bank" with its role of steering, coordinating, and controlling all the aspects regarding liquidity for the whole Group. The Parent Company has the responsibility to set the overall Group risk appetite and sub-allocate the limits in agreement with the liquidity reference banks and/or Legal Entities.

In particular, the Parent Company functions are responsible for the following:

- outlining Group overall liquidity risk management strategies;
- developing liquidity risk metrics and methodologies;
- setting specific limits for liquidity risk exposures, in line with the Group risk appetite;
- optimising liquidity allocation amongst Legal Entities, in compliance to the local regulations and transferability limitation;
- coordinating access to financial markets for liquidity management;
- outlining the yearly Group funding and contingency funding plan, coordinating and monitoring their execution;
- assessing the adequacy of the liquidity reserves buffers at Legal Entity and Group level;
- coordinating the refinancing transactions with the ECB;
- defining, periodically reviewing the Group ILAAP and approving the Group ILAAP Report on yearly basis.

The Parent Company, moreover, acts as the liquidity reference bank for the Italian perimeter.

##### The principle of "self-sufficiency"

This organisational model allows self-sufficiency of the Group by accessing the local and global markets for liquidity in a controlled and coordinated way. According to Group Policies, structural liquidity surpluses can be up-streamed to the Parent Company, unless legal requirements prevent it. The liquidity available at country level could be subject to restrictions due to legal, regulatory and political constraints. The so called "Large Exposure Regime", applied throughout Europe, along with specific national laws like the "German Stock Corporation Act", are examples of legal constraints to the free circulation of funds within a cross-border banking Group<sup>77</sup>.

As a general rule, the large exposure regime, which came into force on 31 December 2010, limits interbank exposures to a maximum of 25% of Eligible Capital: this rule is also applicable to intra-group exposures. However, there are significant differences in the way in which this EU regulation has been implemented in the various countries. In many CEE countries the limit of 25% of free funds is valid, with some countries showing even stricter rules; in Austria, according to the National law, the 25% of Eligible Capital limit is not applied to exposures towards the Parent Company, if located in the European Economic Area; finally, in Germany the national Regulator has set up a process to apply for a waiver, exempting intra-group exposures from the large exposure limitation.

<sup>77</sup> Also Banca d'Italia Rules, Circular 285, foresees that the Group should ensure the maintenance through the time of adequate reserves in each legal entity, in order to take into account possible regulatory constraints (First Part, Title IV, Chapter 6, Section III, paragraph 7).

## Part E - Information on risks and related hedging policies

In the absence of official limits valid at national level, Austrian and German Regulators reserve the right to judge the exposure level on a case-by-case basis.

In the current economic environment, in many of the territories in which the Group operates, Banking Regulatory Authorities are adopting measures aimed at reducing the exposure of their national banking system towards foreign jurisdictions with potential negative impacts on the ability of the Group to finance its activities.

For these reasons, the “Liquidity management & control Group Policy” provides for a further principle in order to enhance a sound liquidity risk management; each Legal Entity with market access has to increase its liquidity self-sufficiency, fostering in this way the exploitation of its strengths. In addition, the Group rule states that each LE (including the liquidity reference bank) should be self-sufficient in terms of liquidity in its local currency, either on its own or by leveraging on the relevant liquidity reference bank. This self-sufficiency principle is reflected in a specific “limit structure”: limits are set both at Group and at individual level, with the purpose of avoiding/controlling significant imbalances among Legal Entities.

This type of organisation promotes the self-sufficiency of the Legal Entities, by allowing them to access the local and global markets for liquidity in a controlled and coordinated way, whilst optimising: i) the liquidity surpluses and deficits within the Group’s Legal Entities ii) the overall costs of funding across the Group.

The adoption of the Single Point of Entry by the Group implies that the Holding provides internal MREL to all the other subsidiaries within Europe, representing the only exception to the self-sufficiency principle.

### *Roles and responsibilities*

At Group level, three main functions are identified in the management of the liquidity: the Group Risk Management competence line, the Group Finance competence line, and the Group Treasury function (within the “Markets” Business Unit), each with different roles and responsibilities. In particular, the operational responsibilities reside in the Finance and the Treasury functions, while the Risk Management function has responsibilities of independent controls and independent reporting compared to the operational functions (in line with the current requirements of Banca d’Italia).

Specifically, the Risk Management function is responsible for the independent control of liquidity risk and of balance sheet interest rate and FX risk at Group level and for the internal and regulatory stress testing. In detail:

- defining policies and methodologies for measuring and controlling the liquidity risk and developing, updating and presenting the independent internal risk reports/assessments to internal competent functions (second level controls);
- putting in place a strong and comprehensive internal limit and control framework to mitigate or limit the liquidity risk in line with the risk tolerance in order to monitor the different material drivers of liquidity risk;
- contributing to the setting of the risk appetite framework;
- assessing and monitoring liquidity risk exposure trends at Group and Country level and confronting them with the respective limits and triggers;
- verifying the correct implementation of the agreed mapping rules;
- performing an independent assessment of the Funding Plan and of the Contingency Funding Plan as well as monitoring their execution;
- developing and performing the liquidity stress test at Group level, analysing the outcome, delineating new scenarios to be taken into account and centralising the action plan relating to the stress test results; it is also responsible of periodically reviewing the liquidity stress test framework;
- monitoring the liquidity risk and producing regular risk reporting at Group level in alignment with Basel Committee’s “Principles for effective risk data aggregation and risk reporting”, setting common standards in terms of presentations and communications;
- performing internal validation activities at Group level on systems for measuring liquidity risks on related processes and data quality and IT components, as well as on models for pricing financial instruments in order to check that they are conform to regulatory requirements and in-house standards;
- developing and back testing the behavioural models for the measurement of the liquidity risk;
- validating, controlling the implementation and releases independent assessments on the models to map the liquidity profile of balance sheet items (i.e., deposit stickiness, prepayment, behavioral models, etc.).

Group Treasury acts as main coordinator in the management of infra-group flows, stemming from liquidity deficits or surplus of the various Group’s Legal Entities, and applies the appropriate transfer prices to such funds’ movements. By doing so, Group Treasury ensures a disciplined and efficient access to the markets.

Group Finance competence line is responsible for the coordination of the overall financial planning process at Group, liquidity reference banks and relevant LEs level, aiming to efficiently ensure the stability and the sustainability of the financial structure through time, addressing assets and liabilities composition and maturities, in compliance with the limits and triggers set for liquidity and balance sheet metrics. It is also responsible for the execution of the medium long term Group’s funding strategy (including securitisation operations), coordinating the access to national and international capital markets for all the liquidity reference banks and relevant LEs, exploiting local market opportunities in order to reduce the costs of funding and diversify the financing sources. In addition to this, the function performs first level controls on liquidity positions managed by Group Finance and Group Treasury aimed at ensuring the proper P&L and liquidity workflow of the operations and defines conditions and rules for transfer price application.

## Part E - Information on risks and related hedging policies

All the relevant issues that concern the liquidity risk and management perspective of the Group are discussed in GFRC (Group Financial & Credit Risks committee - Financial Risk session).

The Committee is responsible for approving strategies, policies and methodologies for Financial Risks and for the monitoring of risks related to Fund Transfer Pricing, across Liquidity Reference Banks, Business Functions and Legal Entities, with the aim to optimize the usage of financial resources (e.g., liquidity and capital) in coherence with Risk Appetite and Business Strategies. It is also responsible for the approval of the Financial Plan Funding Plan, Ordinary Counterbalancing Capacity Plan and Contingency Funding Plan to be submitted to the Board by the CEO as well as for evaluating the impact of transactions significantly affecting the overall financial risk portfolio profile.

The optimisation of liquidity risks is pursued through the setting of specific limits on the standard banking activity of transforming short, medium and long-term maturities. This is implemented in accordance with legal and regulatory framework in each country and internal rules and policies of the Group companies through management models in place within the individual liquidity reference banks.

Such models are subject to analyses carried out by the local Risk Management or equivalent structure with the same responsibilities in coordination with the Group's Risk Management to ensure that they comply with the metrics and the objectives of the Group's liquidity framework.

In addition, the regional rules must comply with national laws and regulatory requirements.

### **Risk measurement and reporting systems**

#### *Techniques for risk measurement*

The different types of liquidity risk managed by the bank are:

- short term liquidity risk refers to the risk of non-conformity between the amounts and/or the maturities of cash inflows and cash outflows in the short term (below one year);
- market liquidity risk is the risk that the bank may face a considerable (and unfavourable) price change generated by exogenous or endogenous factors and incur losses because of the sale of assets deemed to be liquid. In the worst case, the bank might not be able to liquidate such positions;
- intraday liquidity risk appears when a bank is not able to meet payment and settlement obligations on a timely manner basis under both normal and stressed conditions;
- structural liquidity risk is defined as the inability to raise the necessary funds to maintain an adequate ratio between medium to long-term (over one year) assets and liabilities at reasonable pricing level, in a stable and sustainable way, without affecting the daily operations or the financial condition of the Bank. It could have a potential impact on the cost of funding (own credit and market funding spreads), affecting future income of the institution;
- contingency risk, or stress liquidity relates to future and unexpected obligations (i. e. draw on committed facilities, deposits withdrawal, increase in collateral pledging) and could require the bank a greater amount of liquidity compared to what is considered the amount to run the ordinary business;
- intragroup liquidity risk, that might generate from an excessive exposure or dependency towards/from specific Group counterparts;
- funding concentration risk arises when the bank leverages on such a limited number of funding sources, that they become of such significance that the withdrawal of one or few could trigger liquidity problems;
- foreign exchange liquidity risk, generated by the current and projected liquidity mismatch between cash inflows and cash outflows in foreign currencies (refinancing risk) or related with the maturity distribution of the assets and liabilities in foreign currencies (foreign currency structural mismatch risk).

The exposure of the Group and its Legal Entities to any of these risks is measured by associating to any of them a metric or a set of metrics. Every Legal Entity of the Group is exposed to the above-mentioned risks at a different extent: a materiality analysis is performed in order to define the perimeter of the liquidity risk management and control.

Liquidity risk, for its particular nature, is addressed by means of gap analyses, liquidity stress testing, and complementary measures (mainly through a set of indicators, among which: loans to deposits gap, liquidity coverage ratio). In particular, gap analyses are performed within two distinct time horizons:

- liquidity imbalance mismatch approach on a daily basis, which controls the short-term liquidity risk arising from the overnight up to 12 months maturity;
- gap ratios on a monthly basis, which control the medium to long-term risk (structural liquidity) from the 1-year maturity onwards.

## Part E - Information on risks and related hedging policies

### *Strategies and processes to manage the liquidity risk*

The Group's liquidity framework is based upon the Liquidity Risk Mismatch Model which is characterised by the following fundamental principles:

- **short-term liquidity risk management (operational liquidity)**, which considers the events that will impact upon the Group's liquidity position from 1 day up to one year. The primary objective is to maintain the Group's capacity to fulfil its ordinary and extraordinary payment obligations while minimising the relevant costs;
- **structural liquidity risk management (structural risk)**, which considers the events that will impact upon the Group's liquidity position over one year. The primary objective is to maintain an adequate ratio between medium/long term liabilities and medium to long-term assets, with a view to avoid pressures on short-term funding sources (both current and future), while in the meantime optimising the cost of funding;
- **stress test**: Liquidity risk is a low probability, high impact event. Therefore, stress testing is an excellent tool to reveal potential vulnerabilities in the balance sheet. The Bank uses several scenarios ranging from general market crisis to idiosyncratic crisis, and a combination hereof.

In this context, models to manage the liquidity take into account all assets, liabilities, off-balance sheet positions and also both present and future events which generate certain or potential cash flows for the Group, thereby protecting the Group Banks/Companies from risks relating to the transformation of maturity.

In addition, the liquidity risk is included in the Group's risk appetite framework through some specific liquidity indicators.

### *Short-term liquidity management*

Short-term liquidity management aims at ensuring that the Group remains in a position to fulfil its cash payment obligations, whether expected or unexpected, focused on the exposure for the first 12 months.

The standard measures taken for such purposes are the following:

- management of the access to payment systems (operational liquidity management);
- management of cash payments to be made and monitoring of the level of liquidity reserves and the extent of their utilisation (analysis and active management of the maturity ladder).

These principles are applicable at Group level and must be used across the liquidity reference banks.

The *operative maturity ladder* is composed by the net contractual cash flows (in/outflows) affecting the cash position at Central Banks or "Nostr Account". Therefore, these flows impact directly the "core liquidity" of the bank, over pre-defined time buckets.

The *operative maturity ladder* is composed of the following building-blocks:

- primary gap, which shows the net wholesale refinancing requirements over the various time-buckets of the horizon;
- counterbalancing capacity, which shows the amount of unencumbered securities that are accepted as collateral by Central Banks and/or market counterparties. The counterbalancing capacity is considered at its "liquidity value" (i.e., the market value minus the applicable haircut);
- cumulative gap, which is the sum of the previous components;
- reservation for unexpected flows, which consists of liquidity adjustment to the operative maturity ladder, to consider a buffer that can be used by the Treasury to refinance unexpected outflows impacting the Central Bank position (included in the short-term buckets). The reservation for unexpected flows takes into account the volatility of the funding needs of the commercial asset portfolio, the volatility of the commercial funding sources, including potential concentration effects, the change of liquidity value of the counterbalancing capacity due to observed market price changes.

The operative maturity ladder is included in the Group risk appetite framework, with a limit of 0 on the 3 months bucket.

The Group also adopts the cash horizon as a synthetic indicator of the short-term liquidity risk levels. The cash horizon identifies the number of days after which the relevant entity is no longer able to meet its liquidity obligations as expressed in the operative maturity ladder, after having exhausted the available counterbalancing capacity.

### *Structural liquidity management*

The Group's structural liquidity management aims at limiting refinancing exposures above one year and thus reducing refinancing needs in the shorter term. The maintenance of an adequate ratio between medium to long-term liabilities and assets aims at avoiding pressures on short-term sources, whether present or future.

The standard measures taken for such purposes are the following:

- the spreading of the maturity of funding operations in order to reduce the usage of less stable funding sources, while in the meantime optimizing the cost of funding (integrated management of strategic liquidity and tactical liquidity);
- the financing of growth through strategic funding activities, setting the most appropriate maturities (yearly funding plan);
- the balancing of medium to long-term wholesale funding requirements with the need to minimise costs, by diversifying sources, national markets, currencies of issuance and instruments used (realisation of the yearly funding plan).

## Part E - Information on risks and related hedging policies

The main metric used to measure the medium/long-term position is the net stable funding ratio, as described by CRR2.

In general, the net stable funding ratio is calculated as the ratio between liabilities and assets. All the balance sheet items are mapped according to their contractual maturity. In addition, they are assigned a weight that reflect, for the liabilities, their stability within the balance sheet and, for the assets, the portion that is rolled over by the bank or that, more in general, cannot be traded on the market in exchange of liquidity that would generate relief to the institution. The internal limit set at 102.3% for 2022 means that stable liabilities have to fully cover the requirements of funding generated by the assets. In addition to the regulatory perspective offered by the net stable funding ratio, an internal metric, named structural liquidity ratio, has been introduced to strengthen the steering of structural liquidity risk from an economic point of view, i.e. taking into account the liquidity risk stemming from different balance sheet items under the perspective of internal models.

Another key structural metric, aimed at measuring the funding needs originated from the commercial activity of the Bank, is the funding gap. It measures the need of funding that the bank has to finance on the wholesale market. The indicator is integrated in the risk appetite framework with the aim of monitoring and managing the level of funding coverage of net loans to customers, coming from funding sources not exclusively obtained through Treasury/Finance activity.

### Liquidity under stress

Stress testing is a risk management technique used to evaluate the potential effects on an institution's financial condition of a specific event and/or movement in a set of financial variables. As a forward-looking tool, liquidity stress testing diagnostics the institution's liquidity risk. In particular, the results of the stress tests are used to:

- determine liquidity limits both in quantitative and qualitative terms;
- plan and carry out alternative funding transactions for purposes of off-setting liquidity outflows;
- structure/modify the liquidity profile of the Group's assets;
- provide support to the development of the liquidity contingency plan.

In order to execute stress tests that are consistent across the liquidity reference banks, the Group has a centralised approach to stress testing, requiring each local liquidity reference bank to run the same scenario set under the coordination of the Group risk management. The Group runs liquidity scenarios and sensitivity analyses on a regular basis, the latter by assessing the impact on an institution's financial condition of a move in one particular risk factor, whereas scenario tests tend to consider the impact of simultaneous moves in a number of risk factors, based on a hypothetical, well defined and consistent stress scenario.

The Group identifies three different types of potential liquidity crisis:

- market (systemic, global or sector): market downturn scenario. This scenario consists of a sudden turmoil in a monetary and capital market, which may be caused by closure (or limited access) to market/settlement system, critical political events, country crisis, credit crunch, etc.;
- specific to the Group, or part of it (idiosyncratic): name crisis; the assumptions could be operational risk, events relating to the worsened perception of the Group reputational risk and a downgrade in UniCredit S.p.A. rating or another Group Legal Entities;
- a combination of market and specific crisis: combined scenario.

These scenarios are expected to cause a substantial reduction in the funding coming from rating-sensitive customers, CD/CPs' investors and inter-bank markets. In addition, a possible usage of the undrawn portion of the committed lines is considered.

The *combined scenario* is defined as a general negative development in the market environment and also as a factual or market-hypothesised problem specific to the Group.

In 2022 the Group liquidity stress test result on the combined scenario was always positive.

In addition to the internal stress test, the bank adopts and also monitors the liquidity coverage ratio (LCR), calculated in accordance with the provisions of Implementing Regulation (EU) 2016/322 in force from 1 October 2016 as amended by DR (EU) 2018/1620. It is the ratio between the high-quality liquid assets (HQLA) and the net cash outflows expected over the coming 30 days, under stress test conditions. The compliance with this regulatory requirement is constantly monitored by setting, in the risk appetite framework, internal limitations above the binding minimum level of 100%.

Among the liquidity outflows that occur in a stress scenario, the bank monitors on a monthly basis the impact in terms of additionally required collaterals that the bank may be required to provide given a downgrade of its own credit rating. For this purpose, all the relevant rating agencies are considered. The testing is carried out on a legal entity level, but consolidated reporting is available to analyse the impact on group wide basis. Specific attention is dedicated to exposures towards special purpose vehicles (SPV).

At Group level the amount of material outflows due to deterioration of own credit quality, included in the components of the Liquidity Coverage Ratio, amount to €7,378 million as of 31 December 2022.

## Part E - Information on risks and related hedging policies

### **Risk mitigation**

#### *Monitoring and reporting*

In the Group the governance and control of liquidity risk is mainly performed through the setting and monitoring of operating restrictions managerial and regulatory aimed at preventing potential vulnerabilities in the bank's ability to meet its cash flow obligations that are embedded in risk metrics limits or warning/trigger levels.

The short-term liquidity limits are monitored and reported daily. The structural liquidity ratios and their exposure against limits are monitored and reported monthly. The survival period and the result of the liquidity stress test are reported and monitored on a monthly basis.

In case of limit breach or warning level activation at Group level, the Group risk management function investigates the rationale of the events, triggering the proper escalation and reporting them to the relevant committees.

#### *Mitigation factors*

Liquidity risk is considered a relevant risk category for the risk appetite determination of the Group. The practices and processes are included in the "Liquidity management & control Group Policy", that defines the principles that the Parent Company and the Legal Entities have to apply for hedging and mitigating this risk and the roles to be interpreted by the different committees and functions.

In addition to an adequate liquidity buffer to face unexpected outflows and robust and regular up-to-date stress testing performed, the main liquidity mitigation factors for UniCredit group are:

- an accurate plan of short-term and medium to long-term liquidity needs, to be monitored on a monthly basis;
- an effective contingency liquidity policy with feasible and up-to-date contingency action plan to be executed in case of crisis;
- a system of early warning indicators such to anticipate any potential liquidity crisis and give enough time to the Group to restore its safe liquidity profile.

#### *Funding plan*

The funding plan plays a fundamental role in the overall liquidity management influencing both the short-term and the structural position. The funding plan, defined at each level (i.e., Group, liquidity reference bank and Legal Entity level), is developed consistently with a sustainable analysis of uses and sources, both on short-term and structural positions. One of the objectives of accessing the medium and long-term channels is to avoid the pressure on the short-term liquidity position. The funding plan is updated at least on a yearly basis and is approved by the Board of Directors. In addition, it is aligned with the budgeting process and the risk appetite framework.

The Parent Company accesses the market for Group capital instruments.

The Parent Company coordinates the market access of the liquidity reference banks and Legal Entities, while the liquidity reference banks coordinate the access of the Legal Entities falling within their perimeter.

Each Legal Entity or liquidity reference bank can access the markets for medium and long-term funding, in order to increase its self-sufficiency, exploit market opportunities and functional specialisation, safeguarding the optimisation of cost of funds of the Group.

Group Finance competence line is responsible for the elaboration of the funding plan. Risk management is responsible for providing an independent assessment of the funding plan.

#### *Group contingency liquidity management*

The liquidity crisis usually develops quickly, and the relevant signals may be either difficult to interpret or may even be lacking; it is, therefore, important to clearly identify players, powers, responsibilities, communication, and reporting criteria, in order to increase significantly the probability of overcoming the state of emergency successfully. A liquidity crisis could be classified as systemic (e.g., overall capital and money market disruption) or specific (e.g., specific to the bank), or a combination of both.

The ability to act in time is essential to minimise the potentially disruptive consequences of a liquidity crisis. The analysis of the stress tests will form a valuable tool to identify the expected consequences and to define up front the most suitable actions in a certain crisis scenario. In combination with the early warning Indicators the organisation may be able to reduce the negative liquidity effects in the initial stages of a crisis. Therefore, a crisis-mode operating model, that can be activated effectively in case of crisis according to an approved procedure, has been defined. In order to be able to proceed timely, a set of mitigating actions have been pre-defined. Depending on the situation some of these actions can then be approved for execution.

The *Group contingency liquidity management* rules have the objective of ensuring effective interventions starting from the very outset (initial hours) of the liquidity crisis, through the definition of specific guidelines on activation, meetings, decisions, actions, and communications.

This purpose is achieved through:

- a set of early warning indicators that may help to identify emerging vulnerabilities in the Group liquidity risk position;
- activation of extraordinary liquidity governance and operating model linked to indicators included in both the risk appetite and recovery and resolution plan framework;
- a set of available standby mitigating liquidity actions;
- consistent internal and external communication.

## Part E - Information on risks and related hedging policies

A relevant part of the contingency liquidity management is the contingency funding plan. This plan consists of a set of potential but concrete management actions to be performed in time of crisis. These actions are described in terms of size, instrument, and timing of execution aimed at improving the bank's liquidity position during time of crisis. The contingency funding plan is developed on the basis of the annual Funding Plan. A specific early warning indicators dashboard is in place, both at Group and Legal Entities level, in order to continuously monitor situations of stress, which may, among others, be originated by market, sector or name specific events. They are based either on macroeconomic or market indicators that also reflect the monetary policy stance of the Central Banks variables, or on specific internal metrics. The system of early warning indicators helps to identify emerging vulnerabilities in the Group's liquidity risk position or potential funding needs, triggering a potential response by the Senior management.

A "traffic light approach" is adopted for each metric in order to have sufficient time to inform senior management of a deteriorating situation and allow to put in place adequate actions aimed at restoring the business-as-usual state.

### **Adequacy of the liquidity risk management**

In the yearly process of the ILAAP, the Senior management is requested to give a judgement on the adequacy of the liquidity position and stability of funding, called Liquidity Adequacy Statement (LAS). This assessment aims at showing the main drivers that had modified the liquidity position throughout the year and provides comment also on the evolution of the main metrics that are used to steer the different aspects of the liquidity risk. In 2022, the Group liquidity situation has been deemed adequate and the liquidity risk management arrangements of the institution ensure that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy.

The framework of measurement systems and of limits in place aims to ensure that the Group has always an internal liquidity buffer/reserve that allows it to face expected and unexpected payments.

In the daily Treasury activity, the (managerial) liquidity reserve is represented by the Counterbalancing Capacity (CBC). Group Treasury, in its role of operational liquidity management function is entitled to monetise also the bonds belonging to the trading book, if this is necessary to restore the liquidity positions, prevailing on any existing business or risk management strategies.

From a regulatory perspective, the liquidity reserve is represented by the amount of high-quality liquid assets (HQLA). This is the numerator of the LCR and is made of assets, which can be easily and immediately converted into cash at little or no loss of value even in periods of severe idiosyncratic and market stress. These assets are unencumbered, which means free of legal, regulatory, contractual, or other restrictions on the ability of the bank to liquidate, sell, transfer, or assign them.

The adequacy of the liquidity reserve under both perspectives is monitored and controlled through the limitations set on the operative maturity ladder (managerial) and on the liquidity coverage ratio (regulatory), as described above.

In 2022, the operative maturity ladder of the Group, measured considering the impediments in the transfer of liquidity among legal entities, was constantly above the Risk Appetite Trigger, defined at a level that ensures that the Group would have enough liquidity to survive to a period of stress.

Similarly, the Group liquidity coverage ratio (LCR) was always well above the trigger (set above the minimum regulatory requirement of 100%), confirming that its liquidity reserve was large enough to cover one month of stress designed according to the regulatory hypothesis.

While the operative maturity ladder and the LCR restrictions ensure that the liquidity reserves are adequate, the respect of the funding gap and other structural liquidity metrics restrictions ensure that the bank maintains an appropriate balance between assets and liabilities in the medium-long term (beyond one year), preventing additional pressure on the short-term liquidity position.

In 2022, the funding gap, the net stable funding ratio and the structural liquidity ratio were above the limitations set in the risk appetite framework, thus confirming the relative stability of the funding source of the Group.

### **Effects arising from Covid-19 pandemic**

The slowdown in economic activity caused by lockdowns across Europe and the measures the Governments have taken to face the effects of the health and economic emergency impacted the Group operations in the different countries of its perimeter. The business continuity management plans were activated in order to ensure the regular execution of Treasury activities and the proper information flows to the senior management and the Supervisors. Despite the overall liquidity situation of the Group is safe and under constant control, the most relevant liquidity risks that the Group may face depending on the expected economic recovery are: i) an exceptionally high usage of the committed and uncommitted lines granted to corporate customers; ii) the capacity to roll over the expiring wholesale funding and the potential cash or collateral outflows the Group may suffer in case of rating downgrades of both the banks or the sovereign debt in the geographies in which it operates. In addition to this, some risks may arise from the limitations applied to the cross-border lending among banks, which have been increased in some countries.

An important mitigating factor to these risks are the contingency management policies of the bank as described in the Group system of rules and the measures taken by the European Central Bank, which have granted a higher flexibility in the management of the current liquidity situation by leveraging on the available liquidity buffers.

## Part E - Information on risks and related hedging policies

## Quantitative information

## 1. Time breakdown by contractual residual maturity of financial assets and liabilities

(€ million)

| ITEMS/MATURITY                                 | AMOUNT AS AT 31.12.2022 |               |               |                      |               |               |                    |                |                |                     |
|--|-------------------------|---------------|---------------|----------------------|---------------|---------------|--------------------|----------------|----------------|---------------------|
|  | ON DEMAND               | 1 TO 7 DAYS   | 7 TO 15 DAYS  | 15 DAYS TO ONE MONTH | 1 TO 3 MONTHS | 3 TO 6 MONTHS | 6 MONTHS TO 1 YEAR | 1 TO 5 YEARS   | OVER 5 YEARS   | INDEFINITE MATURITY |
| <b>A. On-balance sheet assets</b>              | <b>113,695</b>          | <b>17,921</b> | <b>11,580</b> | <b>24,400</b>        | <b>40,287</b> | <b>30,522</b> | <b>49,798</b>      | <b>225,610</b> | <b>216,173</b> | <b>7,213</b>        |
| A.1 Government securities                      | 23                      | 5             | 74            | 1,943                | 5,414         | 2,790         | 7,330              | 48,369         | 45,414         | -                   |
| A.2 Other debt securities                      | 52                      | 108           | 81            | 697                  | 848           | 1,481         | 2,434              | 17,360         | 26,185         | 47                  |
| A.3 Units in investment funds                  | 1,364                   | -             | -             | -                    | -             | -             | -                  | -              | -              | 2,360               |
| A.4 Loans                                      | 112,256                 | 17,808        | 11,425        | 21,760               | 34,025        | 26,251        | 40,034             | 159,881        | 144,574        | 4,806               |
| - Banks  | 68,730                  | 7,432         | 4,250         | 2,259                | 5,656         | 827           | 3,354              | 4,079          | 260            | 3,036               |
| - Customers                                    | 43,526                  | 10,376        | 7,175         | 19,501               | 28,369        | 25,424        | 36,680             | 155,802        | 144,314        | 1,770               |
| <b>B. On-balance sheet liabilities</b>         | <b>425,472</b>          | <b>26,019</b> | <b>10,914</b> | <b>23,320</b>        | <b>39,353</b> | <b>82,453</b> | <b>22,166</b>      | <b>72,100</b>  | <b>47,956</b>  | <b>2,481</b>        |
| B.1. Deposits and current accounts             | 413,124                 | 7,856         | 7,600         | 15,203               | 29,096        | 33,041        | 14,032             | 22,105         | 9,345          | 1                   |
| - Banks  | 11,094                  | 1,670         | 459           | 1,607                | 3,735         | 23,244        | 1,499              | 17,658         | 8,197          | -                   |
| - Customers                                    | 402,030                 | 6,186         | 7,141         | 13,596               | 25,361        | 9,797         | 12,533             | 4,447          | 1,148          | 1                   |
| B.2 Debt securities                            | 36                      | 27            | 120           | 1,775                | 6,859         | 5,422         | 6,462              | 41,042         | 35,468         | 2,290               |
| B.3 Other liabilities                          | 12,312                  | 18,136        | 3,194         | 6,342                | 3,398         | 43,990        | 1,672              | 8,953          | 3,143          | 190                 |
| <b>C. Off-balance sheet transactions</b>       |                         |               |               |                      |               |               |                    |                |                |                     |
| C.1 Financial derivatives with capital swap    |                         |               |               |                      |               |               |                    |                |                |                     |
| - Long positions                               | 11,708                  | 35,760        | 31,718        | 96,531               | 408,848       | 348,197       | 586,918            | 1,046,919      | 1,064,429      | -                   |
| - Short positions                              | 186                     | 64,463        | 37,860        | 75,003               | 296,653       | 347,063       | 495,175            | 997,810        | 1,076,646      | -                   |
| C.2 Financial derivatives without capital swap |                         |               |               |                      |               |               |                    |                |                |                     |
| - Long positions                               | 10,217                  | 326           | 476           | 744                  | 2,149         | 2,107         | 3,707              | 11,917         | 6,164          | -                   |
| - Short positions                              | 12,325                  | 482           | 591           | 831                  | 2,345         | 2,167         | 3,685              | 12,318         | 6,719          | -                   |
| C.3 Deposits and loans to be received          |                         |               |               |                      |               |               |                    |                |                |                     |
| - Long positions                               | -                       | 20,596        | 10            | 11                   | 10            | -             | -                  | 13             | -              | -                   |
| - Short positions                              | 7                       | 12,206        | 3,364         | 4,766                | 221           | 65            | -                  | 13             | -              | -                   |
| C.4 Commitments to disburse funds              |                         |               |               |                      |               |               |                    |                |                |                     |
| - Long positions                               | 83,968                  | 8,409         | 145           | 822                  | 5,307         | 4,715         | 6,680              | 13,083         | 7,026          | 2,716               |
| - Short positions                              | 99,766                  | 162           | 72            | 543                  | 4,830         | 2,964         | 5,516              | 11,773         | 4,561          | 2,684               |
| C.5 Financial guarantees given                 | 586                     | 12            | 18            | 88                   | 504           | 964           | 1,834              | 6,493          | 602            | -                   |
| C.6 Financial guarantees received              | 18,686                  | 8,748         | 42            | 464                  | 1,189         | 985           | 8,426              | 12,162         | 10,598         | 10,286              |
| C.7 Credit derivatives with capital swap       |                         |               |               |                      |               |               |                    |                |                |                     |
| - Long positions                               | -                       | -             | -             | 38                   | 16            | 411           | 347                | 23,983         | 270            | -                   |
| - Short positions                              | -                       | -             | -             | 18                   | 749           | 472           | 424                | 25,900         | 109            | -                   |
| C.8 Credit derivatives without capital swap    |                         |               |               |                      |               |               |                    |                |                |                     |
| - Long positions                               | -                       | -             | -             | -                    | -             | -             | -                  | -              | 166            | -                   |
| - Short positions                              | -                       | -             | -             | -                    | -             | -             | -                  | -              | 166            | -                   |



## Part E - Information on risks and related hedging policies

## 1. Time breakdown by contractual residual maturity of financial assets and liabilities - Currency: euro

(€ million)

| ITEMS/MATURITY                                 | AMOUNT AS AT 31.12.2022 |               |              |                      |               |               |                    |                |                |                     |
|--|-------------------------|---------------|--------------|----------------------|---------------|---------------|--------------------|----------------|----------------|---------------------|
|  | ON DEMAND               | 1 TO 7 DAYS   | 7 TO 15 DAYS | 15 DAYS TO ONE MONTH | 1 TO 3 MONTHS | 3 TO 6 MONTHS | 6 MONTHS TO 1 YEAR | 1 TO 5 YEARS   | OVER 5 YEARS   | INDEFINITE MATURITY |
| <b>A. On-balance sheet assets</b>              | <b>107,285</b>          | <b>15,630</b> | <b>8,053</b> | <b>21,988</b>        | <b>36,243</b> | <b>27,243</b> | <b>43,394</b>      | <b>195,018</b> | <b>188,611</b> | <b>7,199</b>        |
| A.1 Government securities                      | 18                      | 5             | 73           | 1,923                | 5,179         | 2,637         | 6,478              | 38,469         | 33,596         | -                   |
| A.2 Other debt securities                      | 39                      | 108           | 58           | 693                  | 837           | 1,444         | 2,136              | 14,780         | 24,492         | 41                  |
| A.3 Units in investment funds                  | 1,208                   | -             | -            | -                    | -             | -             | -                  | -              | -              | 2,359               |
| A.4 Loans                                      | 106,020                 | 15,517        | 7,922        | 19,372               | 30,227        | 23,162        | 34,780             | 141,769        | 130,523        | 4,799               |
| - Banks  | 66,484                  | 5,731         | 1,084        | 1,372                | 4,362         | 639           | 2,672              | 3,775          | 235            | 3,036               |
| - Customers                                    | 39,536                  | 9,786         | 6,838        | 18,000               | 25,865        | 22,523        | 32,108             | 137,994        | 130,288        | 1,763               |
| <b>B. On-balance sheet liabilities</b>         | <b>379,157</b>          | <b>20,854</b> | <b>7,767</b> | <b>19,987</b>        | <b>36,020</b> | <b>80,376</b> | <b>17,157</b>      | <b>67,171</b>  | <b>42,669</b>  | <b>2,481</b>        |
| B.1 Deposits and current accounts              | 367,266                 | 3,258         | 4,453        | 11,871               | 25,783        | 31,669        | 12,155             | 20,276         | 9,021          | 1                   |
| - Banks  | 9,417                   | 706           | 342          | 1,438                | 3,359         | 23,215        | 1,374              | 16,397         | 8,113          | -                   |
| - Customers                                    | 357,849                 | 2,552         | 4,111        | 10,433               | 22,424        | 8,454         | 10,781             | 3,879          | 908            | 1                   |
| B.2 Debt securities                            | 36                      | 27            | 120          | 1,775                | 6,840         | 4,719         | 3,359              | 37,962         | 30,509         | 2,290               |
| B.3 Other liabilities                          | 11,855                  | 17,569        | 3,194        | 6,341                | 3,397         | 43,988        | 1,643              | 8,933          | 3,139          | 190                 |
| <b>C. Off-balance sheet transactions</b>       |                         |               |              |                      |               |               |                    |                |                |                     |
| C.1 Financial derivatives with capital swap    |                         |               |              |                      |               |               |                    |                |                |                     |
| - Long positions                               | 3,498                   | 22,572        | 27,057       | 83,427               | 350,969       | 312,967       | 540,566            | 924,193        | 1,006,441      | -                   |
| - Short positions                              | 116                     | 53,519        | 28,720       | 57,359               | 244,935       | 311,183       | 454,120            | 885,721        | 1,007,945      | -                   |
| C.2 Financial derivatives without capital swap |                         |               |              |                      |               |               |                    |                |                |                     |
| - Long positions                               | 7,739                   | 195           | 152          | 190                  | 1,135         | 1,101         | 1,897              | 5,122          | 3,777          | -                   |
| - Short positions                              | 8,803                   | 371           | 442          | 362                  | 1,413         | 1,165         | 1,972              | 5,519          | 4,379          | -                   |
| C.3 Deposits and loans to be received          |                         |               |              |                      |               |               |                    |                |                |                     |
| - Long positions                               | -                       | 20,592        | 10           | -                    | 10            | -             | -                  | 13             | -              | -                   |
| - Short positions                              | -                       | 12,202        | 3,364        | 4,761                | 221           | 65            | -                  | 13             | -              | -                   |
| C.4 Commitments to disburse funds              |                         |               |              |                      |               |               |                    |                |                |                     |
| - Long positions                               | 82,472                  | 8,267         | 109          | 408                  | 4,031         | 3,397         | 4,525              | 10,894         | 5,844          | 1,019               |
| - Short positions                              | 97,891                  | 15            | 36           | 350                  | 3,368         | 1,714         | 3,430              | 9,607          | 3,536          | 1,019               |
| C.5 Financial guarantees given                 | 574                     | 8             | 11           | 66                   | 157           | 337           | 460                | 2,305          | 318            | -                   |
| C.6 Financial guarantees received              | 16,909                  | 8,747         | 21           | 316                  | 870           | 816           | 8,045              | 11,413         | 10,147         | 5,799               |
| C.7 Credit derivatives with capital swap       |                         |               |              |                      |               |               |                    |                |                |                     |
| - Long positions                               | -                       | -             | -            | 38                   | 16            | 377           | 276                | 23,590         | 261            | -                   |
| - Short positions                              | -                       | -             | -            | 18                   | 128           | 435           | 368                | 24,884         | 107            | -                   |
| C.8 Credit derivatives without capital swap    |                         |               |              |                      |               |               |                    |                |                |                     |
| - Long positions                               | -                       | -             | -            | -                    | -             | -             | -                  | -              | 166            | -                   |
| - Short positions                              | -                       | -             | -            | -                    | -             | -             | -                  | -              | 166            | -                   |

## Part E - Information on risks and related hedging policies

## 1. Time breakdown by contractual residual maturity of financial assets and liabilities - Currency: other currencies

(€ million)

| ITEMS/MATURITY                                 | AMOUNT AS AT 31.12.2022 |              |              |                      |               |               |                    |               |               |                     |
|--|-------------------------|--------------|--------------|----------------------|---------------|---------------|--------------------|---------------|---------------|---------------------|
|  | ON DEMAND               | 1 TO 7 DAYS  | 7 TO 15 DAYS | 15 DAYS TO ONE MONTH | 1 TO 3 MONTHS | 3 TO 6 MONTHS | 6 MONTHS TO 1 YEAR | 1 TO 5 YEARS  | OVER 5 YEARS  | INDEFINITE MATURITY |
| <b>A. On-balance sheet assets</b>              | <b>6,410</b>            | <b>2,291</b> | <b>3,527</b> | <b>2,412</b>         | <b>4,044</b>  | <b>3,279</b>  | <b>6,404</b>       | <b>30,592</b> | <b>27,562</b> | <b>14</b>           |
| A.1 Government securities                      | 5                       | -            | 1            | 20                   | 235           | 153           | 852                | 9,900         | 11,818        | -                   |
| A.2 Other debt securities                      | 13                      | -            | 23           | 4                    | 11            | 37            | 298                | 2,580         | 1,693         | 6                   |
| A.3 Units in investment funds                  | 156                     | -            | -            | -                    | -             | -             | -                  | -             | -             | 1                   |
| A.4 Loans                                      | 6,236                   | 2,291        | 3,503        | 2,388                | 3,798         | 3,089         | 5,254              | 18,112        | 14,051        | 7                   |
| - Banks  | 2,246                   | 1,701        | 3,166        | 887                  | 1,294         | 188           | 682                | 304           | 25            | -                   |
| - Customers                                    | 3,990                   | 590          | 337          | 1,501                | 2,504         | 2,901         | 4,572              | 17,808        | 14,026        | 7                   |
| <b>B. On-balance sheet liabilities</b>         | <b>46,315</b>           | <b>5,165</b> | <b>3,147</b> | <b>3,333</b>         | <b>3,333</b>  | <b>2,077</b>  | <b>5,009</b>       | <b>4,929</b>  | <b>5,287</b>  | <b>-</b>            |
| B.1 Deposits and current accounts              | 45,858                  | 4,598        | 3,147        | 3,332                | 3,313         | 1,372         | 1,877              | 1,829         | 324           | -                   |
| - Banks  | 1,677                   | 964          | 117          | 169                  | 376           | 29            | 125                | 1,261         | 84            | -                   |
| - Customers                                    | 44,181                  | 3,634        | 3,030        | 3,163                | 2,937         | 1,343         | 1,752              | 568           | 240           | -                   |
| B.2 Debt securities                            | -                       | -            | -            | -                    | 19            | 703           | 3,103              | 3,080         | 4,959         | -                   |
| B.3 Other liabilities                          | 457                     | 567          | -            | 1                    | 1             | 2             | 29                 | 20            | 4             | -                   |
| <b>C. Off-balance sheet transactions</b>       |                         |              |              |                      |               |               |                    |               |               |                     |
| C.1 Financial derivatives with capital swap    |                         |              |              |                      |               |               |                    |               |               |                     |
| - Long positions                               | 8,210                   | 13,188       | 4,661        | 13,104               | 57,879        | 35,230        | 46,352             | 122,726       | 57,988        | -                   |
| - Short positions                              | 70                      | 10,944       | 9,140        | 17,644               | 51,718        | 35,880        | 41,055             | 112,089       | 68,701        | -                   |
| C.2 Financial derivatives without capital swap |                         |              |              |                      |               |               |                    |               |               |                     |
| - Long positions                               | 2,478                   | 131          | 324          | 554                  | 1,014         | 1,006         | 1,810              | 6,795         | 2,387         | -                   |
| - Short positions                              | 3,522                   | 111          | 149          | 469                  | 932           | 1,002         | 1,713              | 6,799         | 2,340         | -                   |
| C.3 Deposits and loans to be received          |                         |              |              |                      |               |               |                    |               |               |                     |
| - Long positions                               | -                       | 4            | -            | 11                   | -             | -             | -                  | -             | -             | -                   |
| - Short positions                              | 7                       | 4            | -            | 5                    | -             | -             | -                  | -             | -             | -                   |
| C.4 Commitments to disburse funds              |                         |              |              |                      |               |               |                    |               |               |                     |
| - Long positions                               | 1,496                   | 142          | 36           | 414                  | 1,276         | 1,318         | 2,155              | 2,189         | 1,182         | 1,697               |
| - Short positions                              | 1,875                   | 147          | 36           | 193                  | 1,462         | 1,250         | 2,086              | 2,166         | 1,025         | 1,665               |
| C.5 Financial guarantees given                 | 12                      | 4            | 7            | 22                   | 347           | 627           | 1,374              | 4,188         | 284           | -                   |
| C.6 Financial guarantees received              | 1,777                   | 1            | 21           | 148                  | 319           | 169           | 381                | 749           | 451           | 4,487               |
| C.7 Credit derivatives with capital swap       |                         |              |              |                      |               |               |                    |               |               |                     |
| - Long positions                               | -                       | -            | -            | -                    | -             | 34            | 71                 | 393           | 9             | -                   |
| - Short positions                              | -                       | -            | -            | -                    | 621           | 37            | 56                 | 1,016         | 2             | -                   |
| C.8 Credit derivatives without capital swap    |                         |              |              |                      |               |               |                    |               |               |                     |
| - Long positions                               | -                       | -            | -            | -                    | -             | -             | -                  | -             | -             | -                   |
| - Short positions                              | -                       | -            | -            | -                    | -             | -             | -                  | -             | -             | -                   |

## Part E - Information on risks and related hedging policies

### 2.5 Operational risks

#### Qualitative information

##### A. General aspects, operational processes and methods for measuring operational risk

###### Operational risk definition

Operational risk is the risk of loss due to errors, infringements, interruptions, damages caused by internal processes or personnel systems or caused by external events. This definition includes legal and compliance risks but excludes strategic and reputational risk.

For example, losses arising from the following can be defined as operational internal or external fraud, employment practices and workplace safety, client claims, products distribution, fines and penalties due to regulation breaches, damages to the company's physical assets, business disruption and system failures, process management.

###### Group operational risk framework

UniCredit group sets the operational risk management framework as a combination of policies and procedures for the identification, the assessment and measurement, the addressing and mitigation, the monitoring and reporting of the operational risk of the Group and of the controlled entities.

The operational risk policies, applying to all Group Legal Entities, are common principles defining the roles of the company bodies, the operational risk management function, as well as the relationship with other functions involved in operational risk monitoring and management.

The Parent Company coordinates the Group Legal Entities according to the internal regulation and the Group operational risk control rulebook. A specific Risks Committee Group Non-Financial Risks and Controls Committee (GNFRC) is set up to monitor risk exposure, mitigating actions, measurement and control methods within the Group. With particular reference to UniCredit S.p.A. the Italy Non-Financial Risks and Controls Committee (INFRCC) supports the Head of Italy in the role of steering and monitoring of the Non-Financial Risks (NFRs) at Italy level, also overseeing the related internal control system (ICS). The methodologies for data classification and completeness verification, scenario analysis, risk indicators, monitoring and reporting, capital at risk measurement, Risk and Control Self Assessments and Operational Risks Mitigation Strategies are set by the Group Non-Financial Risks (GNFR) structure and applied by all Legal Entities. A pivot element of the risk control framework is the operational risk management application, allowing the collection of the data required for operational risk control and capital measurement.

The compliance of the Group Operational risk control and measurement system with external regulations and Group standards is assessed through an internal validation process, which is under the responsibility of the Group Internal Validation department of the Parent Company and is independent from the Group Non-Financial Risks structure.

Since March 2008 the UniCredit group applies the AMA model (Advanced Measurement Approach) for calculating operational risk capital. The use of this method has been rolled out to the main Legal Entities of the Group.

###### Effects arising from Covid-19 pandemic

Referring to operational risks, analyses were carried out in order to identify risks arising from process changes adopted time by time to protect the health of employees and customers.

With reference to the operational risks identified, the effectiveness of the risk mitigation measures was then assessed also through a comparative analysis between different Group Legal Entities.

In addition, specific second-level controls were activated to oversee those areas that were subject to the most significant changes, the outcome of these checks did not highlight any significant criticality. A specific monitoring of operational incidents linked, even indirectly, to the entire Covid-19 epidemic has been created in order to promptly intercept potential process criticalities or inappropriate behaviours.

###### Organisational structure

Senior Management is responsible for approving all aspects related to the Group operational risk framework and verifying the adequacy of the measurement and control system; it is regularly updated on changes to the risk profile and operational risk exposure, with the support of the appropriate risk committees if required.

The Group Non-Financial Risks and Controls Committee (GNFRC) supports the CEO in the role of steering and monitoring the Non-Financial Risks (NFRs) at Group level, also overseeing the related internal control system (ICS).

The GNFRC enables the coordination among the "three lines of defence" with the aim to identify and share Group priorities concerning Non-Financial Risks (e.g. events, regulations or emerging risks), assessing and monitoring the effectiveness of initiatives put in place in order to address them.

## Part E - Information on risks and related hedging policies

Without prejudice to the role reserved to the Board of Directors by the provisions in being at the time, the GNFRFC, in order to support the CEO in implementing the strategic guidelines and the Group general Risk Management policies is responsible for:

- defining and approving policies, operational limits and methodologies for the measurement, management and control of Non-Financial Risks, as well as for the definition of the methodologies for the measurement, management, and control of Non-Financial Risks (Operational and reputational Risk) internal capital;
- promoting the annual managerial self-assessment processes and evaluating its results, in order to ensure a systematic approach to operational risk assessment and to the supervision of the Internal Control System;
- overseeing Group Non-Financial Risks profile, emerging threats as well as the internal control system robustness at Group level, through the monitoring of most relevant events and incidents, weaknesses and shortcomings, also addressing and prioritising, when needed, potential corrective actions;
- evaluating and providing guidelines for the management of risk relevant (e.g. reputational, security, data protection) single customer transactions or third party contracts, and for definition and implementation of business continuity plans.

With particular reference to the operational risk, GNFRFC committee meets with approval, consulting and information functions for:

1) Approve:

- general governance policies for the different types of NFRs;
- Group policies and methodologies for the measurement, management and control of the NFRs as well as for the measurement and control of the related internal capital;
- Group insurance strategies proposed by the competent functions.

2) Consulting and information concerning:

- the main NFRs, for the industry and for the Group, and overall strategies for their optimisation;
- the relevant Group and local Legal Entities issues (also emerging by the activities carried out by local GNFRFC Committees) concerning NFR and ICS, evaluating weaknesses and shortcomings and, if needed, recommending and prioritising corrective actions, as well as monitoring main implementation plans milestones;
- external events having potential impact on Group NFRs profile, and best practices and/or lessons learned deriving from events, assessments and action plans defined by the Group Legal Entities;
- the periodical reporting provided by Risk Management on operational losses (with particular focus on events having relevant financial impacts), near misses, Risk Weighted Assets, Indicators and Scenario Analysis;
- the Compliance and Risk Management evidences on second level controls carried out, as well as on current and expected impacts of regulations monitored;
- the Group relevant risks/criticalities highlighted by Internal Audit function, for specific cases and in relation to specific areas or geographies;
- the strategic guidelines on Group Risk Appetite proposals including capitalisation targets and capital allocation criteria for Group Non-Financial Risks;
- the monitoring the information flows on the exercise of the powers sub-delegated by the CEO according to the current Delegation of Powers by the Board of Directors and on the new sub delegation granted;
- the Internal Validation annual Regulatory Report on operational risk.

In order to evaluate the strength or the potential criticalities related to the ICS, the GNFRFC evaluates the significant or critical elements emerging from reports produced by External Regulators (i.e. ECB, SSM, Banca d'Italia, Consob, etc.), from other Group Functions with control duties or operating within the ICS (e.g. ICT, Security, Operations, Procurement and Cost Management) and External Auditors.

Group Non-Financial Risks structure (GNFR) is responsible for the governance and control of operational and reputational risks (including operational risks bordering on credit risk, alias Cross Credit risks) of the Group and for evaluating its exposure to operational and reputational risks, providing frameworks, methodologies and coordination of risk assessment activities and guaranteeing their continual and independent monitoring. The structure is furthermore responsible for defining strategies to mitigate such risks and containing the related losses and risk weighted assets. The structure is responsible for ensuring integrated analysis and reporting, involving and in alignment with the other control functions (i.e. Compliance, Audit) on the main operational and reputational risks of the Group. The structure is also responsible for the governance and control of IT and of Digital Security risks, through the definition of the framework for the management of IT and of Digital Security risks, the coordination and monitoring of the Group Entities in its implementation, the measurement, assessment and control of IT and of Digital Security risks for UniCredit S.p.A. as well as for the cooperation with "Group Digital Security" structure in the reduction of the attack surface of the information system, evaluating the correctness of the counter measures and of the related monitoring.

## Part E - Information on risks and related hedging policies

The structure is organised as follow:

- Operational Risks Analytics and Oversight is responsible to define principles and rules at Group level for identification, assessment, control and reporting of operational risk, monitoring their correct application by Legal Entities. The structure is also responsible for defining operational and reputational risk capital measurement methodologies, conducting analysis of the Group's exposure to operational risk also based on operational risks analytics models. The structure is furthermore responsible for the definition of Risk Appetite Framework/RAF metrics of competence as well as for the related periodical monitoring.
- Reputational & Operational Risks Strategies & Mitigation is responsible to define the priority operational risk strategic areas, coordinating and monitoring the definition and planning of related relevant risks mitigation actions by the Legal Entities of the Group. The structure defines and provides methodologies for the evaluation of operational risks and controls (i.e. Risk and Control Self-Assessments -RCSA) on processes, products and projects performed by the Legal Entities of the Group. The structure is also responsible to define the methodologies for assessing the reputational risk related to activities performed by the Group, providing reputational risk assessments for UniCredit S.p.A. and Non-Binding opinions for the other Legal Entities of the Group.
- Operational Risk Processes Assessment is responsible to oversee the operational risks for the Holding and Global functions perimeter, supporting the identification, management and monitoring of operational risks, also through the coordination of specific risk assessment activities on processes, products and projects. The structure is also responsible for the governance, identification and monitoring of the operational related credit risk for the Group ("cross credit risk"), coordinating and supporting dedicated risk assessments on business and governance processes and the related communication within Group and Local committees.
- Digital Risk is responsible to define the most relevant areas within the Operational Risk Framework which regard Digital & Information perimeter of activity, in coherence with the Risk Appetite Framework and Group strategic objectives; as well as define the guidelines for the control of the IT and Digital Security risks performed by the Group Legal Entities and monitoring their execution. The structure is also responsible to identify, evaluate and control IT and Digital Security risks within the definition of the processes belonging to Digital & Information Division as well as within the implementation of the same.

### Internal validation process

In compliance with regulations, an internal validation process for the operational risk control and measurement system has been set up for the Group and for the relevant Legal Entities in order to verify the compliance with regulations and Group standards. This process is under the responsibility of Group Internal Validation department. Group methodologies for measuring and allocating the capital at risk and the IT system are validated at Group level by the above-mentioned department, as well as the implementation of the operational risk control and management system within the relevant Entities, which is firstly analysed through a self-assessment performed by local Non-Financial Risk Management functions, following the technical instructions and policies issued by Group Internal Validation. The results of the local self-assessments are annually verified by Group Internal Validation, which also performs additional analysis on data and documentation. Such evidence is the basis for the release of specific Validation Reports to the relevant subsidiaries. The local self-assessment, together with the opinion of Group Internal Validation and Internal Audit report are submitted to the Legal Entities' competent governing bodies.

The validation outcomes on the operational risk control and measurement system, both at the Group and controlled Entities level, are annually consolidated with the annual validation report which, with the annual Internal Audit report, is presented to the UniCredit S.p.A. Board of Directors.

### Reporting

A reporting system has been developed by the Parent Company to keep senior management and the Management Body regularly informed on the Group operational risk exposure and the risk mitigation actions.

In particular, weekly reports are provided on operational losses trend, the main initiatives undertaken to prevent or mitigate operational risk in the various business areas and main operational risk events. Quarterly updates are provided on capital-at-risk estimations and RAF metric monitoring. Operational loss reports, submitted to Group Non-Financial Risks and Controls Committee are periodically provided to Regulators.

### Risk addressing and mitigation

The goal of reducing and controlling the operational and reputational risks is pursued by GNFR and the local Non-Financial Risk (NFR) management functions, as well as by the other relevant and involved functions (e.g. business/support functions, competence lines), through the definition of the risk priorities and the identification of related actions to mitigate them.

The identification of the Group and Legal Entity Operational & Reputational Risk Mitigation Strategies (Group and Legal Entity ORRMS) is performed by GNFR and the local NFR management functions through a set of recurring yearly activities at Group and Legal Entities level to define the most appropriate mitigation actions in their scope in order to address and reduce the identified operational and reputational risk priorities.

Group ORRMS are submitted for approval to the Group competent Committee and for acknowledgement to the Holding Company Board of Directors: once approved, the Group ORRMS become effective and shall be sent to the LEs to be submitted for acknowledgement to the Legal Entity competent Bodies.

## Part E - Information on risks and related hedging policies

The Group and local ORRMS are defined through:

- the definition of Group Operational and Reputational Risk Priorities, which are based upon an integrated analysis performed by GNFR and constitute the list of priority risk areas to be managed for the upcoming year;
- the Local Operational and Reputational Risk Priorities definition and the related Local ORRMS, set through the analysis of the relevance of each Priority supplied by GNFR, according to the provided methodology. Additionally, the local NFR management functions should identify and evaluate additional priorities affecting their own Legal Entity, considered relevant on the basis of the local market trends, the business evidences of the previous year and the specificities of the Legal Entity, and address them through specific mitigation actions which represent the local ORRMS;
- the identification of Group ORRMS, which aim at assuring the mitigation of the operational and reputational risk priorities through the adoption of second level structured actions. The list of actions includes the measures, designed to reduce, prevent, avoid or transfer the risk exposure, thus avoiding a potential loss or decreasing its impact.

During the year, the status of the mitigation actions plan related to Group and Local ORRMS, is monitored on a regular basis, following a risk-based approach. In particular, the monitoring is performed through:

- the second Level Controls, aimed at verifying that the actions defined within ORRMS are effectively and timely carried out and in case of significant changes concerning the implementation timeline, mitigation action effectiveness or risk exposure, the local NFR management function must engage the main risk owner to implement an adequate recovery plan and timely informs GNFR;
- the oversight, during which GNFR checks the planned actions and discusses the potential criticalities detected during the monitoring phase of Local and Group ORRMS, with the goal of defining (if any) recovery actions and/or (if any) escalations to local or Group competent Risk Committees.

Operational Risk Permanent WorkGroup (PWG)

The “Global Operational Regulation Group Operational & Reputational Risk Mitigation Strategies” rules the PWG, an inter-functional working group established in the Legal Entities, which aims at identifying the root causes of Operational Risks and reduce the Operational Risk exposure of the Legal Entity, leveraging mainly on the expertise of the NFR management function and the other competent functions (e.g. Compliance, Security, Business functions, etc.) involved time by time.

The meetings, called at least quarterly, contribute to identify the risks, propose the mitigation actions and monitor their implementation status.

Insurance as risk mitigation

GNFR/local NFR management function, respectively at Group/Local level, is involved in the decision process related to insurance coverage with analyses regarding the exposure to operational risks, effectiveness of deductibles and of policy limits. Such functions regularly inform management on insurance related matters connected to operational risks. The role of GNFR and the local NFR management function in insurance management is defined in the “Global Operational Regulation Group Operational & Reputational Risk Mitigation Strategies”.

Any proposal of relevant change in the risk transfer strategy through insurance is submitted to the competent functions/Bodies for approval.

The operational risks commonly insured in the Group are damages to physical assets, frauds and liability toward third parties.

On the basis of a risk classification, the Group has insurance policies according to the following forms:

- internal fraud: “Bankers Blanket Bond” (BBB) policy, according to Employee Dishonesty insuring clause;
- external fraud: BBB policy, according to the following insuring clauses: On Premises and In Transit (including loss of property resulting directly from theft & robbery), Forgery or Alteration, Computer Manipulation, included the cases of “fraudulent impersonation of counterparty” aimed at the execution of fraudulent transactions (e.g., “CEO frauds”);
- ICT and cyber breach: Cyber policy, coverage for liability claims (including legal expenses and customer notification costs) and business interruption costs (included also damages to UniCredit group caused by the system failure of the external IT providers). The coverage is extended also to group multimedia liability (i.e., infringement of the copyright, defamation and general negligence in the course of publication);
- protection for the personal liabilities of the management including legal expenses: Directors and Officers Liability (D&O) policy;
- employer’s liability (E.L.): protection for the Bank’s liability against claims for damages suffered by employees (compared to third-parties);
- third Party Liability policy (TPL): protection for the Bank’s general liability against claims for damages suffered by third parties;
- external occurrences: Property ALL RISKS policy as well as EDP ALL RISKS policy are provided in respect of buildings and other assets, extended to natural events, catastrophic losses, vandalism and terrorism, Fine Art policy to cover entrusted or owned works of art.

## Part E - Information on risks and related hedging policies

AMA includes the effect of the BBB coverage on ET1 (“Event Type 1”) “Internal Frauds”. In particular, its impact is recognised by applying the following haircuts (aimed at considering uncertainty and mismatching elements theoretically linked to an insurance), which are updated on annual basis:

- residual Term of Policy - longer than 1 year aims to keep coverage stability;
- cancellation Terms - longer than 1 year aim to keep coverage stability (as well as for residual term);
- probability of Insurance Recovery (PoIR) - its calculation addresses uncertainties and responsiveness of insurance policies related to “mismatches in coverage”;
- recovery Rate - it considers the split of fines and penalties in internal losses (other deviations from full recovery already included in PoIR);
- probability of Default of Insurers - it contributes to estimate the ability of insurer to pay in a timely manner, considering the potential credit risk associated with the insurance asset and the related time delay;
- discount factor - applied to the recoveries, considers that the final payment is expected with a delay defined by the time delay.

### Non-Financial Risks Appetite (NFRs Appetite)

Non-Financial Risks Appetite metrics (Key Performance Indicators - KPIs) are reviewed annually and quarterly monitored; KPIs are cascaded to Legal Entities (in line with the perimeter defined by Group Risk Appetite Framework - RAF).

ELOR (Expected Losses on Revenues) is an overarching NFRs metrics within Risk Appetite framework; in addition, Cyber Risk, ICT Risk, Financial Crime, Outsourcing & Third Parties Risks and Reputational Risk are monitored through dedicated KPIs and/or qualitative statements covering the main identified risk factors.

ELOR is a ratio estimated with a statistical model, based on the historical losses time series and forward-looking factors, as numerator, and the budget revenues, as denominator.

ELOR is monitored using the actual losses on actual revenues booked until end of quarters. The comparison between the thresholds estimated at the beginning of the year and the actual calculated on each quarter allows a close monitoring by the Parent Company of changes or reactions put in place by the Legal Entities to reduce and prevent risks. These analyses are also used to evaluate the impact of mitigation actions implemented in the past and as a base for future strategies and mitigation activities, as well as the improvement of existing ones.

A disciplined approach in monitoring expected losses and implementing remedial actions will ensure consistency with best practice standards, increasing accountability and alignment between business and risk control functions.

### Stress test

Since 2017, the Group has carried out regular stress analyses for operational risks. These include the stress test exercise for the Group, aimed at verifying, through the use of a statistical-econometric model, the impact in terms of operating losses, as well as the consequent repercussions on capital at risk, of the changes in the underlying macro-economic factors, using articulated economic scenarios discussed and defined by the Group Stress Test Council on the proposal of the Research Department. This exercise is carried out twice a year, or on request, whenever an analysis of this type is required, to assess the risks deriving from possible worsening of the macro-economic context.

### Risk capital measurement and allocation mechanism

UniCredit group developed an internal model for measuring the capital requirements. It is based on internal loss data, external loss data (collected from the international consortium ORX - Operational Riskdata eXchange Association), scenario loss data and risk indicators. Capital requirement is calculated at Group level, considering the risk classes. For each risk class, severity and frequency of loss data are separately estimated to obtain the annual loss distribution.

The severity distribution is estimated on internal, external and scenario data, while the frequency distribution is determined using only the internal data. The severity distribution is selected among a portfolio of parametric distributions (truncated lognormal, truncated Weibull, truncated loglogistic, generalised Pareto, shifted lognormal) applying a decision tree on internal data to identify the set of distribution/threshold best describing the tail severity data for each risk class.

Frequency of loss data is modelled by a Poisson distribution. For each risk class, the annual loss distribution is obtained from severity and frequency through Monte Carlo simulation. An adjustment for key operational risk indicators is applied to the annual loss distribution estimated for each risk class.

## Part E - Information on risks and related hedging policies

Annual loss distributions of risk classes are aggregated considering correlation among monthly loss data of risk classes. Correlation is estimated through a Student-t copula function and the overall annual loss distribution is obtained through Monte Carlo simulation, considering also insurance coverage. Group AMA capital requirement is calculated at a confidence level of 99.9% on the overall loss distribution for regulatory purposes and for economic capital purposes. Expected loss, for each risk class, is calculated as the minimum between median of loss distribution and available specific provisions related to ordinary internal loss data. Deduction for expected loss is calculated summing up the expected losses of the risk classes without exceeding the median of overall distribution.

Through an allocation mechanism, the individual Legal Entities' capital requirements are identified, reflecting the Entities exposure to operational risk.

The allocation mechanism is based on two steps:

- the Group capital requirement is allocated to model Hubs (sets of similar Legal Entities, in terms of geographical area or business type) proportionally to their relative Standardised Approach (TSA), Operational losses and stand-alone capital at risk figure;
- the Hub capital at risk is then allocated to individual Legal Entities on the basis of their TSA, historical loss profile and scenarios.

The Advanced Measurement Approach (AMA) approved by the Supervisory Authority in 2008 has been upgraded and deeply revised (starting from 30 June 2014 reporting leading to a second-generation model newly approved by competent authorities in 2014. The findings resolution on second generation model led to the last model version, starting from 31 December 2015 reporting. Key operational risk indicators adjustment has been fine-tuned, from 31 December 2017 reporting, to incorporate some observations included in the letter by ECB "follow-up review of AMA 2 findings" submitted in July 2016. A model change has been applied from 31 December 2018 reporting date, in order to improve the accuracy and the risk sensitivity of the Operational Risk capital requirement calculation, including an add-on, while the Supervisory Authority was completing the investigation. This model change has been finalised from the 30 June 2019 reporting, in order to address the Supervisory Authority findings, remove the add-on, and make the model compliant with the EU Regulatory Technical Standards (EU Regulation 2018/959 of 14 March 2018).

The Legal Entities not yet authorised to use the advanced methods contribute to the consolidated capital requirement on the basis of the Standardised Approach (TSA) or Basic Indicator Approach (BIA) model.



## Part E - Information on risks and related hedging policies

### B. Legal risks

The parent company UniCredit S.p.A. and other UniCredit group companies are named as defendants in several legal proceedings. In particular, as at 31 December 2022, the parent company UniCredit S.p.A. and other UniCredit group companies were named as defendants in 58,117 legal proceedings, of which 7,983 involving the parent company UniCredit S.p.A. (excluding labour law cases, tax cases and credit recovery actions in which counterclaims were asserted or objections raised with regard to the credit claims of Group companies). In addition, from time to time, past and present directors, officers and employees may be involved in civil and/or criminal proceedings, the details of which UniCredit group may not lawfully know about or communicate.

The Group is also required to fulfil appropriately various legal and regulatory requirements in relation to certain aspects of its activity, such as conflicts of interest, ethical issues, anti-money laundering laws, EU, US and international sanctions, client assets, competition law, privacy and information security rules and others. Actual or alleged failure to do so may lead to additional litigation and investigations and subject the Group to damages claims, regulatory fines, other penalties and/or reputational damages. In addition, one or more Group companies and/or their current and/or former directors are subject or may in the future be subject to investigations by the relevant supervisory or prosecutorial authority in a number of countries in which the Group operates. These include investigations and/or proceedings relating, inter alia, to aspects of systems and controls and instances of actual and potential regulatory infringement by the relevant Group companies and/or its clients. Given the nature of UniCredit group's business and its reorganisation over time, there is a risk that claims or matters that initially involve one Group company may affect or involve other Group entities.

In many cases, there is substantial uncertainty regarding the outcomes of the proceedings and the amount of possible losses. Where it is possible to estimate reliably the amount of possible losses and the loss is considered as more likely than not, provisions have been made in the financial statements to the extent the parent company UniCredit S.p.A., or any of the Group companies involved, deemed appropriate based on the circumstances of the case and in compliance with the International Accounting Standards (IAS).

To provide for possible liabilities and costs that may result from pending legal proceedings (excluding labour law and tax cases), as at 31 December 2022, UniCredit group set aside a provision for risks and charges of €620.97 million, of which €296.2 million for the parent company UniCredit S.p.A. As at 31 December 2022, the total amount of claimed damages relating to judicial proceedings other than labour, tax and debt collections proceedings amounted to approximately €7.5 billion, of which approximately €5.2 billion for the proceedings involving the parent company UniCredit S.p.A. This figure is affected by both the heterogeneous nature of the pending proceedings and the number of involved jurisdictions and their corresponding characteristics in which UniCredit group companies are named as defendants.

The estimate for reasonably possible liabilities and the provisions are based upon the available information, however, given the many uncertainties inherent in legal proceedings, they involve significant elements of judgment. Therefore, any provision may not be sufficient to meet entirely the legal costs and the fines and penalties that may result from pending legal actions.

Set out below is a summary of information, including, if material and/or indicated, the single requests of the plaintiffs, relating to matters involving UniCredit group which are not considered groundless or in the ordinary course of the Group companies' business.

This section also describes pending proceedings against the parent company UniCredit S.p.A. and/or other UniCredit group companies and/or employees (even former employees) that the parent company UniCredit S.p.A. considers relevant and which, at present, are not characterized by a defined claim or for which the respective claim cannot be quantified.

Unless expressly mentioned below, labour law and tax claims or debt collections proceedings are excluded from this section and are described elsewhere in the notes of this section. In accordance with IAS37, information that would seriously prejudice the relevant company's position in the dispute may be omitted.

## Part E - Information on risks and related hedging policies

### Proceedings which involve the parent company UniCredit S.p.A.

#### **Madoff**

The parent company UniCredit S.p.A. and several of its direct and indirect subsidiaries (the "Companies") have been sued in the wake of a Ponzi scheme perpetrated by Bernard L. Madoff through his company Bernard L. Madoff Investments Securities LLC ("BLMIS"), which was exposed in December 2008. The Companies were principally connected with Madoff as investment manager and/or investment adviser for the Primeo Fund Ltd (now in liquidation) and other non-US funds of funds that had invested in other non-US funds with accounts at BLMIS.

Specifically, the Companies (together with a variety of other entities) were named as defendants in a variety of proceedings (both in the US and in non-US jurisdictions), for a total damage compensation claims of over \$6 billion (to be later determined over the course of the proceedings). At present, most of the claims brought before US Courts and referring to the Companies have been rejected without any possibility of appeal or dismissal. However, the bankruptcy administrator of BLMIS (the "SIPA Trustee") responsible for the Madoff's company liquidation continues to pursue claims related to transfers of money made by BLMIS pre-bankruptcy to an affiliated company, BA Worldwide Fund Management Ltd ("BAWFM"), and other similarly situated parties. The potential claim for damages against BAWFM is non-material and, therefore, there are no specific risk profiles for the Companies. In addition, certain current or formerly affiliated persons named as defendants in a proceeding in the United States may seek indemnification from the Companies and its affiliated entities.

As at 31 December 2022, there were several pending civil proceedings against UniCredit Bank Austria AG ("UCB Austria") for the total claimed damages amount of €4.8 million. While a large majority of the judgments have been favourable to UCB Austria, the impact of the remaining cases cannot be predicted with certainty, as the related future rulings may be adverse to UCB Austria. UCB Austria has made adequate provisions related to the Madoff's matter.

#### **Proceedings arising out of the purchase of UCB AG by the parent company UniCredit S.p.A. and the related Group reorganisation Squeeze-out of UCB AG minority shareholders (Appraisal Proceeding)**

In 2008, approximately 300 former minority shareholders of UCB AG filed a request before the District Court of Munich to have a review of the price paid to them by the parent company UniCredit S.p.A., equal to €38.26 per share, in the context of the squeeze out of minority shareholders (Appraisal Proceeding). The dispute mainly concerns the valuation of UCB AG, which is the basis for the calculation of the price to be paid to the former minority shareholders. On 22 June 2022, the competent court in Munich rejected all applications for a higher compensation than that which the parent company UniCredit S.p.A. paid to the former minority shareholders of UCB AG hence dismissing all claims. Certain claimants have filed appeals.

#### **Squeeze-out of UCB Austria's minority shareholders (Appraisal Proceeding)**

In 2008, approximately 70 former minority shareholders of UCB Austria commenced proceedings before the Commercial Court of Vienna claiming that the squeeze-out price paid to them, equal to €129.4 per share, was inadequate, and asking the court to review the adequacy of the amount paid (Appraisal Proceeding). At present the proceeding is pending in the first instance. In parallel, three contentious proceedings in which plaintiffs claim damages are still pending, involving however only insignificant amounts in dispute.

#### **Fino 1 Arbitration**

In July 2022 Fino 1 Securitization S.r.l. ("Fino 1") commenced an ICC arbitration seeking damages in relation to, inter alia, the alleged breach of certain representations and warranties included in a transfer agreement for the sale of receivables entered into in 2017. The proceedings are ongoing.

#### **Euro-denominated bonds issued by EU countries**

On 31 January 2019, the parent company UniCredit S.p.A. and UCB AG received a Statement of Objections from the European Commission referring to the investigation by the European Commission of a suspected violation of antitrust rules in relation to European government bonds. The subject matter of the investigation extended to certain periods from 2007 to 2011 and included activities by UCB AG between September and November 2011. The European Commission concluded its investigation by issuance of its decision on 20 May 2021. The decision provides for the imposition of a fine of €69.4 million on the parent company UniCredit S.p.A. and UCB AG. The parent company UniCredit S.p.A. and UCB AG contest the European Commission's findings and brought an action for the annulment of its decision before the General Court of the European Union on 30 July 2021.

## Part E - Information on risks and related hedging policies

On 11 June 2019, UCB AG and UniCredit Capital Markets LLC were named, among other financial institutions, as defendants in a putative class action already pending in the United States District Court for the Southern District of New York. The third amended class action complaint, filed on 3 December 2019, alleges a conspiracy among dealers of Euro-denominated bonds issued by European central banks to fix and manipulate the prices of those bonds, among other things by widening the bid-ask spreads they quoted to customers. The putative class consists of those who purchased or sold Euro-denominated bonds issued by European central banks in the US between 2007 and 2012. On 23 July 2020, the court granted motions to dismiss the third amended complaint by certain defendants, including UCB AG and UniCredit Capital Markets LLC, without prejudice. Plaintiffs filed their fourth amended class action complaint on 9 February 2021, repleading their claim against UCB AG and UniCredit Capital Markets LLC and other financial institutions. Like earlier pleadings, the fourth amended class action complaint does not include a quantification of damages claimed. Exchange of correspondence concerning motions to dismiss the fourth amended complaint has been completed, and in June 2021 defendants have requested a pre-motion conference with the court. On 14 March 2022, the court granted UC Capital Markets LLC motion to dismiss while denying UCB AG's motion to dismiss. The court has since denied UCB AG's motion for reconsideration, UCB AG has answered the operative complaint and discovery has commenced. On 7 November 2022, plaintiffs sought leave to file a fifth amended class action complaint, which would continue to name UCB AG among others (but not UniCredit Capital Markets LLC) as a defendant.

### Proceeding relating to certain forms of banking operations

The UniCredit group is named as a defendant in several proceedings in matters connected to its operations with clients, which are not specific to UniCredit group, rather affect the financial sector in general.

In this regard, as at 31 December 2022 (i) proceedings against the parent company UniCredit S.p.A. pertaining to compound interest, typical of the Italian market, had a total claimed amount of €1.02 billion, mediations included; (ii) proceedings pertaining to derivative products, mainly affecting the Italian market (for which the claimed amount against the parent company UniCredit S.p.A. was €366 million, mediations included) and the German market (for which the claimed amount against UCB AG was €30 million); and (iii) proceedings relating to foreign currency loans, mainly affecting the CE&EE countries (for which the claimed amount was around €180 million).

The proceedings pertaining to compound interest mainly involve damages requests from clients arising from the alleged unlawfulness of the calculation methods of the amount of interest payable in connection with certain banking contracts. At present, the parent company UniCredit S.p.A. has made provisions that it deems appropriate for the risks associated with these claims.

With regard to the litigation connected to derivative products, several financial institutions, including UniCredit group companies, entered into a number of derivative contracts, both with institutional and non-institutional investors. In Germany and in Italy there are a number of pending proceedings against certain Group companies that relate to derivative contracts concluded by both institutional and non-institutional investors. The filing of such litigations affects the financial sector generally and is not specific to the parent company UniCredit S.p.A. and its Group companies. At present, the parent company UniCredit S.p.A. and the involved Group companies have made provisions deemed appropriate based on the best estimate of the impact which might derive from such proceedings.

With respect to proceedings relating to foreign currency ("FX") loans, in the last decade, a significant number of customers in the Central and Eastern Europe area took out these types of loans and mortgages denominated in a foreign currency. In a number of instances customers, or consumer associations acting on their behalf, have sought to renegotiate the terms of such FX loans and mortgages, including having the loan principal and associated interest payments redenominated in the local currency at the time that the loan was taken out, and floating rates retrospectively changed to fixed rates. In addition, in a number of countries legislation that impacts FX loans was proposed or implemented. These developments resulted in litigation against subsidiaries of the parent company UniCredit S.p.A. in a number of CE&EE countries including Croatia, Slovenia and Serbia.

In 2015, the Republic of Croatia enacted amendments to the Consumer Lending Act and Credit Institutions Act mandating the conversion with retroactive effect of Swiss franc (CHF)-linked loans into Euro-linked (the "Conversion Amendments").

In 2019, the Supreme Court of the Republic of Croatia ruled that the CHF currency clause contained in certain loan and mortgage documentation was invalid. Accordingly, in the course of 2019, court decisions, recent court practice related to FX matters along with the expiration of the statute of limitation for filing individual lawsuits in respect of the invalidity of the interest rate clause, led to a significant increase in the number of new lawsuits against Zagrebacka banka d.d. ("Zaba"). In March 2020, the Supreme Court ruled that agreements entered into following the Conversion Amendments whereby customers converted their CHF mortgages and/or loans into EUR are valid and accordingly no additional payments are due. In May 2022, the ECJ rendered a preliminary ruling regarding the pending request and stated that (i) the ECJ has jurisdiction only in respect to the conversion agreement concluded after Croatia's accession to the EU, (ii) the Directive on unfair terms in consumer contracts is not applicable in cases in which the conversion was based on national law; and (iii) any request for payment of amounts addressed to Zaba referring to the unfair contractual terms of the original loan agreement cannot be based on the provisions of the above-mentioned Directive. The ECJ also referred to the local courts to finally decide on the conversion agreements and their effects. In March 2021 the Constitutional Court rejected Zaba's application related to the invalidity of the Swiss franc currency clause. In December 2022, the Supreme Court ruled that customers who converted under the Conversion Amendments are entitled to the penalty interest on their overpayments before the conversion (overpayments are the difference between the Swiss-franc denominated annuities paid before the conversion and annuities that would have been paid if the loan was euro denominated). In light of the above, provisions have been booked which are deemed appropriate.

## Part E - Information on risks and related hedging policies

### Vanderbilt related litigations

#### Claims brought or threatened by or on behalf of the State of New Mexico or any of its agencies or funds

Vanderbilt Financial LLC ("VCA") related litigations, where Pioneer Investment Management USA Inc., Pioneer Global Asset Management S.p.A. ("PGAM"), at the time controlled by UniCredit S.p.A. and incorporated by the latter in 2017, and the parent company UniCredit S.p.A. (the "Defendants") were named as additional defendants by virtue of their corporate affiliation with VCA, including in legal proceedings brought by a former employee of the State of New Mexico (the "Public Authority"), who claimed to act as representative of the Public Authority for the losses suffered by the State of New Mexico during the 2006-08 market downturn on investments managed by VCA (mainly CDOs). The total amount of losses claimed in those proceedings is approximately \$365 million. In 2012, the Defendants reached a settlement agreement for an amount of \$24.25 million and the settlement amount was deposited into escrow at the beginning of 2013. In the second half of 2022, the settlement was implemented, the escrowed amount was paid over to the State of New Mexico and the Defendants, including UniCredit S.p.A., have all been released from all the claims that were or could have been brought by or on behalf of the State or any of its agencies or funds.

#### Lawsuit brought by "Paolo Bolici"

In May 2014, the company wholly owned by Paolo Bolici sued the parent company UniCredit S.p.A. in the Court of Rome asking for the return of approximately €12 million for compound interest (including alleged usury component) and €400 million for damages. The company then went bankrupt. The parent company UniCredit S.p.A. won the case in the first instance and the appeal is pending.

On 31 July 2020, Mr. Bolici's business partner sued the parent company UniCredit S.p.A., seeking damages based on analogous facts to those alleged in the 2014 proceedings. The Court ruled in favour of the parent company UniCredit S.p.A. The appeal filed by the other party is pending.

### Mazza

In 2005 the parent company UniCredit S.p.A. filed a criminal complaint against a Notary, Mr. Mazza, representatives of certain companies and disloyal employees of the parent company UniCredit S.p.A. in relation to unlawful lending transactions in favour of certain clients for approximately €84 million. The criminal court of first instance acquitted the defendants.

The Court of Appeal of Rome reversed this decision and found all the defendants guilty. Following a further appeal, while stating that some accusations were time-barred, the Supreme Court confirmed the decisions of the Court of Appeal in respect of the damages sought by the Bank. In May 2022, the insurance company indemnified the parent company UniCredit S.p.A. under the applicable policy, paying an amount of €33.5 million in relation to the losses suffered by the bank.

Following the acquittal in the first-instance criminal proceedings, Mr. Mazza and other persons involved in the criminal proceedings filed two lawsuits for compensation claims against the parent company UniCredit S.p.A.: (i) the first (commenced by Mr. Mazza with a claimed amount of approximately €15 million) was won by the Bank at first-instance and the judgment is now final; (ii) in the second (commenced by Como S.r.l. and Mr. Colella with a claimed amount of approximately €379 million) case the Court of Rome ruled in favour of the parent company UniCredit S.p.A. Plaintiffs have appealed and reduced the claimed amount to €100 million.

### Criminal proceedings

Certain entities within UniCredit group and certain of its representatives (including those no longer in office), are involved in various criminal proceedings and/or, as far as the parent company UniCredit S.p.A. is aware, are under investigation by the competent authorities with regard to various cases linked to banking transactions.

At present, these criminal proceedings have had no significant negative impact on the operating results and capital and financial position of the parent company UniCredit S.p.A. and/or the Group, however there is a risk that, if the parent company UniCredit S.p.A. and/or other UniCredit group entities or their representatives (including those no longer in office) were to be convicted, these events could have an impact on the reputation of the parent company UniCredit S.p.A. and/or UniCredit group.

In relation to the criminal proceedings pertaining to the Diamonds offer topic see the paragraph E. Other claims by customers - "Diamond offer" Notes to the account, Part E - Information on risks and related hedging policies, Section - 5 Operational risks, Qualitative information.

### Other proceedings

#### Proceedings related to claims for withholding tax credits

On 31 July 2014, the Supervisory Board of UCB AG concluded its internal investigation into the so-called "cum-ex" transactions (the short selling of equities around dividend dates and claims for withholding tax credits on German share dividends) at UCB AG.

In this context, criminal investigations have been conducted against current or former employees of UCB AG and UCB AG itself as an ancillary party by the Prosecutors in Frankfurt am Main, Cologne and Munich. With respect to UCB AG, all proceedings originally initiated by the aforesaid prosecution offices were finally closed with payment of a fine or the payment of a forfeiture.

In December 2018, in connection with an ongoing investigation against other financial institutions and former bank employees, the Cologne prosecutor informed UCB AG of the initiation of a new investigation in connection with an administrative offence regarding "cum-ex" transactions involving Exchange Traded Funds ("ETF"). In April 2019, these investigations were extended to so called Ex/Ex-transactions, in which an involvement of the bank in the sourcing of cum/ex transactions of other market participants on the ex-day is suspected. The facts are being examined internally. UCB AG is cooperating with the Authorities.

## Part E - Information on risks and related hedging policies

On 28 July 2021 the Federal Criminal Court (BGH) rendered a decision through which the principle criminal liability of cum/ex structures was determined the first time. With its decisions of 6 April and 17 November 2022, the BGH confirmed two criminal judgments in other cum-ex cases of the Regional Court of Bonn, thus further solidifying its case law. UCB AG is monitoring the development.

In December 2022, the Munich tax authorities completed a regular field audit of UCB AG for the years 2013 to 2016, which includes, among other things, a review of transactions in equities around the dividend record date (so called cum/cum transactions). During these years, UCB AG performed, among other things, securities-lending transactions with different domestic counterparties which include, but are not limited to, different types of cum/cum transactions. It remains to be clarified whether, and under what circumstances, tax credits can be obtained or taxes refunded with regard to different types of cum/cum transactions, and what the further consequences for the bank will be in the event of different tax treatment. It cannot be ruled out that UCB AG might be exposed to tax-claims in this respect by relevant tax-offices or third party claims under civil law. UCB AG is in constant communication with relevant regulatory authorities and the competent tax authorities regarding these matters. In this context, UCB AG is considering the latest view of the German Tax Authorities. UCB AG is also monitoring the current development following an important decision of the Federal Tax Court (BFH) dated 29 September 2021, through which the BFH acknowledged the transfer of economic ownership in case of a stock loan transaction contrary to a previous decision.

UCB AG has made provisions.

### Claims in relation to a syndicated loan

UCB AG, together with several other financial institutions, has been named as a defendant in complaints filed by the judicial administrator and foreign representative of a Brazilian oil and gas conglomerate in July 2021 in the United States before the Southern District of New York court claiming damages in connection with the repayment of a syndicated loan for two oil drilling rigs UCB AG participated in that defendants are alleged to have unlawfully obtained.

### VIP 4 Medienfonds

Various investors in Film & Entertainment VIP Medienfonds 4 GmbH & Co. KG to whom UCB AG issued loans to finance their participation, brought legal proceedings against UCB AG. In the context of the conclusion of the loan agreements, the plaintiffs claim that the Bank provided inadequate disclosure about the fund structure and the related tax consequences. A settlement was reached with the vast majority of the plaintiffs. An outstanding final decision with respect to the question of UCB AG's liability for the prospectus in the proceeding pursuant to the Capital Markets Test Case Act (Kapitalanleger-Musterverfahrensgesetz) which is pending at Munich Higher Regional Court, will affect only a few pending cases.

### Alpine Holding GmbH

Legal proceedings against UCB Austria arose from bondholders' claims commenced in June/July 2013. The claims stemmed from the insolvency of Alpine Holding GmbH, as UCB Austria acted as joint lead manager, together with another bank, for the undertaking of Alpine Holding GmbH bond issues in 2010 and 2011. Bondholders' claims are mainly referred to prospectus liability of the joint lead manager, whereas a minority of the cases is based on misselling due to allegedly unlawful investment advice. The damage claims amount to €18.7 million in total. These proceedings are mainly pending in the first instance and may be adverse to UCB Austria.

Meanwhile, the expert appointed by the Court in the majority of the civil proceedings has issued a report largely in favour of UCB Austria and the other issuing banks. Investors have a different reading of the report and have requested that the expert answers supplementary questions, as did the issuing banks. The processing of the supplementary questions is still pending. Therefore, the final outcome of the expert report cannot be assessed as of yet.

In addition to the ongoing proceedings against UCB Austria stemming from the Alpine insolvency, additional Alpine-related actions have been threatened and may be filed in the future. The pending or future actions may have negative consequences for UCB Austria. Despite the favourable expert opinion mentioned above, at the moment it is impossible to estimate reliably the timing and results of the various actions, nor determine the level of liability, if any.

### Bitminer Litigation in the Republic of Srpska, Bosnia and Herzegovina

In 2019, a local customer, Bitminer Factory d.o.o. Gradiška ("Bitminer"), filed a lawsuit before the District Commercial Court in Banja Luka claiming damages for unjustified termination of its current bank accounts by UniCredit Bank a.d. Banja Luka ("UCBL"), a subsidiary of the parent company UniCredit S.p.A. in Bosnia and Herzegovina, Republic of Srpska. Bitminer alleged that termination of the accounts obstructed its initial coin offering (ICO) relating to a start-up renewable-energy-powered cryptocurrency mining project in Bosnia and Herzegovina.

On 30 December 2021, the first instance court adopted most of Bitminer's claims and ordered UCBL to pay damages in the amount of BAM 256,326,152 (approx. €131.2million). The appeal was filed in January 2022. The first instance court decision is not final, binding and enforceable. The ultimate liability of UCBL, if any, will be determined only after all ordinary legal remedies have been exhausted, and in any case not before the final and binding decision of the appellate court.

## Part E - Information on risks and related hedging policies

### C. Risks arising from employment law cases

UniCredit is involved in employment law disputes. In general, all employment law disputes are supported by provisions made to meet any disbursements incurred and anyway UniCredit does not believe that any liabilities relating to the outcome of the pending proceedings could have a significant impact on its economic and/or financial standing.

### Lawsuits filed against UniCredit S.p.A. by members of the former Cassa di Risparmio di Roma Fund

Lawsuits brought against UniCredit S.p.A. aimed to reconstitute the patrimony of the fund, ascertain and quantify social security individual position of each member, are pending before the Supreme Court following previous degree decisions favourable towards the Bank. Claims' value is about €384 millions. No disbursement and no provisions have been made as these claims are considered groundless.

### D. Risks arising from tax disputes

The following disclosure concerns the most significant disputes that arose in 2022 as well as those that were already outstanding at the beginning of the fiscal year for which decisions or other definitions have been reached. For what is not mentioned here, please refer to previous financial statements.

#### Pending cases arising during the period

During the second half of 2022, there are no outstanding contingencies of a significant amount. For the events of the first half of the year, reference is made to paragraph "Risks arising from tax disputes" of the Consolidated First Half Financial Report as at 30 June 2022.

#### Updates on pending disputes and tax audits

The lawsuit instituted by UniCredit following the partial denial opposed to the IRES refund application in relation to tax years 2007, 2008 and 2009 - total value €1,9 million - was concluded unfavourable at first instance. The Bank appealed against the first instance ruling, the hearing for hearing was set for 18 January 2023.

In relation to the judgments introduced by the former "Cassa di Risparmio di Torino" (later UniCredit) against the silence-refusal formed on the application for reimbursement of the IRPEG credit and ILOR credit for the year 1984 - total value €3,4 million - the Supreme Court, by order filed on 5 November 2021, upheld the appeals of the State Attorney's Office, ordering the referral to the Turin CTR; the Bank resumed the judgment.

Awaiting scheduling of hearing.

The dispute related to a notice of assessment on VAT (former UniCredit Banca S.p.A) in relation to costs incurred for corporate conventions - value €2,3 million - was discussed and the Bank is awaiting the filing of the Emilia Romagna CTR ruling.

In relation to the litigation introduced by the former "Banco di Sicilia S.p.A." (later UniCredit) against the silence-refusal formed on the request for reimbursement of additional interest - with respect to the amount recognised by the Tax Administration - on the tax credit for ILOR for the year 1993 (already reimbursed in principal) - value €3,5 million - On 28 November 2022, the dispute was discussed before the 2<sup>nd</sup> instance Tax Court of Sicily - The Bank is awaiting the filing of the judgment.

For the disputes instituted in 2008 by UniCredit S.p.A., as the incorporating company of Banca Popolare del Molise, for the recovery of IRPEG-ILOR tax credits for tax years 1983, 1985, 1986, 1987 and 1988 - total capital value €1,85 million - the 2<sup>nd</sup> Instance Court of Tax Justice in the judgment of referral from the Supreme Court, with a judgment filed on 6 December 2022, recognised the Bank's right to the reimbursement of credits for the years 1983, 1985 and 1986 - value euro €1,66 million. Deadlines for the Office's possible appeal to the Supreme Court are pending.

As part of the group of active cases in charge of UniCredit S.p.A. following the retrocession, on 29 June 2020, of the receivables assigned at the time to the company Banca Farmafactoring. S.p.A., with regard to:

- Denial of reimbursement of 1989 IRPEG credit of the former Cassa di Risparmio Reggio Emilia, value €1,89 million for IRPEG and €1,82 million for interest: the Emilia Romagna CTR, in a ruling filed on 3 January 2022, rejected the Office's appeal, confirming the Bank's right to reimbursement of €1,9 million. The Office appealed to the Supreme Court and the Bank filed a counter-appeal with cross-appeal. Awaiting scheduling of hearing.
- Denial of reimbursement of 1997 IRPEG credit of the former Banca di Roma S.p.A. total amount €43,5 million: the hearing for hearing was held before the Lazio Court of Tax Justice of the 2<sup>nd</sup> Instance on 25 October 2022. Judgment pending filing.
- Denial of refund of IRPEG credit years 1994-1997 and ILOR 1996, value €31 million of the former Banca Mediterranea S.p.A.: at the hearing of 22 October 2021, the Basilicata CTR ordered the Inland Revenue to file the Trial Proceedings that gave rise to the notices of assessment indicated in the court documents and relating to the tax periods in which the credits at issue were allegedly realized and indicated in the tax returns. The hearing of the case was held on 24 June 2022.

## Part E - Information on risks and related hedging policies

In relation to the settled litigations, it should be noted that:

The lawsuit introduced by UniCredit, as the incorporating company of the former Banco di Sicilia, against the silence refusal opposed by the Municipality of Palermo on the application for reimbursement of the IMU credit for the year 2008 - total value 0,6 million was settled with the judgment of the CTR Sicilia filed on 27 January 2022, which recognised the legitimacy and grounds of the reimbursement application submitted by the Bank. The Institution did not appeal to the Supreme Court within the legal terms. The judgment became final on 27 July 2022.

Regarding to the tax audit against UniCredit Leasing S.p.A., for VAT purposes years 2016 - 2017, aimed at verifying the correct fulfilment of tax obligations in the field of VAT, with reference respectively to leasing contracts of vessels used for navigation on the high seas and intended for commercial operation and Nexive invoicing:

- Year 2016: on 2 November 2021, the Agenzia delle Entrate - Direzione Regionale della Lombardia - Ufficio Grandi Contribuenti served a notice of assessment for €1 million. The assessment notice was appealed with a partially favourable outcome in the first instance. The terms for the filing of the Appeal are pending. The Company will appeal the judgment for the part that is unfavourable to itself.
- Year 2017: the audit is still in progress.

As of 31 December 2021, the total amount set aside by UniCredit S.p.A. to cover tax risks for tax disputes and audits amounted to €182,45 million, including €2,92 million for legal expenses. As of 31 December 2022, the provision for risks and charges amounted to €178,77 million, including €2,56 million for legal fees.

### *Tax proceedings in Germany*

Please refer to "B. Risks arising from legal proceedings" Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, 2.5 Operational risks, Qualitative information.

### *E. Other claims by customers*

Reference is made to the paragraph "E. Other claims by customers" of the Company financial statements of UniCredit S.p.A., Notes to the accounts Part E - Information on risks and related hedging policies, Section 5 - Operational risk, Qualitative information, which is herewith quoted entirely.

### *Diamond offer*

Reference is made to the paragraph "E. Other claims by customers - Diamond offer" of the Company financial statements of UniCredit S.p.A., Notes to the accounts Part E - Information on risks and related hedging policies, Section 5 - Operational risk, Qualitative information, which is herewith quoted entirely.

### **Quantitative information**

UniCredit group mainly uses the advanced method (AMA) for calculating the capital against operational risks. Companies not yet authorised to use the advanced method contribute to the consolidated capital requirement on the basis of the Standardised Approach (TSA) or Basic Indicator Approach (BIA) method.

The weight of the different methods, expressed in terms of contribution to the total relevant indicator of the Group, is as follows: AMA 88.55%, TSA 8.95%, BIA 2.50%.

The AMA perimeter embeds Group main legal entities in Italy, Germany, Austria. AMA is also applied to main legal entities of CEE countries including Slovenia, Czech Republic, Slovakia, Romania, Croatia, Bulgaria and Hungary.

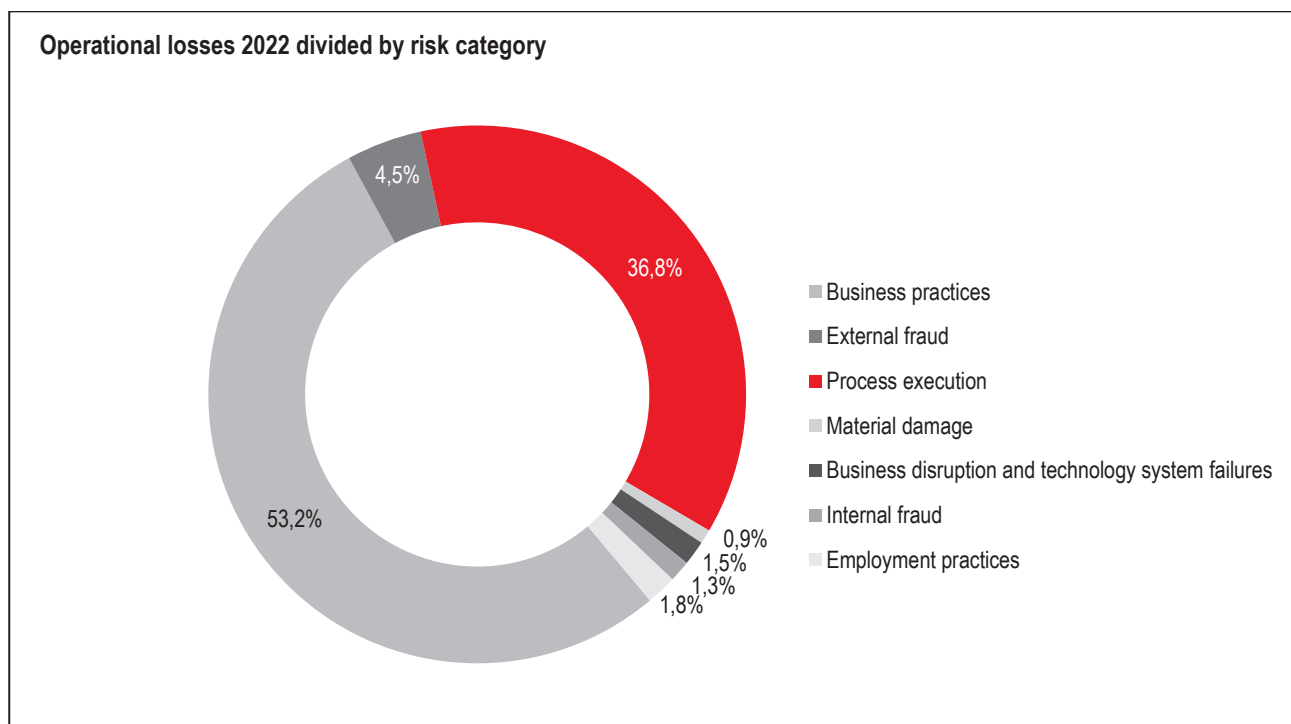
Main TSA and BIA legal entities are AO UniCredit Bank (Russia) and UniCredit Factoring S.p.A.

Detailed below is the percentage composition at Group Level, by type of event, of operational risk sources as defined by the New Basel Capital Accord and acknowledged by the Regulations for the Prudential Supervision of Banks issued by Banca d'Italia in December 2013 (Circular No.285/2013 and following updates).

The risk categories for event type are the following:

- internal fraud: losses owing to unauthorised activity, fraud, embezzlement or violation of laws, regulations or business directives that involve at least one internal member of the bank;
- external fraud: losses owing to fraud, embezzlement or violation of laws by subjects external to the bank;
- employment practices and workplace safety: losses arising from actions in breach of employment, health and workplace safety laws or agreements, from personal injury compensation payments or from cases of discrimination or failure to apply equal treatment;
- clients, products and business practices: losses arising from non-fulfilment of professional obligations towards clients or from the nature or characteristics of the products or services provided;
- damage to physical assets: losses arising from external events, including natural disasters, acts of terrorism and vandalism;
- business disruption and system failures: losses owing to business disruption and system failures or interruptions;
- process management, execution, and delivery: losses owing to operational or process management shortfalls, as well as losses arising from transactions with commercial counterparties, sellers and suppliers.

## Part E - Information on risks and related hedging policies



In 2022, the main source of operational risk (for this purpose, the positive effects, due to (i) the release of provisions set aside in previous year in relation to UCB AG minority shareholders squeeze-out proceeding, (ii) the insurance recovery related to an internal fraud case occurred in 2005, have not been considered) is “clients, products and business practices”, which includes losses arising from the non-fulfilment of professional obligations towards clients or from the nature or characteristics of the products or services provided.

The second largest contribution is the category “errors in process management execution and delivery” due to operational or process management shortfalls.

There were also, in decreasing order, losses stemming from “external fraud”, “employment practices”, “business disruption and technology system failures”, “internal fraud” and “material damage”.

Information on Operational risk are reported in paragraph 2.5 “Operational risks”, Part B “Legal risks”, Part C “Risks arising from employment law cases” and Part D “Risks arising from tax disputes”, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 “Risks of the prudential consolidated perimeter”.



## Part E - Information on risks and related hedging policies

### 2.6 Other risks

#### Other risks included in Economic Capital

As reported in the paragraph "Introduction", Notes to the consolidated account, Part E - Information on risks and related hedging policies, among the Group's risks there are other risks relating to Pillar II that are Business Risk, Real Estate Risk, Financial Investment Risk and Reputational Risk (the latter is described in the paragraph Reputational Risk, Notes to the consolidated account, Part E - Information on risks and related hedging policies 2.6 Other risks). For each risk, the Economic Capital calculation is performed adopting a confidence level equal to the regulatory level (99.90%) and a one-year time horizon.

#### 1. Business risk

Business Risk is defined as adverse, unexpected changes in business volumes and/or margins on a one-year time horizon; in this context the margin is defined as the difference between earnings and costs not explained by risk factors already included, e.g., in credit, market, operational risk. Business risk can result, above all, from changes in the competitive situation or customer behaviour, but may also result from changes in the reference regulatory framework.

The exposure data used to calculate Business risk are taken from the income statements of each Entity of the Group for which the risk is significant. Volatility and correlations are estimated from the time series of the relevant items of the Income statement reports.

The Business Risk calculation is performed on a quarterly basis for monitoring and for planning purposes according to the relevant time schedule.

#### 2. Real estate risk

Real Estate Risk is defined as the potential loss resulting from market value fluctuations of the Group's real estate portfolio, including real estate Special purpose vehicles. It does not take into consideration properties held as collateral which are evaluated inside credit risk.

The relevant data for the Real Estate Risk calculation includes general information relating to properties and area or regional rental price indexes for each property to enable calculation of volatility and correlation in the model.

The Real Estate Risk calculation is performed on a quarterly basis for monitoring purposes with a portfolio updated semi-annually and for planning purposes according to the relevant time schedule.

#### 3. Financial investments risk

Financial investments risk stems from the equity investments held in companies not included in the Group consolidation perimeter and not encompassed in the Market Risk managerial framework.

The relevant portfolio mainly includes listed and unlisted shares, private equity, units of mutual, hedge and private equity funds. For all the Group equity positions, capital charges may be calculated using either a PD/LGD-based approach or a market-based one. Listed equity holdings and funds, which are a subset of Financial Investment risk are treated relying on the Market Risk Internal Model infrastructure.

The unlisted component is evaluated into the Group Credit Portfolio Model (GCPM). The calculation of the risk is based on a Value at Risk (VaR) model calculated at 99.90% confidence level and is executed inside credit and market risk models according to the nature of the underlying portfolio. The Financial Investments Risk is calculated on a quarterly basis for monitoring and for planning purposes according to the relevant time schedule.

#### Risk measurement methods

##### 1. Economic Capital

As described in the paragraph Introduction, Notes to the consolidated account, Part E - Information on risks and related hedging policies, within the Internal Capital Adequacy Assessment Process (ICAAP) and in line with the proportionality principle defined in Pillar II of Basel II, the risk profile of the Group and the main Group Legal Entities is assessed for all the Pillar II risk types (Credit, Market, Operational, Reputational, Business, Financial Investments and Real Estate risks).

The Economic Capital represents the capital needed to face the potential losses inherent in the Group's business activities and takes into consideration all the Pillar II risk types reported above that are quantifiable in terms of Economic Capital. The effect of the diversification among risk types ("inter-risk diversification") and of the diversification at portfolio level ("intra-risk diversification") is also considered. In addition, a Capital add-on is calculated as prudential cushion in order to account for Model Risk uncertainty.

As for its components, the Economic Capital is calculated on a one-year time horizon and adopting a confidence level equal to the regulatory level (99.90%). For monitoring purposes, the Economic Capital is calculated quarterly and disclosed to Senior Management quarterly through RAF Monitoring & Integrated Risk reporting; it is also calculated for planning purposes according to the relevant time schedule.

Consistently with the corporate governance system, the function Strategic & Integrated Risks of UniCredit S.p.A. is responsible for the Group Economic methodology development and its measurement, as well as for the setting and implementation of the Group related processes.

## Part E - Information on risks and related hedging policies

The "Group Rules", after the approval, are submitted to relevant Legal Entities for local approval and implementation.

### 2. Stress Testing

The multidimensional nature of risk requires to supplement the measurement of economic capital with stress testing, not only in order to estimate losses in certain scenarios, but also to assess their impacts in terms of capital requirements. Stress testing is a key risk management tool for the management of the relevant risks in order to assess the bank's vulnerability with respect to exceptional but plausible events, providing additional information to the monitoring activities.

Stress testing activities, in compliance with regulatory requirements, are performed on the basis of a set of internally defined stress scenarios, that include the Group main geographies where the Group is active and are carried out at least twice a year.

In the context of the activities of risk measurement prescribed by Pillar II, the Group stress test methodology considers the impacts on the various risks generated from the materialization of the macroeconomic adverse scenarios. These scenarios are drawn analysing both current macroeconomic events and plausible future events that could take place and that are considered penalizing for the Group.

The stress test exercise is performed both with reference to single risk types and as an overall considering possible interactions. The results of the exercise are represented by the additional expected losses and by the stressed Economic Capital. The overall results consider both the single risk variations as well as any possible benefit of diversification.

Since 2017, two complementary approaches are considered in stress testing activities: the so called "Normative Perspective" focuses on the impacts of stressed scenarios on regulatory capital metrics while the "Economic Perspective" quantifies impacts of scenarios on the Economic Capital.

The Group Senior Management is involved in the Group-wide stress test in the following phases:

- macro-economic stressed scenarios approval used to estimate the impacts on regulatory and economic capital;
- after the exercise is finalised, with the approval of the results and impacts and a potential discussion of actions to return into the predetermined limits of capital.

The adequacy of the risk measurement methodologies supporting the ICAAP, including stress testing and risk aggregation, is checked by internal validation functions.

## Part E - Information on risks and related hedging policies

### Reputational risk

Reputational risk is defined as the current or prospective risk to earnings or capital decrease arising from the adverse perception of the image of the financial institution on the part of customers, counterparties (also including debtholders, market analysts, other relevant parties, such as civil society, NGOs, media, etc.), shareholders/investors, regulators, or employees (stakeholders).

Reputational risk is a secondary risk generated as a "knock-on effect" from risk categories, such as credit, market, operational and liquidity risks, and all others risks types (e.g., business risk, strategy risk, ESG risk which considers the environmental, social and governance aspects of responsible investments). Reputational risk could also be generated from material events.

Since 2010 UniCredit group has ruled the reputational risk and the policy currently in place is the Group Reputational Risk management policy which aims at defining a general set of principles and rules for assessing and controlling reputational risk. On top of the Global Policy Regulation, a set of sensible sectors policies has been issued during the years, in order to mitigate specific reputational risks that arise from having relationships with counterparties operating in these sectors. The current policies are "Defense Industry", "Nuclear Energy", "Mining", "Water Infrastructure (dam)", "Thermal Coal" and "Oil & Gas". In 2022, the "Defence Industry" policy has been reviewed, the main improvements refer to the introduction of client's classification based on their activity, the explicit inclusion of key components and key infrastructures in the scope of the regulation as well as the update of the forbidden countries, refining the guideline that deals are not supported if addressed to countries involved in an active conflict or internal repression against civil population or subject to embargo, and the update of controversial weapons (e.g. depleted uranium). Also, it has been refreshed the approach of the "Mining" policy, in order to introduce the client's classification as the other sensitive sectors policies, to assess its adequacy to the current context and climate requirements and to better clarify the overall set of principles referring to prohibited extraction activities, sites and behaviors, considering both the best practices (i.e., prohibition on asbestos) and the principles stated in other UCG Policies (i.e., prohibition on Arctic extractions). Also, in first half 2022 a new Tobacco Commitment with the guidelines to exit the tobacco industry by the end of 2025 has been issued.

The reputational risk management is in charge to the Group Non-Financial Risks Department of UniCredit S.p.A. and to dedicated functions within the Group legal entities.

In 2021, within the review of the Group Committees, the Group Non-Financial Risks and Controls Committee (GNFRC) - Reputational Risk dedicated session has been established.

The Committee meets with approval functions, according to the regulations in place, for the following topics:

- Governance policies and guidelines for the management of the reputational risk on sensitive sectors and customer relationships;
- Binding Opinions, whenever a relevant reputational risk is present on specific single transactions/relationships - as foreseen by the Internal Regulations - to be provided to UniCredit S.p.A. functions;
- Non-Binding Opinions, whenever a relevant reputational risk is present on specific single transactions/relationships - as foreseen by the Internal Regulations - on cases submitted by Local NFRC, to be provided to other Group Legal Entities.

The Committee meets with consulting and information functions for the following topics, evaluating and providing guidelines with reference to:

- Reputational risk relevant emerging trends or material events, for their implications on Group and Local strategies, initiatives, transactions, projects, customers or other business activities, leveraging on evidences and assessments provided by Risk Management, Compliance, Legal, Group ESG Strategy & Impact Banking, Group Institutional Affairs and Group Identity and Communication;
- Group relevant risks/criticalities highlighted by Internal Audit function, for specific cases and in relation to specific areas or geographies;
- Periodical reporting provided by Group competent structures on the business activities and decisions taken in relation to the defined sensitive sectors.

In addition, UniCredit group developed a proprietary methodology for the quantification of reputational risk and the consequent calculation of the Value-at-Risk (VaR) for such a risk.

The methodology estimates the semi-elasticity between the "media sentiment" referred to UniCredit (summarised into the Media Tonality Index, provided by an external company, PRIME Research/CISION, qualified in Reputation Intelligence and Media Monitoring) and the market expectations regarding the Group expected future profits, which are derived from equity prices via the reverse engineering of a dividend discount model, once sterilised from the effects affecting the whole European banking sector.

The Reputational VaR represents the maximum (at 99.9% confidence level) potential reduction of future earnings as derived from the estimated model parameters and the distribution of the Media Tonality Index.

### Effects arising from Covid-19 pandemic

The measures already put in place last year to protect the health of employees and clients have also effectively prevented negative impacts on the Group reputation. The monitoring of the operational events connected to Covid-19 pandemic, aimed at promptly detect process criticalities or improper behaviors, allowed also to mitigate related potential reputational risks.

## Part E - Information on risks and related hedging policies

### **Top and emerging risks**

In UniCredit, the management and monitoring of risks is based on a dynamic approach; Top Management is promptly informed on top risks and/or emerging risks through a strict monitoring process embedded in the risk assessment process.

The Risk Management identifies and estimates these risks and submits them regularly to senior/top management and Board of Directors which take the appropriate actions to manage and mitigate risks.

The following top and/or emerging risks have been considered relevant during 2022:

1. Covid-19 pandemic evolution impacts;
2. Russia-Ukraine conflict;
3. Macroeconomic and (geo-)political challenges;
4. Climate and environmental risks;
5. Cyber security risks;
6. Risks stemming from the current Regulatory developments.

#### **1. The Covid-19 pandemic evolution impacts**

New Covid-19 variants continued to emerge globally also in 2022 with some of the mutations being relatively more contagious than previous ones and capable of evading some immune protection more easily. China's zero-Covid policy maintained since the beginning of the pandemic was rolled back at the end of December 2022, signaling re-opening of country's economy as one of the upsides to global economic growth, but at the same time triggering substantial contagion increase inside the country. Virus mutation with related government responses, affecting the level of pressure on health care systems and supply-chains, still remain as a major risk factor to the outlook of pandemic evolution and further potential adverse impact on global economy.

Since the pandemic outbreak, UniCredit addressed the crisis putting in place and constantly enhancing pre-emptive measures and guidelines to face the Covid-19 emergency, proactive managing the evolving situation across all dimensions of its risk profile.

The Group ensures any uncertainties, including those conditioned by the context, described above, are properly addressed via its comprehensive risk management framework.

#### **2. Russia-Ukraine conflict**

One of the most relevant risks emerged during 2022 regards the materialization of the Russia-Ukraine conflict, which was reflected in the imposition of severe sanctions to Russia by the United States and Western countries.

The later had negative consequences on inflation, market volatility, energy cost, particularly relevant for European countries.

In addition the following effects have to be considered: 1) threats to food security of the Middle East, North Africa, and Western and Central Asia (only partially mitigated with the grain deal in the Q3 2022); 2) energy policy rotation towards secure access and source diversification; 3) intensification of race for critical materials, equipment, and commodities; 4) financial system effects; 5) Cyber risk increase; 6) massive humanitarian crisis linked to the significant migratory flow from Ukraine.

High level of the uncertainty about the evolution and outcome of the conflict persists together with risk of its escalation with potentially larger scale of humanitarian, political and economic impacts hindering global post-pandemic recovery.

The conflict has severely affected the global food production system. Russia and Ukraine produce roughly a third of the world's ammonia and potassium exports, essential ingredients in fertilizer and supply grain and sunflower seed oil to much of the world. After the beginning of the conflict prices for fertilizers and several food commodities have increased significantly.

Over the years, Europe has come to depend heavily on Russian energy sources: coal, crude oil, fuel oil, and, especially, natural gas.

European countries are taking actions to lower their demand in the short term (end of 2022/early 2023), increasing gas supplies from countries other than Russia, importing more liquefied natural gas (LNG) and generating more biofuel.

The beginning of the conflict hastened further price rises of various commodities exported by Russia and Ukraine (for example coal, steel, nickel).

Overall, the conflict is aggravating financial system risks that first showed up in 2021. For additional information about the update of macro-economic scenarios and its effects on valuation of Group's asset please refer to Section 2 - General preparation criteria, Notes to the consolidated account, Part A - Accounting policies.

Cyber-attacks remain an important risk factor. Since the beginning of the conflict, several cyber-attacks took place (e.g. Ukrainian power systems and telecom networks have been taken offline for several hours and other Ukrainian government organization have been hacked, public websites of several Russian government ministries have been attacked). Depending on the evolution of the conflict, cyber threat is expected to continue be relevant.

## Part E - Information on risks and related hedging policies

### 3. Macroeconomic and (geo-)political challenges

After the substantial immediate impact of the Covid-19 crisis holding back the global economy throughout the whole 2020, during 2021 signs of faster economic growth emerged with unemployment rates going down as businesses get back on track. However, the macroeconomic environment showed signs of deterioration in 2022 amid Russia-Ukraine conflict as business sentiment and consumer confidence declined. Protracted conflict and its escalation risk, low growth and high inflation environment, markets volatility and monetary policy tightening, these are among the main drawbacks to economic recovery. Households' resilience still benefits from the increased precautionary savings; however, disposable income is negatively impacted by higher inflation.

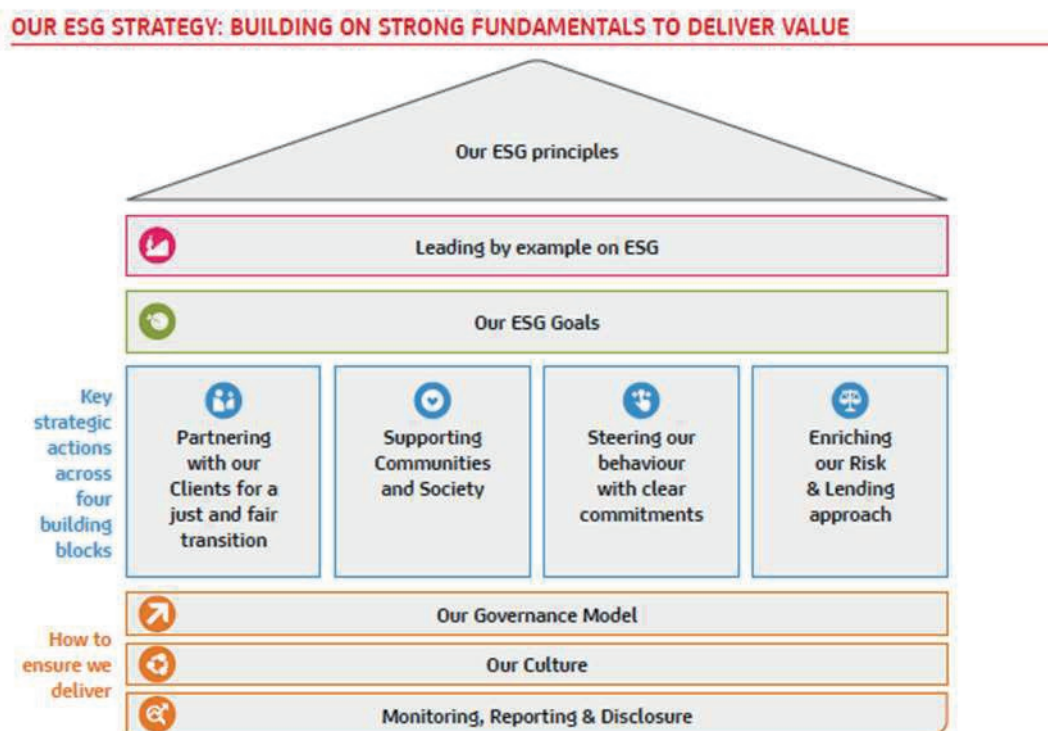
Financial institutions are proceeding with the phasing out of central banks facilities put in place in 2020 in mitigation of Covid-19 crisis. Impact of rate hikes on both residential and commercial housing markets, particularly in countries with high debt and overvalued property values is another factor worth monitoring.

In addition to those factors, the following trends and challenges on the geopolitical arena continue to be relevant:

- West-Russia relationship crisis amid Russia-Ukraine conflict;
- US-China tensions over Taiwan;
- Concerns regarding restoring Iran nuclear deal.

### 4. The climate-related and environmental risks

The UniCredit ESG strategy shows that embedding sustainability in all that the Group does is one of the five strategic imperatives of UniCredit Unlocked, announced on 9 December 2021. The ESG Strategy is rooted in the Group's principles and beliefs across the Environmental, Social and Governance dimensions, based on clear business goals and key strategic actions across four building blocks, ensuring deliverables through transparent enablers<sup>78</sup>.



UniCredit's environmental strategy is built on the so-called double materiality approach, taking into account both an inside-out perspective and an outside-in perspective. We acknowledge the impacts that our operations and lending have on the environment and prepare to measure the business consequences of ecological stress and the associated socio-economic transition.

From the inside-out perspective, impacts are considered according to a two-pronged approach to promoting and preserving natural capital:

<sup>78</sup> For more information refer is made to Integrated Report 2022 available in the ESG and Sustainability section of UniCredit website (<https://www.unicreditgroup.eu/en.html>).

## Part E - Information on risks and related hedging policies

### Direct impacts

The Group commits to containing its own environmental footprint:

- lowering direct emissions towards Net Zero, procuring most of its electricity from renewable sources and improving the energy efficiency of premises and data centers;
- adopting circular solutions in resources management, with the commitment to remove single use plastic items in UniCredit buildings by the end of 2022.

### Indirect impacts

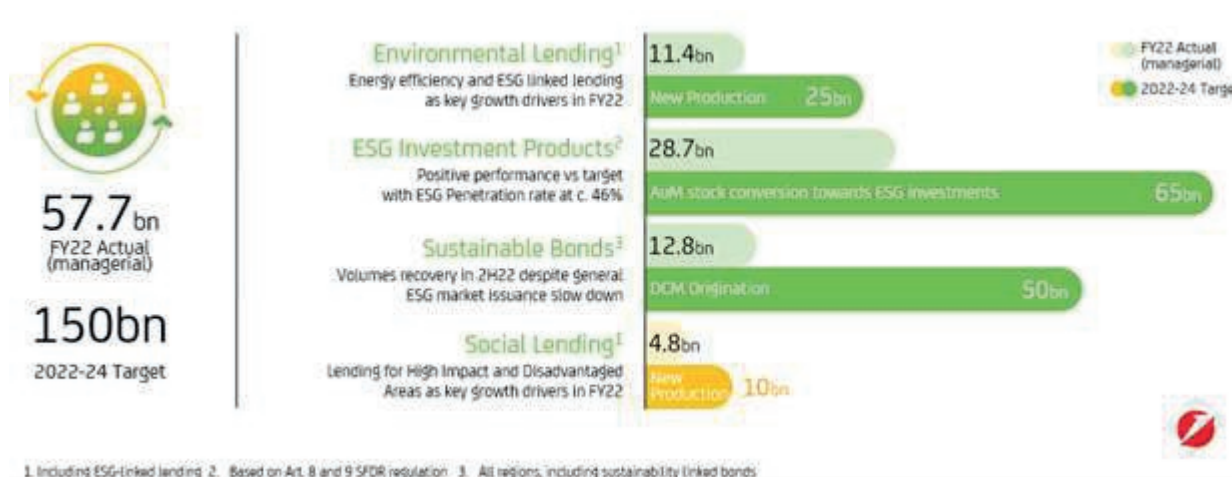
The Group offers support to businesses respectful of the environment while accompanying clients operating in climate-sensitive industries in their journey along the transition path:

- adopting a sector policy framework which takes into account both environmental and social aspects;
- defining its journey towards Net Zero on financed emissions.

On the other hand, the outside-in perspective requires a clear governance to manage any risk and all the opportunities arising from environmental transition. At UniCredit, dedicated committees and specialised functions at management level ensure the execution of the Group strategy, correctly managing environment and climate-related risks in line with the agreed RAF, the ECB climate stress test requirements, and the Credit/Market risk strategies, while taking advantage of the opportunities arising from the transition to a low-carbon economy.

UniCredit group has set ambitious targets to reduce the environmental impacts of both operations and lending activities, assuming the key principle that, as an organization, it should lead by example and by being a leader in the green transition. The Group continues to track its progresses and disclose its results and achievements to all relevant stakeholders on a quarterly basis.

### ESG 2022-2024 Targets



In October 2021 UniCredit signed up to the Net-Zero Banking Alliance. In line with UNEP FI Guidelines, UniCredit is disclosing its targets for the three most carbon intensive sectors within the Bank's portfolio, which include Oil & Gas, Power Generation and Automotive sectors:

- Oil & Gas sector - UniCredit will target a 29% reduction in its Scope 3 financed emissions, starting from a baseline of 21.4Mt CO<sub>2</sub>e in 2021;
- Power Generation - UniCredit will target a c. 47% reduction in its exposure to Scope 1 weighted physical intensity at 111 gCO<sub>2</sub>e/kWh;
- Automotive - UniCredit will target a c. 41% reduction in its exposure to Scope 3 "Tank To Wheel" weighted physical intensity at 95 gCO<sub>2</sub>/vkm.

In September 2022, UniCredit also signed the Sustainable Steel Principles (SSP), the first Climate- Aligned Finance agreement for lenders to the steel industry. The principles were carefully designed over the course of a year by a working group composed of five banks, including UniCredit. The resulting framework positions lenders to facilitate the Net-Zero transition of the steel industry, providing the necessary tools for client engagement and advocacy.

With reference to its own operations the Group is developing the strategy to achieve the net zero on own emissions by 2030. It is raising awareness on this fundamental goal among its employees, for example by organising dedicated workshops on Net-Zero on own emissions, involving Group Real Estate and Group Strategy & ESG. This gathering offers colleagues an excellent opportunity to gain knowledge and insights on how to contribute, all together, to the achievement of the Net-Zero goal, both for the Group and the planet.

## Part E - Information on risks and related hedging policies

### UniCredit ESG Governance

In order to reach the objective of further embedding ESG criteria in the Group strategy, UniCredit's sustainability governance has undergone a profound evolution over the past years.

The changes concern both the Board and the managerial levels of its governance.

The *UniCredit Board of Directors* defines the overall strategy of the Bank, which incorporates the Group's ESG Strategy, and oversees its implementation over time. The Board approves the bank's Risk Appetite Framework (RAF) which establishes the desired risk profile vis-à-vis its short and long-term strategic objectives and business plan. For monitoring purposes, dedicated Climate Risk KPIs have been included in the 2023 Risk Appetite Framework, enabling the Bank to oversee the evolution of transition and physical risks it is exposed to: (i) exposure to Fossil fuel sectors (FF); (ii) % of High Transition Risk (HTR); (iii) mortgage portfolio exposed to physical risk.

These new indicators are monitored and reported to the Board on a quarterly basis.

The *Internal Controls & Risks Committee* (IC&RC) supports the Board of Directors in risk management and control-related issues: in defining and approving strategic guidelines and risk management policies with specific reference to risk appetite and risk tolerance as well as in verifying that risk strategies, management policies and the Risk Appetite Framework (RAF) are correctly implemented.

The *ESG Committee* supports the Board of Directors in fulfilling its responsibilities with respect to the ESG integral components on the Group's business strategy and sustainability.

The ESG Committee provides opinions and support to the other Board Committees to ensure the alignment of the Group's policies to UniCredit's ESG principles and objectives. The Committee also oversees the ESG and sustainability related developments also considering international guidelines and principles and market developments, monitoring the positioning of the Group with respect to national and international best practices in the ESG field.

The *Board of Statutory Auditors* exercises oversight of ESG governance and related topics.

At *management* level, dedicated committees and specialised functions ensure the execution of the Group strategy, correctly managing climate-related risks in the line with the agreed RAF while taking advantage of the business opportunities arising from the transition to a low-carbon economy.

These functions are:

- the Group Executive Committee (GEC), the Group's most senior executive committee, chaired by the CEO;
- the Group Non-Financial Risks and Controls Committee (GNFRCC) supports the CEO in the role of steering and monitoring Non-Financial Risks;
- Group Strategy & ESG and the Group Stakeholder Engagement functions together serve as a CEO Office, dealing with all initiatives which are critical for the CEO, such as strategy, M&A, the further integration of ESG criteria in its business, stakeholder management, and regulatory affairs;
- Group ESG, part of Group Strategy & ESG function, makes proposals towards the definition of the Group's ESG strategy to the ESG Strategy Council and the ESG Committee, and oversees its implementation by leading the ESG Roadmap, measuring results and reporting its status of accomplishment. It prepares the Group Integrated Report and ensures coordination in the implementation of the Principles for Responsible Banking - UNEP FI. Group ESG, in collaboration with all the relevant functions of the Bank, is part of the Net Zero Governance, and is in charge of the production of UniCredit climate-related financial reporting in accordance with the TCFD Recommendations.
- The Group Risk Management function supports the CEO in defining the Group Risk Appetite proposal, to be shared with the Group Executive Committee and Internal Controls & Risks Committee and submitted for approval to the Board of Directors in parallel and coherently with the yearly and multi-yearly budget plan pertaining to the Group Planning, Finance, Shareholding, and Investor Relations structures. In the Group Risk Management Department, two dedicated Global Units have been created to oversee climate-related and environmental risks and climate-related topics.
  - Group Climate Risk and Risk Governance function oversees climate-related and environmental risks. It provides central steering and coordination role to ensure alignment with ECB guidelines on climate and execution of the related plan, promotes the definition of a strategic view on climate risk and support climate risk - related methodologies definition.
  - Climate & Environmental Credit Analysis function orchestrates the integration of climate and environmental (C&E) factors into the different dimensions and phases of the credit risk cycle (data taxonomy, strategies, process implementations, monitoring and reporting)
- On the opportunity side the Sustainable Finance Advisory Team (part of Group Client Solutions) has the role of increasing client engagement of ESG-related topics and facilitate their **access to Europe's growing sustainable finance market**, combining sustainability expertise with capital markets and loan markets capabilities; providing clients with targeted advice regarding the implementation of **sustainable finance instruments**; offering a holistic and comprehensive **ESG advisory** approach that is a sustainable alternative to traditional finance advisory services; ensuring that relevant transaction in the Group comply with the **Equator Principles**, the financial industry benchmark for determining, assessing and managing environmental and social risk in projects.

## Part E - Information on risks and related hedging policies

Finally in order to support customers in seizing opportunities deriving from the ecological transition, in all the major countries in which the Group operate dedicated teams in charge of developing and offering new ESG related products and services for corporates and individuals in line with Group's targets and ambitions have been set up.

### UniCredit ESG Risk Management

UniCredit has set up a long-term sustainability strategy and embedding ESG factors in its risk framework. It remains committed to assessing and managing climate and environmental risk in order to achieve three main objectives:

- meeting regulatory expectations on banks business strategy and risk management processes;
- mitigating climate-related and environmental risks;
- identifying potential opportunities for financing the climate and environmental transition.

UniCredit has undertaken several concrete initiatives to manage and supervise processes related to climate and environmental risks, and its approach to sensitive sectors.

Regarding *Transition risk*:

- crucial is the evaluation of the climate and environmental risks of the single counterpart through a detailed assessment at client level when the credit files are submitted to holding and local credit committees;
- effort has been devoted to the ECB climate stress test enabling the Group to identify exposure towards high GHG emitters;
- the PACTA methodology on December 2021 portfolio has been updated with projections up to 2026; such methodology will be replaced by Net Zero;
- Financial and Non-Financial risk framework have been enhanced.

Regarding *Physical Risk*:

the Group completed an analysis of the potential damage to mortgage portfolio collaterals at Group level due to extreme and acute climate-related events. A first, forward-looking and high-level assessment of how physical risk can impact on the overall Fair Value (focus on acute river flood and chronic sea-level rise hazards).

Also, from a data and IT architecture point of view, the Bank is proceeding with the definition and implementation of a detailed and comprehensive data strategy allowing to fulfil regulatory reporting and managerial steering.

Finally, it should be noted that some of the above-mentioned measurements have been included in the RAF and credit strategies processes with the aim of further strengthening the integration of climate and environmental factors in the Risk Management Framework and underwriting processes as well as improving portfolio monitoring.

### Climate & Environmental risk assessment

In order to integrate climate and environmental risks in business strategy, correctly take them into account through all stages of the credit-granting process and monitor this kind of risk in credit portfolio (as stated by the European Central Bank Guide on climate-related and environmental risks), the Group has designed a Climate and Environmental Risk Assessment Questionnaire to determine clients' position on the transition pathway. The questionnaire has been designed to assess transition risk exposure along three key dimensions: level of current exposure, level of future vulnerability and economic impact.

Result of the C&E assessment integrates the files submitted to Credit Committees for granting decision in order to properly consider C&E factors in Underwriting phase. In addition transition risk scores (retrieved by external providers) are translated into ad-hoc steering signals being fully embedded in the Industry Credit Risk Strategies framework.

In so doing, UniCredit considered several topics that can lead to an increased credit risk, for example counterparties' revenues and asset value which is subject to transitioning to a low-carbon economy or production processes that are subject to significant changes to minimise non-atmospheric pollution.

Simultaneously, the Group is looking to seize opportunities to finance the transition of counterparties, taking into consideration the industries that require very high investments to meet climate change goals and the EU Green Deal roadmap to meet emission targets.

### Exposure towards high GHG emitters

Exposure toward NACE sectors of TOP 5 Countries selected for the ECB Climate Stress Test as having the highest GHG Intensity (> 1000 tCO<sub>2</sub> e/m€) represents ~17% of Top 5 Countries Corporate portfolio. Exposures are well differentiated among industries with relatively higher concentration in Electricity & Gas supply and manufacturing of basic metals. The UniCredit ESG Strategy is to evaluate and support the climate transition of counterparties with reliable plans.



## Part E - Information on risks and related hedging policies

| NACE Code (2-digit) | NACE Description  | % on Non Financial Corporate exposure* |
|---------------------|---|--|
| A01                 | Crop and animal production, hunting and related service activities                                    | 1%                                     |
| B05-B09             | Mining and quarrying  | <1%                                    |
| C19                 | Manufacture of coke and refined petroleum products  | 2%                                     |
| C20                 | Manufacture of chemicals and chemical products  | 2%                                     |
| C23                 | Manufacture of other non-metallic mineral products  | 1%                                     |
| C24-C25             | Manufacture of basic metals; Manufacture of fabricated metal products, except machinery and equipment | 4%                                     |
| D35                 | Electricity, gas, steam and air conditioning supply   | 7%                                     |
| H50                 | Water transport   | <1%                                    |
| <b>Total</b>        |   | <b>-17%</b>                            |

\* Exposure equal to €240.1bn as at 30 September 2022. Exposure referred to top 5 countries (Italy, Germany, Austria, Czech Republic, Russia) as reported to ECB in the Climate Stress Test exercise.

### From PACTA to Net Zero

We started to conduct the road-test PACTA for banks methodology developed by 2dii in 2020. This activity allowed us to measure the alignment of our lending portfolio with a set of climate scenarios considering several levels of ambition measured in relation to the increase in global temperature. After joining Net-Zero Banking Alliance, we set up a working group to disclose targets on our priority sectors and monitor our decarbonization trajectory. In this context, we considered the most updated and reliable methodology available for each sector, moving beyond PACTA.

### Sector Policies

Environmental and social risk assessments are guided by Group environmental, social, operational, and reputational risk sector policies as well as by human rights commitment. When possible, the Equator Principles (EP) also apply. The following policies/commitments are in place:

|  |  |
|--|--|
| <p><b>Mining sector</b> <span style="background-color: #c00000; color: white; padding: 2px 5px;">UPDATED</span></p> <p><b>POLICIES IN PLACE</b></p> <p>Coal sector</p> <p>Nuclear energy</p> <p>Oil &amp; Gas sector</p> <p>Water infrastructure</p> | <p><b>Defence/Armaments</b> <span style="background-color: #c00000; color: white; padding: 2px 5px;">UPDATED</span></p> <p>Human rights commitment</p> <p>Deforestation commitment</p> <p>Tobacco commitment</p> |
|--|--|

We intend to review and, if necessary, set up policies in other sensitive ESG sectors. This will be done on the basis of our portfolio analysis and with the support of scientific experts in order to address such topics from a factual and impact-based perspective.

## Part E - Information on risks and related hedging policies

### *Financial risk management*

Regarding financial risks (Market Risk, Liquidity Risk and Counterparty Credit Risk) several concrete initiatives have been launched to integrate Climate & Environmental risk into the financial risk management framework. Find below the key pillars of the approach followed:

- a) An overall methodological approach for inclusion of Climate & Environmental drivers within Financial Risk framework have been defined also leveraging on the combination of the assessment methodologies the Bank is currently applying;
- b) The assessment of Climate & Environmental drivers is included in the process for evaluating of new financial products for which the Legal Entities have also to verify if any Climate & Environmental risk is embedded in the payoff/structure of the product and ensure the consistency with Group ESG strategy by involving the local competent function if needed;
- c) Enhancement of monthly reporting and monitoring framework through the inclusion of Physical and Transition risks for Financial Risk relevant perimeter and inclusion of Market- and Counterparty Credit Risk Stress Tests

The outcomes of concentration analyses and stress scenarios suggests a limited materiality of climate & environmental drivers on market risk exposures.

### **Physical risk assessment**

Physical risk typically affects credit risk and operational risk. More specifically:

#### *Credit Risk:*

UniCredit has already developed a methodology to estimate the potential actual annual deterioration of the fair value (FV) of the collaterals behind the mortgage portfolio. The approach envisages:

- the identification of key acute physical risks impacting the Bank's geographies at postal code/municipalities level;
- the quantification of the potential damage of the collaterals located in critical sites (i.e. high physical risk areas);
- the evaluation of the percentage of fair value potentially damaged by the event.

Current estimates highlight limited impact at approximately 0.1% of FV.

#### *Operational Risk:*

Operational risks, regarding for the most part data center operations and business continuity plans, must also be considered. The Group has endeavored over the past years to decrease energy consumption in data centers and build resilience by anticipating and preparing for any adverse events, mainly cybercrime, by preventing data leakage and guaranteeing business continuity.

The accurate analysis performed has led to conclude that business continuity processes of UniCredit group are not affected by physical change in weather patterns or other chronic, climate related, environmental changes.

### **Data Retrieval Strategy**

UniCredit is designing a global framework for ESG information that will be a key enabler for compliance to Regulatory Disclosure needs as well as for accelerating Risk Management and Business Steering, with a view to doing everything necessary to collect the following information:

1. EU Taxonomy Information: all environmental information needed to determine whether a counterparty/transaction is EU taxonomy eligible/aligned;
2. Other KPIs: all other environmental KPIs required by the regulator related to disclosure requirements and useful also for business/risk needs (GHG emissions, energy efficiency data, top 20 polluters, transition risk and physical risk score).

In particular, in order to determine whether a transaction/counterparty is EU Taxonomy eligible and aligned, a careful assessment has to be made, starting from all the technical screening criteria of the EU taxonomy to the study of Delegated Acts. Approaching the issue in a granular way is however very onerous since the necessary information is not available at this moment and should be requested from clients, which would have a considerable impact on the network and lending processes. In order to find a balance between a granular approach and an impact on origination processes, we have defined a data recovery strategy that mixes the different approaches.

The data retrieval strategy proposal leverages both external providers and client interviews, taking into account the trade-off between accuracy on ESG KPIs vs impact on origination processes. It is therefore necessary to define a feasible approach (external provider or questionnaire to collect information from the client at origination phase) to information retrieval that considers the following drivers: stock and flow exposure, loan purpose, economic sector, counterparty sizing.

It has to be flexible over time, taking into account the evolution of both regulations and bank experience.

Three possible types of data strategy have been designed:

1. Customer Survey at transaction level: Granular KPIs to be requested from clients through specific questionnaires at origination;
2. NFRD Disclosure at counterparty level: Quota of client's KPIs (CapEx, OpEx and Turnover) aligned with the EU Taxonomy as reported in the non-financial information disclosure (NFRD) gathered by providers and then to be applied to compute counterparty's sustainable exposure to UniCredit;
3. Algorithm at cluster level: Cluster data retrieved and/or elaborated by providers leveraging geographical and/or sectorial logics and algorithm, then to be applied to compute the counterparty's.

## Part E - Information on risks and related hedging policies

### 5. Cyber security risk

Along with the continuous digitalization of banking services, that has been accelerated in light of the Covid-19 pandemic outbreak, both the financial industry and its clients are increasingly exposed to cyber risks, threat even more worthy of attention due to the conflict between Russia and Ukraine. This requires reinforced governance with a continuous strong focus on data protection and cyber security.

The impact of cyber risks can cause service interruptions, as well as the loss of integrity and availability of data and information.

UniCredit group did not suffer any cyber-attack in 2022 leading to theft of data; in the past years UniCredit group have been subject to cyber-attacks which led, even though only in a few limited cases, to the theft of data; taking into account the type of risks detected, UniCredit carried out a wide and in-depth assessment of the effects that may derive also for financial statements purposes. To address cyber risks, UniCredit continuously enhances its cyber security program aiming at further strengthening the security controls.

### 6. Developments in the regulatory framework

Over the last few years, the regulatory framework in which financial institutions act has become increasingly complex and stricter. This complexity has further increased following the introduction of new financial regulations, some of them being still under discussion, and by the ECB central role in the supervision of a large portion of the European banking system.

All these changes might significantly affect UniCredit and introduce additional challenges for the general banking sector profitability and capital requirements.

The most relevant changes are the following:

- revision to the Basel 3 framework for the calculation of risk weighted assets for credit, operational, credit valuation adjustment (CVA) risks published in December 2017 (known as Basel 4). The regulator's ultimate goal is to restrict the usage of internal models for measuring credit risk on some specific portfolios and to return to a more stringent standardised approach as well as to eliminate internal models for operational risks. Basel 4 also introduces an aggregate output floor. These revisions are complemented by the change to the market risk framework (Fundamental Review of Trading Book - "FRTB") finalised in January 2019, which envisages the introduction of more stringent and sophisticated internal models and standardised approaches for measuring market risk in the trading portfolios.

The Basel Committee issued in July 2020 a set of targeted changes to the credit valuation adjustment (CVA) risk framework issued in December 2017 in order to ensure a better alignment with the more recent FRTB;

- on 27 March 2020, the Basel Committee's oversight body, the group of central bank Governors and Heads of Supervision (GHOS) changed the implementation timeline of the outstanding Basel 3 standards. In particular the implementation date of the Basel 3 standards finalised in December 2017 and January 2019 (credit risk, operational risk, output floor and market risk) has been deferred by one year to 1 January 2023;
- the EU Commission, published on 27 October 2021 the Banking Package 2021, which includes the proposals for the final implementation of Basel 3 in the European Union through a legislative package (i.e., the Banking Package) introducing amendments to Capital Requirements Regulation 2013/575/EU (CRR), to the Directive 2013/36/UE (Capital Requirements Directive), and also a proposal to amend the Capital Requirements Regulation in the area of resolution (the so-called "daisy chain" proposal).

Differently from the Basel Committee, the Commission's proposal provides for a date of entry in force of the reforms starting from 1 January 2025. The proposal shows that the Commission has taken into account some important European specificities that might mitigate the impact on the sector. In addition to the implementation of the Basel standards, part of the legislative package also aims to strengthen the resilience of the banking sector to environmental, social and governance (ESG) risks. The proposal is now being examined by the European Parliament and the Council (27 Member States), which, respectively, will work on possible changes before agreeing on a common text (so-called Trilogue phase with the mediation of the Commission).

The approval of the final text and the publication in the Official Journal will conclude the legislative process;

- in March 2018 the ECB published the "Addendum to the Guidance on Non-Performing Exposures" ("NPEs") which sets out supervisory expectations for the provisioning of exposures reclassified from performing to non-performing exposures after 1 April 2018. In April 2019 however the European Commission's amendment to Capital Requirements Regulation (CRR) introduced a minimum loss coverage ratio for new loans becoming NPEs after 26 April 2019 (the "statutory backstop"). On 22 August 2019, the ECB decided to revise its supervisory expectations for prudential provisioning of new non-performing exposures. The decision was made after considering the adoption of the new EU regulation that outlines the Pillar I treatment for NPEs. The initiatives that originate from the ECB are strictly supervisory (Pillar II) in nature. In contrast, the European Commission's requirement is legally binding (Pillar I). The above-mentioned developments result in three "buckets" of NPEs based on the date of the exposure's origination and the date of NPE's classification:

- NPEs classified before 1 April 2018 (Pillar II - Stock): 2/7 years vintage buckets for unsecured/secured NPEs, subject to supervisory coverage recommendations and phase-in paths as communicated in SREP letters;
- NPEs originated before 26 April 2019 (Pillar II - ECB Flows): 3/7/9 years vintage buckets for unsecured/secured other than by immovable property/secured by immovable property, progressive path to 100%;
- NPEs originated on or after 26 April 2019 (Pillar I - CRR Flows): 3/7/9 years vintage buckets for unsecured/secured other than by immovable property/secured by immovable property, progressive path to 100%;

## Part E - Information on risks and related hedging policies

- in May 2020 the European Banking Authority (EBA) published its Guidelines on loan origination and monitoring that expect institutions to develop robust and prudent standards to ensure newly originated loans are assessed properly. The Guidelines also aim to ensure that the institutions' practices are aligned with consumer protection rules and respect fair treatment of consumers. The Guidelines apply from 30 June 2021. But positively, institutions will benefit from a series of transitional arrangements: (1) the application to the already existing loans and advances that require renegotiation will apply from 30 June 2022, and (2) institutions will be allowed to address possible data gaps and adjust their monitoring frameworks and infrastructure until 30 June 2024;
- on 1 July 2020 the European Banking Authority (EBA) published its final Guidelines on the treatment of structural FX positions, applicable from 1 January 2022. The aim of these Guidelines is to establish a harmonised framework for the application of the structural FX waiver and identify objective criteria to assist Competent Authorities in their assessment of the structural nature of a foreign-exchange position and to understand whether such position has been deliberately taken for hedging the capital ratio;
- entry into force from June 2021 of a binding 3% minimum leverage ratio, an additional regulatory requirement compared to the risk-based indicators envisaged in the Basel 3 package. The leverage ratio aims to constrain the building up of financial leverage in the banking industry, as well as to reinforce the capital requirements with a supplementary measure not based on risk parameters.  
The final regulation for the European Union (CRR2), including the binding leverage ratio, has been published in June 2019. In March 2020, the group of central bank Governors and Heads of Supervision revised the implementation timeline of the final elements of the Basel 3 framework. The leverage ratio buffer requirement for global systemically important institutions has already been implemented through the amendments introduced by Regulation (EU) 2019/876. Therefore, and in order to ensure a level playing field internationally for institutions established in the Union and operating also outside the Union, the date of application for the leverage ratio buffer requirement set out in that Regulation has been deferred by one year to 1 January 2023. With the application of the leverage ratio buffer requirement postponed, during the postponement period there would be no consequences resulting from a failure to meet that requirement as set out in article 141c of Directive 2013/36/EU and no related restriction on distributions set out in article 141b of that Directive;
- in addition to changes implemented in the CRR2, also the revision to the leverage ratio calculation (mainly on the exposure measure) introduced by the Basel 4 package will have to be implemented in Europe through the further revision of the CRR (CRR2) and enter into force not earlier than the beginning of 2024;
- entry into force of the liquidity requirements envisaged in Basel 3: a short-term indicator (Liquidity Coverage Ratio - "LCR"), with the goal to have banks maintain a liquidity buffer to survive a 30-days period of stress, and a structural liquidity indicator (the Net Stable Funding Ratio - "NSFR") referring to a time horizon over one year, introduced to ensure that assets and liabilities have a sustainable structure in terms of maturity. While the LCR has been in force for some time now, the NSFR has been introduced as a requirement in the CRR2 published in June 2019 and applied since June 2021
- TLAC/MREL introduction: the TLAC introduced by the Financial Stability Board as a global standard for G-SIBs and aimed at ensuring that institutions maintain a sufficient amount of financial resources to absorb losses and recapitalise in case of stress, was implemented in Europe through the CRR2/CRDV, published in June 2019. The European transposition of TLAC, i.e., the "Pillar 1" Minimum Requirement for Own Funds and Eligible Liabilities (Pillar 1 MREL) applies to all G-SIBs; "Pillar 2" MREL instead is bank-specific and was introduced by the BRRD in 2014 and later amended in June 2019 (BRRD2). TLAC (Pillar 1 MREL) has become binding in June 2019 as a transitional requirement, equal to 16% of Risk Weighted Assets (RWAs) + the Combined Buffer Requirement and will reach its fully loaded level (18% of RWAs + Combined Buffer Requirement) in January 2022. MREL, instead, is being phased-in and reaches its fully loaded level in January 2024 (with an intermediate binding target in January 2022);
- discussion of preferential treatment of sovereign exposure in banks' banking book: banks' exposures to the home sovereign currently benefit of a zero-risk weight. There is no concrete proposal under consultation yet, but policy makers and regulators are discussing which approach to adopt, if any, to remove this preferential treatment. On the one hand, the European Commission (DG FISMA) is drafting a document which allegedly sets out EC's priorities for completing the Banking Union: these include the revision of the treatment of sovereign exposure which might foresee application of concentration charges. On the other hand, in 2018 the European Parliament issued a proposal, on which discussions have stalled, to allow preferential treatment to a new class of State Bond-Backed Securities ("SBBS"), to encourage diversification of banks' holdings of euro zone bonds. SBBS would be a new type of asset created by the private sector based on a pre-defined pool of sovereign bonds of the Euro area Member States;

## Part E - Information on risks and related hedging policies

- The EBA announced, in July 2022, that a new stress test exercise will be launched in January 2023 aiming to assess the resilience of EU banks to a common set of negative economic shocks. The results will be published by the end of July 2023.
- climate risk and environmental risk regulation updates:
  - ECB issued in November 2020 a Guide with supervisory expectations, based on current regulations, on how banks should incorporate climate-related and environmental risks into business strategy, governance, credit-granting process, Risk Appetite Frameworks, risk management framework, liquidity and capital adequacy processes, through dedicated stress testing scenarios;
  - EBA, EIOPA and ESMA published joint consultation paper on the proposed Environmental, Social and Governance (“ESG”) disclosure standards. EBA also published in November 2020 a discussion paper on ESG risks’ management and supervision, resulting in a final report published in June 2021. Further EBA Guidelines are expected in 2022;
  - the ECB conducted the Stress Test exercise in 2022 exclusively regarding Climate Risks, with the aim of evaluating the exposure of the Euro Area financial sector to natural disasters (floods or episodes of intense drought and heat) and to a faster-than-expected ecological transition (e.g. rapid increase in the price of CO2 from 2022). The results of the Stress Test has been integrated into the 2022 Supervisory Review and Evaluation Process (SREP) letter as a qualitative evaluation and will not have quantitative impact on the P2R;
  - the European Commission in the proposal for amendments to the Regulation on Capital Requirements 2013/575/EU (CRR) published in the Banking Package 2021 has brought forward to 2023 the deadline by which the EBA must deliver its report on the prudential treatment of ESG exposures;
  - On 30 November 2022, the EU Commission adopted the European Banking Authority (EBA) implementing technical standards on Pillar 3 which requires large credit institutions with securities traded on any regulated market of an EU Member State to disclose information on Environmental, Social and Governance (ESG) risks. The new rules aim to ensure comparable quantitative disclosures on climate change risks, including transition and physical risks, as well as qualitative disclosure regarding the inclusion of ESG factors into banks’ governance and business strategies and foreseen a phase-in period for disclosing information as follows: i) from January 2023, with reference data as of 31 December 2022, banks must disclose qualitative info on ESG risks and information related with the credit quality of their exposures; ii) from January 2024 the exposures towards EU counterparties and households on Taxonomy-aligned activities that are contributing to environmental objectives (Green Asset Ratio), while from January 2025, on a voluntary basis, the exposures towards non-EU counterparties and SMEs (Banking Book Taxonomy Alignment Ratio); and iii) Scope 3 emissions (financed greenhouse gas emissions associated with banks’ investment and lending activities to counterparties) from June 2024.

## Part F - Consolidated shareholders' equity

### Section 1 - Consolidated Shareholders' Equity

#### A. Qualitative information

UniCredit group deems as priority the activities of capital management and capital allocation based on the risks taken, with the aim of expanding the Group's operations in a value creation perspective. These activities are structured in the different phases of the Group planning and monitoring process and, in particular, in:

- planning and budgeting processes:
  - proposals of risks appetite and capitalisation objectives;
  - analysis of risks associated with value drivers and allocation of capital to the different businesses;
  - assignment of risk-adjusted performance objectives;
  - analysis of the impact on the Group's value and the creation of value for shareholders;
  - preparation and proposal of the equity plan and dividend policy;
- monitoring processes:
  - analysis of performance achieved at Group and business unit level and preparation of managerial reports for internal and external use;
  - analysis and monitoring of limits;
  - analysis and performance monitoring of the capital ratios of the Group and single entities.

The Group has committed itself to generate income in excess to the one necessary to remunerate risk (cost of equity) and to create value for its shareholders by allocating capital to the various business areas and business units on the basis of specific risk profiles. In order to support the planning and monitoring processes, the Group adopts a methodology based on risk-adjusted performance measurement (RAPM) which provides a number of indicators that combine and summarise the operating, financial and risk-related variables to be considered.

Therefore, the Group capital and its allocation are of paramount importance in the definition of corporate strategies, as, on the one hand, the Group Capital represents the shareholders' investment in the Group, which needs to be adequately remunerated, and on the other hand, it is a scarce resource subject to the external constraints set by the regulators.

In the allocation process, the definitions of capital adopted are the following:

- risk or employed capital: this is the equity component provided by shareholders (employed capital) which must be remunerated through an income generation higher than or equal to expectations (cost of equity);
- capital at risk: this is the portion of capital and reserves that is used (the budgeted amount or allocated capital) or was used to cover (at period-end - absorbed capital) the risks taken to pursue the objective of creating value.

If capital at risk is measured through risk management methods, then it is defined as internal capital; if it is measured through regulatory provisions, then it is defined as regulatory capital.

Internal capital and regulatory capital differ in terms of their definition and the categories of risk covered. The former is based on the actual measurement of the exposure taken, while the latter is based on schedules specified in regulatory provisions.

Internal capital is set at such a level to cover adverse events with a high level of probability, while regulatory capital is quantified on the basis of a CET1 target ratio in line with the one of major international banking groups and taking into account the impacts of the supervisory regulations in force or that will be adopted. Capital Allocated to Business Segment is quantified by regulatory capital.

The capital management activity aims at defining the target level of capitalisation for the Group and its companies in line with supervisory regulations and the risk appetite.

UniCredit group has identified a Common Equity Tier 1 Ratio target of 12.5-13 per cent, as announced during the "UniCredit Unlocked" Strategy Day held on 9 December 2021 ([https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/Strategy-day/UniCredit\\_2021\\_Strategy-Day\\_PR\\_ENG.pdf](https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/Strategy-day/UniCredit_2021_Strategy-Day_PR_ENG.pdf)).

The capital management activities envisage the development of the capital plan and the monitoring the regulatory capital ratios.

The monitoring activity is focused on the one hand, on capital, according to both accounting and regulatory definition (Common Equity Tier 1, Additional Tier 1, Tier 2 Capital, TLAC, MREL and Leverage Ratio), and, on the other hand, on the planning and performance of Risk-Weighted Assets (RWA).

The capital management is intended as dynamic activity continuously aiming at identifying the most suitable investment and capital instruments (ordinary shares and other capital instruments) for achieving the defined targets and strategies. If there is a capital shortfall, the gaps to be filled and the capital generation measures that can be used are identified, and their cost and efficiency are measured through the RAPM methodology. In this context, value analysis is enhanced by the aspects regarding, among others, regulatory, accounting, financial, tax-related and risk management issues; in this way, is possible to perform the necessary assessments and to provide with the necessary instructions to the functions of the Parent Company or of the Group companies asked to implement the actions identified.

## Part F - Consolidated shareholders' equity

## B. Quantitative information

## B.1 Consolidated Shareholders' Equity: breakdown by type of company

(€ million)

| NET EQUITY ITEMS  | AMOUNTS AS AT 31.12.2022 |                     |                 |  | TOTAL         |
|---|--------------------------|---------------------|-----------------|--|---------------|
|   | BANKING GROUP            | INSURANCE COMPANIES | OTHER COMPANIES | CONSOLIDATION ADJUSTMENTS AND ELIMINATIONS |               |
| 1. Share Capital  | 21,265                   | -                   | 8               | -  | 21,273        |
| 2. Share premium reserve  | 2,544                    | -                   | -               | -  | 2,544         |
| 3. Reserves   | 31,743                   | 497                 | 1,059           | (1,573)                                    | 31,726        |
| 4. Equity instruments   | 6,100                    | -                   | -               | -  | 6,100         |
| 5. Treasury shares  | -                        | -                   | -               | -  | -             |
| 6. Revaluation reserves   | (4,619)                  | (209)               | 27              | 182  | (4,619)       |
| - Equity instruments designated at fair value through other comprehensive income                        | (159)                    | -                   | 13              | -  | (146)         |
| - Hedge accounting of equity instruments designated at fair value through other comprehensive income    | -                        | -                   | -               | -  | -             |
| - Financial assets (different from equity instruments) at fair value through other comprehensive income | (623)                    | -                   | -               | -  | (623)         |
| - Property, plant and equipment   | 1,774                    | -                   | 5               | -  | 1,779         |
| - Intangible assets   | -                        | -                   | -               | -  | -             |
| - Foreign investments hedging   | (148)                    | -                   | -               | -  | (148)         |
| - Cash flow hedging   | (629)                    | -                   | -               | -  | (629)         |
| - Hedging instruments (non-designated items)  | -                        | -                   | -               | -  | -             |
| - Foreign Exchange differences  | (2,447)                  | -                   | -               | -  | (2,447)       |
| - Non-current assets and disposal groups classified as held for sale                                    | 2                        | -                   | -               | -  | 2             |
| - Financial liabilities designated at fair value through profit or loss (own creditworthiness changes)  | (80)                     | -                   | -               | -  | (80)          |
| - Actuarial gains (losses) on defined benefit plans   | (2,404)                  | -                   | -               | -  | (2,404)       |
| - Part of valuation reserves from investments valued at equity method                                   | (182)                    | (209)               | 9               | 182  | (200)         |
| - Special revaluation laws  | 277                      | -                   | -               | -  | 277           |
| 7. Profit (Loss) of the year (+/-) Minority interests   | 6,472                    | 131                 | 197             | (327)                                      | 6,473         |
| <b>Total</b>  | <b>63,505</b>            | <b>419</b>          | <b>1,291</b>    | <b>(1,718)</b>                             | <b>63,497</b> |

## B.2 Revaluation reserves of financial assets at fair value through other comprehensive income: breakdown

(€ million)

| ASSETS/VALUES           | AMOUNTS AS AT 31.12.2022 |                  |                     |                  |                  |                  |  |                  |                  |                  |
|-------------------------|--------------------------|------------------|---------------------|------------------|------------------|------------------|--|------------------|------------------|------------------|
|                         | PRUDENTIAL CONSOLIDATED  |                  | INSURANCE COMPANIES |                  | OTHER COMPANIES  |                  | CONSOLIDATION ADJUSTMENTS AND ELIMINATIONS |                  | TOTAL            |                  |
|                         | POSITIVE RESERVE         | NEGATIVE RESERVE | POSITIVE RESERVE    | NEGATIVE RESERVE | POSITIVE RESERVE | NEGATIVE RESERVE | POSITIVE RESERVE                           | NEGATIVE RESERVE | POSITIVE RESERVE | NEGATIVE RESERVE |
| 1. Debt securities      | 352                      | (975)            | -                   | -                | -                | -                | -  | -                | 352              | (975)            |
| 2. Equity securities    | 274                      | (433)            | -                   | -                | 13               | -                | -  | -                | 287              | (433)            |
| 3. Loans                | -                        | -                | -                   | -                | -                | -                | -  | -                | -                | -                |
| <b>Total 12.31.2022</b> | <b>626</b>               | <b>(1,408)</b>   | <b>-</b>            | <b>-</b>         | <b>13</b>        | <b>-</b>         | <b>-</b>                                   | <b>-</b>         | <b>639</b>       | <b>(1,408)</b>   |
| <b>Total 12.31.2021</b> | <b>1,143</b>             | <b>(639)</b>     | <b>-</b>            | <b>-</b>         | <b>52</b>        | <b>(4)</b>       | <b>-</b>                                   | <b>-</b>         | <b>1,194</b>     | <b>(643)</b>     |

## Part F - Consolidated shareholders' equity

### B.3 Revaluation reserves of financial assets at fair value through other comprehensive income: annual change

(€ million)

| ASSETS/VALUES  | CHANGES IN 2022    |                      |          |
|--|--------------------|----------------------|----------|
|  | DEBT<br>SECURITIES | EQUITY<br>SECURITIES | LOANS    |
| <b>1. Opening balance</b>  | <b>751</b>         | <b>(200)</b>         | <b>-</b> |
| <b>2. Positive changes</b>   | <b>1,876</b>       | <b>162</b>           | <b>-</b> |
| 2.1 Fair value increases   | 1,721              | 48                   | -        |
| 2.2 Net losses on impairment   | 30                 | -                    | -        |
| 2.3 Reclassification through profit or loss of negative reserves: following disposal | 111                | -                    | -        |
| 2.4 Transfers to other comprehensive shareholders' equity (equity instruments)       | -                  | 91                   | -        |
| 2.5 Other changes  | 14                 | 23                   | -        |
| <b>3. Negative changes</b>   | <b>(3,250)</b>     | <b>(108)</b>         | <b>-</b> |
| 3.1 Fair value reductions  | (2,849)            | (80)                 | -        |
| 3.2 Recoveries on impairment   | (6)                | -                    | -        |
| 3.3 Reclassification through profit or loss of positive reserves: following disposal | (386)              | -                    | -        |
| 3.4 Transfers to other comprehensive shareholders' equity (equity instruments)       | -                  | (27)                 | -        |
| 3.5 Other changes  | (9)                | -                    | -        |
| <b>4. Closing balance</b>  | <b>(623)</b>       | <b>(146)</b>         | <b>-</b> |

### B.4 Revaluation reserves related to defined benefit plans: annual changes

(€ million)

|   | CHANGES IN 2022 |                        |                 |  | TOTAL          |
|---|-----------------|------------------------|-----------------|--|----------------|
|   | BANKING GROUP   | INSURANCE<br>COMPANIES | OTHER COMPANIES | CONSOLIDATION<br>ELIMINATIONS<br>AND ADJUSTMENTS |                |
| <b>1. Opening balance</b>               | <b>(3,796)</b>  | <b>-</b>               | <b>-</b>        | <b>-</b>   | <b>(3,796)</b> |
| <b>2. Increases</b>                     | <b>1,444</b>    | <b>-</b>               | <b>-</b>        | <b>-</b>   | <b>1,443</b>   |
| 2.1 Increases in fair value             | 1,431           | -                      | -               | -  | 1,430          |
| 2.2 Transfers to other net equity items | -               | -                      | -               | -  | -              |
| 2.3 Other changes                       | 13              | -                      | -               | -  | 13             |
| <b>3. Decreases</b>                     | <b>(52)</b>     | <b>-</b>               | <b>-</b>        | <b>-</b>   | <b>(52)</b>    |
| 3.1 Decreases in fair value             | (44)            | -                      | -               | -  | (44)           |
| 3.2 Transfers to other net equity items | -               | -                      | -               | -  | -              |
| 3.3 Other changes                       | (8)             | -                      | -               | -  | (8)            |
| <b>4. Closing balance</b>               | <b>(2,404)</b>  | <b>-</b>               | <b>-</b>        | <b>-</b>   | <b>(2,404)</b> |

## Section 2 - Own funds and banking regulatory ratios

For this section refer to the own funds disclosure and capital adequacy reported into the UniCredit group disclosure (Pillar III).



## Part G - Business combinations

### Section 1 - Business combinations completed in the year

#### 1.1 Business combinations

Business combinations with counterparties outside the Group are carried out using the “purchase method” prescribed by the accounting standard IFRS3 “Business Combinations”, cited in the disclosure of “A.2 - Main items of the accounts”, Notes to the consolidated accounts, Part A - Accounting policies.

In 2022 the Group has performed no relevant business combinations outside the Group.

For further details refer to the paragraph “Section 3 - Consolidation scope and methods”, Notes to the consolidated accounts, Part A - Accounting policies, A.1 - General.

Under its reorganization process, in 2022 the Group carried out business combinations involving companies or businesses which were already directly or indirectly controlled by UniCredit S.p.A. These transactions have no economic substance and are accounted for in the acquirer’s and acquired entity’s accounts in accordance with the continuity principle. These transactions have no effect on consolidated level.

Specifically, it should be noted that the mergers by incorporation of Cordusio SIM S.p.A., UniCredit Services S.C.p.A. and Crivelli S.r.l. into UniCredit S.p.A. have been carried out.

### Section 2 - Business combinations completed after year-end

No business combinations have been completed after year end.

### Section 3 - Retrospective adjustments

No retrospective adjustments have been applied in 2022 on business combinations completed in previous years.

## Part H - Related-party transactions

### Introduction

For the purposes of financial disclosure, in accordance with the Commission Regulation (EU) No.632/2010 of 19 July 2010, the text of IAS24 applies, which defines the concept of related party and identifies the relations between that party and the entity producing the financial statements; in addition, it is clarified that the disclosure should include, among others, transactions entered into with subsidiaries of associates and subsidiaries of joint ventures.

Pursuant to IAS24, UniCredit S.p.A.'s related parties include:

- companies belonging to UniCredit group and companies controlled by UniCredit but not consolidated;
- associates and joint ventures, as well as their subsidiaries;
- UniCredit's "Key management personnel";
- close family members of "key management personnel" and companies controlled, or jointly controlled, by key management personnel or their close family members;
- UniCredit group employee post-employment benefit plans.

Also for the management of related-party transactions refer to the discipline established by Consob Regulation No.17221/2010 as subsequently amended by Resolution No.21624 of 10 December 2020 (deriving from the provisions of Art.2391-bis of the Italian Civil Code) and by Banca d'Italia Circular No.285/2013 (Part III, Chapter 11, Section I) as well as the provisions pursuant to Art.136 of Legislative Decree No.385/1993, under which corporate officers may assume obligations towards the bank they manage, direct or control, only upon unanimous approval of the board of the bank and positive opinion of the Board of Statutory Auditors.

In this regard, UniCredit, as a listed issuer and subject to Banca d'Italia regulations, has adopted the Global Policy "Transactions with related parties, associated persons and Corporate Officers ex Art.136 CBA<sup>79</sup> (Consolidated Banking Act)", approved by UniCredit's Board of Directors with the positive opinion of the Related Parties Committee and of the Board of Statutory Auditors, which is published on UniCredit website ([www.unicreditgroup.eu](http://www.unicreditgroup.eu)), designed to define preliminary and conclusive rules with respect to transactions executed by UniCredit, including those conducted through subsidiaries, with related parties, considering the specificities of the provisions mentioned above, and the manner in which information is disclosed to corporate bodies, the supervisory authorities and the market.

Specific guidelines contained in the Global Policy have been distributed to the company's functions and Group Legal Entities in order to systematically abide to the above-mentioned reporting requirements.

The Board of Directors set up the Related Parties Committee, in compliance with CONSOB regulatory provisions and the Banca d'Italia's supervisory regulations, consisting only of independent Directors pursuant to the Italian Corporate Governance Code.

In addition, UniCredit applies specific procedures regarding internal controls on risk activities with subjects in conflict of interests regulated in the Global Policy "Transactions with related parties, associated persons and Corporate Officers ex Art.136 CBA<sup>79</sup>".

During 2022, transactions carried out with related parties reported in the data streams provided by the reference standards, were executed and carried out based on assessments of the economic convenience and interests of the Group.

<sup>79</sup> Corresponding to Italian Testo Unico Bancario.

## Part H - Related-party transactions

### 1. Details of Key management personnels' compensation

Details of Key management personnel's 2022 remuneration are given below pursuant to IAS24 and to the Circular No.262 of 22 December 2005 of Banca d'Italia (and subsequent amendments) requiring that also the Statutory Auditors' compensation be included.

Key management personnel are persons having authority and responsibility for planning, directing, and controlling UniCredit's activities, directly or indirectly. This category includes the Chief Executive Officer and the other members of the Board of Directors, the Statutory Auditors, the Chief Audit Executive and the Group Executive Committee (GEC) members, body that reports directly to the Chief Executive Officer, excluding the Heads of Group Strategy & ESG and Group Stakeholder Engagement.

#### Remuneration paid to key management personnel (including directors)

|   | (€ million) |           |
|---|-------------|-----------|
|   | YEAR 2022   | YEAR 2021 |
| a) short-term employee benefits                   | 25          | 21        |
| b) post-retirement benefits                       | 1           | 1         |
| <i>of which: under defined benefit plans</i>      | -           | -         |
| <i>of which: under defined contribution plans</i> | 1           | 1         |
| c) other long-term benefits                       | -           | -         |
| d) termination benefits                           | 5           | 15        |
| e) share-based payments                           | 7           | 13        |
| <b>Total</b>                                      | <b>38</b>   | <b>50</b> |

The information reported above include the compensation paid to Directors (€7 million), Statutory Auditors (€1 million) and other Managers with strategic responsibilities (€17 million), as shown in the document "*Information Tables Pursuant Art.84 -quarter (Annual Report - Section II) of the Regulation No.11971 Issued by Consob*" attached to the "*2022 Group Remuneration Policy*", and about €13 million relating to other costs (the company share of social security contributions, accruals to severance pay funds and share-based payments using UniCredit and its subsidiaries' equity instruments).

The compensation paid shows a substantial decrease compared to fiscal year 2021, mainly related to: (i) the lower payment of compensation related to the termination of employment during the year; (ii) the fact that the 2021 costs had been exceptionally affected by the need to recognise in Profit and Loss, in accordance with international accounting standards, the entire amount of the Share Award that had been assigned to the CEO upon his hiring.

## Part H - Related-party transactions

### 2. Related-party transactions

The following table sets out the assets, liabilities, guarantees and commitments, for each group of related parties, pursuant to IAS24.

#### Related-party transactions: balance sheet items

(€ million)

|   | AMOUNTS AS AT 31.12.2022             |                |                      |                          |                       |              | % ON ACCOUNTS ITEM | SHAREHOLDERS <sup>(*)</sup> | % ON ACCOUNTS ITEM |
|---|--------------------------------------|----------------|----------------------|--------------------------|-----------------------|--------------|--------------------|-----------------------------|--------------------|
|   | CONTROLLED NOT CONSOLIDATED ENTITIES | JOINT VENTURES | ASSOCIATED COMPANIES | KEY MANAGEMENT PERSONNEL | OTHER RELATED PARTIES | TOTAL        |                    |                             |                    |
| Cash and cash balances  | -                                    | -              | 12                   | -                        | -                     | 12           | 0.01%              | -                           | -                  |
| Financial assets at fair value through profit or loss               | -                                    | -              | 117                  | -                        | -                     | 117          | 0.16%              | 434                         | 0.59%              |
| a) Financial assets held for trading                                | -                                    | -              | 43                   | -                        | -                     | 43           | 0.07%              | 164                         | 0.25%              |
| c) Other financial assets mandatorily at fair value                 | -                                    | -              | 74                   | -                        | -                     | 74           | 0.90%              | 270                         | 3.30%              |
| Financial assets at fair value through other comprehensive income   | -                                    | -              | 126                  | -                        | -                     | 126          | 0.23%              | -                           | -                  |
| Financial assets at amortised cost                                  | 34                                   | 16             | 574                  | 1                        | 1                     | 626          | 0.11%              | 23                          | -                  |
| a) Loans and advances to banks                                      | 4                                    | -              | 102                  | -                        | 1                     | 107          | 0.19%              | -                           | -                  |
| b) Loans and advances to customers                                  | 30                                   | 16             | 472                  | 1                        | -                     | 519          | 0.10%              | 23                          | -                  |
| Non-current assets and disposal groups classified as held for sale  | -                                    | -              | 13                   | -                        | -                     | 13           | 1.06%              | -                           | -                  |
| Other assets  | 2                                    | -              | 166                  | -                        | -                     | 168          | 1.71%              | -                           | -                  |
| <b>Total assets(**)</b>   | <b>36</b>                            | <b>16</b>      | <b>1,008</b>         | <b>1</b>                 | <b>1</b>              | <b>1,062</b> | <b>0.13%</b>       | <b>457</b>                  | <b>0.05%</b>       |
| Financial liabilities at amortised cost                             | 46                                   | 1              | 6,963                | 9                        | 29                    | 7,048        | 0.97%              | 1,176                       | 0.16%              |
| a) Deposits from banks  | -                                    | -              | 5,721                | -                        | -                     | 5,721        | 4.36%              | 44                          | 0.03%              |
| b) Deposits from customers  | 46                                   | 1              | 1,242                | 9                        | 29                    | 1,327        | 0.26%              | 170                         | 0.03%              |
| c) Debt securities in issue   | -                                    | -              | -                    | -                        | -                     | -            | -                  | 962                         | 1.14%              |
| Financial liabilities held for trading and designated at fair value | -                                    | -              | 24                   | -                        | -                     | 24           | 0.04%              | 20                          | 0.03%              |
| Hedging derivatives (liabilities)                                   | -                                    | -              | -                    | -                        | -                     | -            | -                  | 2                           | 0.06%              |
| Other liabilities   | 26                                   | -              | 93                   | -                        | -                     | 119          | 0.91%              | 4                           | 0.03%              |
| <b>Total liabilities(**)</b>  | <b>72</b>                            | <b>1</b>       | <b>7,080</b>         | <b>9</b>                 | <b>29</b>             | <b>7,191</b> | <b>0.89%</b>       | <b>1,202</b>                | <b>0.15%</b>       |
| Guarantees given and commitments(***)                               | 2                                    | -              | 1,267                | -                        | -                     | 1,269        | 0.35%              | 2                           | -                  |

#### Notes:

(\*) Shareholders and related companies holding more than 3% of voting shares in UniCredit.

(\*\*) The "Total assets" and "Total liabilities" values refer only to the items shown in this table.

(\*\*\*) It should be noted that the item "Commitments and guarantees given" includes revocable commitments.

The value of the percentage on accounts item, referred to "Commitments and guarantees given", has been calculated on the total of the tables "1. Commitments and financial guarantees given (different from those designated at fair value)" and "2. Others commitments and others guarantees given" in Notes to the consolidated accounts, Part B - Consolidated balance sheet, Liabilities, Other information.

## Part H - Related-party transactions

The following table sets out the impact of transactions, for each group of related parties, on income statements, pursuant to IAS24.

## Related-party transactions: profit and loss items

(€ million)

|   | AMOUNTS AS AT 31.12.2022             |                |                      |                          |                       |            | TOTAL         | % ON ACCOUNTS ITEM | SHAREHOLDERS <sup>(*)</sup> | % ON ACCOUNTS ITEM |
|---|--------------------------------------|----------------|----------------------|--------------------------|-----------------------|------------|---------------|--------------------|-----------------------------|--------------------|
|   | CONTROLLED NOT CONSOLIDATED ENTITIES | JOINT VENTURES | ASSOCIATED COMPANIES | KEY MANAGEMENT PERSONNEL | OTHER RELATED PARTIES |            |               |                    |                             |                    |
| 10. Interest income and similar revenues  | 2                                    | -              | 35                   | -                        | -                     | 37         | 0.23%         | -                  | -                           |                    |
| 20. Interest expenses and similar charges | -                                    | -              | (38)                 | -                        | -                     | (38)       | 0.66%         | (40)               | 0.70%                       |                    |
| <b>30. Net interest margin</b>            | <b>2</b>                             | <b>-</b>       | <b>(3)</b>           | <b>-</b>                 | <b>-</b>              | <b>(1)</b> | <b>0.01%</b>  | <b>(40)</b>        | <b>0.38%</b>                |                    |
| 40. Fees and commissions income           | 3                                    | -              | 774                  | -                        | -                     | 777        | 9.59%         | 40                 | 0.49%                       |                    |
| 50. Fees and commissions expenses         | (1)                                  | -              | (5)                  | -                        | -                     | (6)        | 0.42%         | (1)                | 0.07%                       |                    |
| <b>60. Net fees and commissions</b>       | <b>2</b>                             | <b>-</b>       | <b>769</b>           | <b>-</b>                 | <b>-</b>              | <b>771</b> | <b>11.53%</b> | <b>39</b>          | <b>0.58%</b>                |                    |
| 70. Dividend income and similar revenues  | 6                                    | -              | -                    | -                        | -                     | 6          | 1.37%         | 28                 | 6.41%                       |                    |
| 190. Administrative expenses              | (11)                                 | -              | (413)                | (1)                      | (4)                   | (429)      | 4.16%         | (3)                | 0.03%                       |                    |
| a) Staff costs                            | (2)                                  | -              | 4                    | (1)                      | -                     | 1          | 0.02%         | -                  | -                           |                    |
| b) Other administrative expenses          | (9)                                  | -              | (417)                | -                        | (4)                   | (430)      | 10.50%        | (3)                | 0.07%                       |                    |
| 230. Other operating expenses/income      | 1                                    | -              | (31)                 | -                        | -                     | (30)       | 4.99%         | (7)                | 1.16%                       |                    |

Note:

(\*) Shareholders and related companies holding more than 3% of voting shares in UniCredit.

For additional information regarding gains and losses of equity investments in associated companies, reference is made to the item "17.1 Gains (Losses) of equity investments: breakdown", Notes to the consolidated accounts, Part C - Consolidated income statement, Section 17 - Gains (Losses) of equity investments - Item 250.

The "Other related-parties IAS" category includes:

- close family members of key management personnel (i.e. those family members who, as is expected, may influence, or be influenced by, the person in question);
- companies controlled (or jointly controlled) by key management personnel or their close family members;
- Group employee post-employment benefit plans.

It should be noted that as at 31 December 2022 IAS24 Related Parties based in Russia, or controlled by Russian entities, are not subject to international sanctions.

## Part H - Related-party transactions

With reference to the main related-party transactions, it is worth to note the following considerations:

- starting from 2012 the subsidiary UniCredit Services S.C.p.A. (UCS) formerly UniCredit Business Integrated Solutions S.C.p.A. (UBIS), assumed the role of operating sub-holding to provide the Group's support services both in Italy and abroad.  
On 19 April 2013, the Board of Directors of UCS approved the executive plan of the project aimed at establishing a joint venture with another major player in the industry, IBM Italia S.p.A. (IBM), for the provision of technological infrastructure services (hardware, data center, etc.) to Commercial Banking. The transaction was completed when UCS transferred, with effect from 1 September 2013, of "Information Technology" business unit to the company "Value Transformation Services S.p.A." (V-TServices), formed and controlled by IBM Italia S.p.A. Following the transaction, UCS holds 49% of V-TServices's share capital; the remaining 51% is held by IBM (which is therefore the controlling shareholder).  
On 23 December 2016, the "Restatement and Amendment Agreement" was signed between UniCredit Services and V-TS with the aim of increasing value creation and ability to catch new opportunities from technological evolution, with the extension of the term until 2026.  
The "Second Restatement and Amendment Agreement" between UniCredit Services and V-TS was signed on 22 December 2019, with effectiveness from 1 January 2020, with the extension of the term of the 3-year contract until 2029. It should be noted that starting from 1 October 2022 with effectiveness starting from 1 January 2022, UniCredit Services S.C.p.A. (UCS) has been merged in UniCredit S.p.A. and the latter has become entitled to the contracts mentioned above.  
The services provided to UniCredit group by the abovementioned companies result in an exchange of fees (administrative costs).
- in 2018, through a competitive auction process, UniCredit S.p.A. has signed long-term partnership with Allianz for the exclusive distribution of Life and Non-Life bancassurance products (excluding Credit Protection products) in Bulgaria, Croatia, Hungary, Romania, Slovenia, Czech Republic and Slovakia. The partnership was implemented in these countries, through local distribution agreements, in compliance with the all the local regulations, in the second half of 2018.
- in 2022, UniCredit and Allianz have signed a multi-country framework agreement setting the basis for enhanced collaboration. With specific focus on Italy, the agreement mainly involves: (i) the renewal of the current arrangements both in the life and non-life businesses to 2027, (ii) full access to Allianz's products, (iii) support in developing an integrated platform and service model and (iv) enhancement of training and increased marketing support. In Germany, the agreement includes further initiatives to strengthen digital bancassurance and marketing.
- in 2022, UniCredit S.p.A. has also purchased from Allianz SE the 11.72 percent stake in Zagrebačka Banka while Allianz Holding EINS GmbH has acquired the 16.84 percent minority stake held by Zagrebačka banka in the Croatian insurance company, Allianz Hrvatska
- It should be noted that distribution agreements concerning insurance products were signed with the following associates:
  - CNP UniCredit Vita S.p.A.;
  - UniCredit Allianz Assicurazioni S.p.A.;
  - UniCredit Allianz Vita S.p.A.;
  - Incontra Assicurazioni S.p.A.
- The relationships with other related parties include the relationships with external pension funds (for UniCredit S.p.A. employees), since they have separate legal personality. These transactions were conducted on the same terms and conditions as those applied to transactions with independent third parties. The relationships with these pension funds are almost entirely represented by the relationships included in Deposits from customers (and related interests).

# Part I - Share-based payments

## Qualitative information

### 1. Description of payment agreements based on own equity instruments

#### 1.1 Outstanding instruments

Group Medium & Long Term Incentive Plans for selected employees of Group subsidiaries include the following category:

- **Equity-Settled Share Based Payments**, which provide for the delivery of shares.

This category includes the following grants of:

- **Group Executive Incentive System (Bonus Pool)** that offer to eligible Group executives and relevant employees identified following regulatory rules, a bonus structure composed by upfront (following the moment of performance evaluation) and deferred payments in cash and in UniCredit ordinary shares, to be paid over a period of ranging from 1 to 7 years. This payment structure will guarantee the alignment to shareholder interest and will be subjected to malus (which applies in case specific profitability, capital and liquidity thresholds are not met at both Group and country/division level) and claw back conditions (as legally enforceable) according to the plan rules (both non-market vesting conditions);
- **Long Term Incentive 2017-2019** that offers to eligible executives and key players of the Group an incentive 100% based on ordinary UniCredit shares, subject to 3-years deferral and to malus and claw-back conditions, as legally enforceable, according to the plan rules. The plan is structured on 3-years performance period, aligned to the UniCredit strategic plan and provides for the allocation of an award based on gateway conditions on profitability, liquidity, capital and risk position and a set of performance conditions focused on Group targets, aligned with Transform 2019;
- **Long Term Incentive 2020-2023** that provides for the allocation of incentives based on free ordinary shares, subject to the achievement of specific performance conditions to the Strategic Plan Team 23. The Plan is structured over a four-year performance period, consistent with UniCredit's Strategic Plan, and provides for the granting of the possible award in 2024. The award is subject to a 4-year deferral period, after the performance period, and to the respect during the performance period of the minimum conditions of profitability, capital requirements and liquidity as well as positive assessment of Risk Appetite Framework. According to Banca d'Italia and EBA requirements and to further strengthen the governance framework, the Plan includes rules of compliance breaches management, as well as their related impact on remuneration components, through the application of malus and claw-back clauses;
- **Share Award 2021** that regards CEO's remuneration. In order to foster the alignment with the shareholders from the start, and in lieu of the ability to set KPIs given his mandate to elaborate a new strategic plan, the Board of Directors approved for 2021 a one-off share-based award. The proposed remuneration structure for 2021 is strictly linked to the first year of the mandate. From 2022 onwards a mix of performance based long-term and short-term incentives will be applied to the CEO.

It is also noted that, according to Banca d'Italia Circular 285 (as of 17<sup>th</sup> December 2013 and subsequent updates concerning "Remuneration and incentive policies and practices"), the equity-settled share based payments, represented by deferred payments in UniCredit ordinary shares not subject to vesting conditions, are used for the settlement of the so-called golden parachute (e.g. severance) for the relevant employees.

#### 1.2 Measurement model

##### 1.2.1 Group Executive Incentive System (Bonus Pool)

The economic value of performance shares is measured considering the share market price at the grant date less the present value of the future dividends during the vesting period. Economic and net equity effects will be accrued on a basis of instruments' vesting period.

## Part I - Share-based payments

### Group Executive Incentive System “Bonus Pool 2021” - Shares

The plan is divided into clusters, each of which can have three or six installments of share-based payments spread over a period defined according to plan rules.

|  | SHARES GRANTED                                     |                       |                       |                       |                       |                       |
|--|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  | GROUP EXECUTIVE INCENTIVE SYSTEM - BONUS POOL 2021 |                       |                       |                       |                       |                       |
|  | INSTALLMENT<br>(2023)                              | INSTALLMENT<br>(2024) | INSTALLMENT<br>(2025) | INSTALLMENT<br>(2026) | INSTALLMENT<br>(2027) | INSTALLMENT<br>(2028) |
| Date of bonus opportunity economic value granting                | 10-Feb-2021  | 10-Feb-2021           | 10-Feb-2021           | 10-Feb-2021           | 10-Feb-2021           | 10-Feb-2021           |
| Date of Board resolution (to determine number of shares)         | 08-Mar-2022  | 08-Mar-2022           | 08-Mar-2022           | 08-Mar-2022           | 08-Mar-2022           | 08-Mar-2022           |
| Vesting period start date  | 01-Jan-2021  | 01-Jan-2021           | 01-Jan-2021           | 01-Jan-2021           | 01-Jan-2021           | 01-Jan-2021           |
| Vesting period end date  | 31-Dec-2021  | 31-Dec-2022           | 31-Dec-2023           | 31-Dec-2024           | 31-Dec-2025           | 31-Dec-2026           |
| UniCredit share market price [€]                                 | 13.039   | 13.039                | 13.039                | 13.039                | 13.039                | 13.039                |
| Economic value of vesting conditions [€]                         | -0.541   | -1.082                | -1.771                | -2.744                | -3.710                | -4.668                |
| <b>Performance shares' fair value per unit at grant date [€]</b> | <b>12.498</b>                                      | <b>11.957</b>         | <b>11.268</b>         | <b>10.295</b>         | <b>9.329</b>          | <b>8.371</b>          |

### Group Executive Incentive System “Bonus Pool 2022” - Shares

The new Group Incentive System 2022 is based on a bonus pool approach, aligned with regulatory requirements and market practices, which defines:

- sustainability, through direct link with entity results and alignment with relevant risk categories, using specific indicators linked to risk-appetite framework;
- link between bonuses and organisation structure, defining the pool at country/division level with further review at Group level;
- bonuses allocated to executives and other relevant employee, identified on a basis of European Bank Authority (EBA) rules, according to local regulations;
- payment structure has been defined in accordance with regulatory provisions qualified by Directive 2013/36/EU (CRD IV) and will be distributed in a period of maximum seven years by using a mix of shares and cash.

All profit and loss and net equity effects related to the plan will be booked during the vesting period.

The plan is divided into clusters, each of which can have three or six installments of share-based payments spread over a period defined according to plan rules.

|  | SHARES GRANTED                                     |                       |                       |                       |                       |                       |
|--|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  | GROUP EXECUTIVE INCENTIVE SYSTEM - BONUS POOL 2022 |                       |                       |                       |                       |                       |
|  | INSTALLMENT<br>(2024)                              | INSTALLMENT<br>(2025) | INSTALLMENT<br>(2026) | INSTALLMENT<br>(2027) | INSTALLMENT<br>(2028) | INSTALLMENT<br>(2029) |
| Date of bonus opportunity economic value granting                | 15-Feb-2022  | 15-Feb-2022           | 15-Feb-2022           | 15-Feb-2022           | 15-Feb-2022           | 15-Feb-2022           |
| Date of Board resolution (to determine number of shares)         | 08-Apr-2022  | 08-Apr-2022           | 08-Apr-2022           | 08-Apr-2022           | 08-Apr-2022           | 08-Apr-2022           |
| Vesting period start date  | 01-Jan-2022  | 01-Jan-2022           | 01-Jan-2022           | 01-Jan-2022           | 01-Jan-2022           | 01-Jan-2022           |
| Vesting period end date  | 31-Dec-2022  | 31-Dec-2023           | 31-Dec-2024           | 31-Dec-2025           | 31-Dec-2026           | 31-Dec-2027           |
| UniCredit share market price [€]                                 | 9.686  | 9.686                 | 9.686                 | 9.686                 | 9.686                 | 9.686                 |
| Economic value of vesting conditions [€]                         | -1.080   | -1.760                | -2.711                | -3.648                | -4.573                | -5.485                |
| <b>Performance shares' fair value per unit at grant date [€]</b> | <b>8.606</b>                                       | <b>7.926</b>          | <b>6.975</b>          | <b>6.038</b>          | <b>5.113</b>          | <b>4.201</b>          |

#### 1.2.2 Long Term Incentive Plan 2017-2019

The economic value of performance shares is measured considering the share market price at the grant date less the present value of the future dividends during the vesting period.

The plan is divided into clusters, based on the beneficiary position, each of which can have from one to four installments of share-based payments spread over a period defined according to plan rules.

#### 1.2.3 Long Term Incentive Plan 2020-2023

The economic value of performance shares is measured considering the share market price at the grant date less the present value of the future dividends during the vesting period.

The plan is divided into clusters, based on the beneficiary position, each of which can have from one to five installments of share-based payments spread over a period defined according to plan rules.

#### 1.2.4 Share Award 2021

The economic value of performance shares is measured considering the share market price at the grant date less the present value of the future dividends during the vesting period.



## Part I - Share-based payments

### Quantitative information

#### 1. Annual changes

##### Other UniCredit equity instruments: Performance Shares

| ITEMS/NUMBER OF OTHER EQUITY INSTRUMENTS AND EXERCISE PRICE | YEAR 2022 <sup>(*)</sup>           |                            |                  | YEAR 2021 <sup>(*)</sup>           |                            |                  |
|---|------------------------------------|----------------------------|------------------|------------------------------------|----------------------------|------------------|
|   | NUMBER OF OTHER EQUITY INSTRUMENTS | AVERAGE EXERCISE PRICE [€] | AVERAGE MATURITY | NUMBER OF OTHER EQUITY INSTRUMENTS | AVERAGE EXERCISE PRICE [€] | AVERAGE MATURITY |
| <b>A. Outstanding at beginning of period</b>                | <b>18,120,625</b>                  | <b>-</b>                   | <b>Jun-2022</b>  | <b>24,559,436</b>                  | <b>-</b>                   | <b>Apr-2022</b>  |
| <b>B. Increases</b>   | <b>14,582,439</b>                  | <b>-</b>                   |                  | <b>4,732,784</b>                   | <b>-</b>                   |                  |
| B.1 New issues  | 14,582,439                         | -                          |                  | 4,732,784                          | -                          |                  |
| B.2 Other   | -                                  | -                          |                  | -                                  | -                          |                  |
| <b>C. Decreases</b>   | <b>8,002,865</b>                   | <b>-</b>                   |                  | <b>11,171,595</b>                  | <b>-</b>                   |                  |
| C.1 Forfeited   | 1,191,553                          | -                          |                  | 4,882,990                          | -                          |                  |
| C.2 Exercised <sup>(**)</sup>                               | 6,811,312                          | -                          |                  | 6,288,605                          | -                          |                  |
| C.3 Expired   | -                                  | -                          |                  | -                                  | -                          |                  |
| C.4 Other   | -                                  | -                          |                  | -                                  | -                          |                  |
| <b>D. Outstanding at end of period<sup>(***)</sup></b>      | <b>24,700,199</b>                  | <b>-</b>                   | <b>Nov-2023</b>  | <b>18,120,625</b>                  | <b>-</b>                   | <b>Jun-2022</b>  |
| <b>E. Vested instruments at end of period</b>               | <b>5,938,709</b>                   | <b>-</b>                   |                  | <b>10,059,806</b>                  | <b>-</b>                   |                  |

#### Notes:

(\*) The information related to number of options and average exercise price had been modified following the grouping operation resolved by UniCredit Extraordinary Shareholders' Meeting held on 12 January 2017 and following the application of "adjustment factor" equal to 0.50112555 recommended by AIAF (Associazione Italiana Analisti Finanziari) for the capital increase resolved by the UniCredit Extraordinary Shareholder Meeting on 12 January 2017 and finalised on 2 March 2017.

(\*\*) As far as the 2022 movement is concerned, the average market price at the exercise date is equal to €15.35 (€8.93 was the price observed at exercise date for 2021 movimentation).

(\*\*\*) UniCredit undertakes to grant, conditional upon achieving performance targets set in the strategic plan 24,700,199 ordinary shares at the end of 2022 (18,120,625 ordinary shares at the end of 2021).

#### 2. Other Information

##### Effects on Profit and Loss

All Share-Based Payment granted after 7 November 2002 whose vesting period ends after 1 January 2005 are included within the scope of the IFRS2.

##### Financial statement presentation related to share based payments

|  | 2022     |              | 2021     |              |
|--|----------|--------------|----------|--------------|
|  | TOTAL    | VESTED PLANS | TOTAL    | VESTED PLANS |
| (Costs)/Revenues                                   | (57)     | -            | (69)     | -            |
| - connected to equity-settled plans <sup>(*)</sup> | (55)     | -            | (67)     | -            |
| - connected to cash-settled plans                  | (2)      | -            | (2)      | -            |
| <b>Debts for cash-settled plans</b>                | <b>4</b> | <b>-</b>     | <b>4</b> | <b>-</b>     |

#### Note:

(\*) Includes costs for €5.8 million related to golden parachute.

## Part L - Segment reporting

### Organisational structure

The organizational structure of the Group is divided into geographical areas as follows:

- Italy;
- Germany;
- Central Europe (including Austria, Czech Republic and Slovakia, Hungary, Slovenia);
- Eastern Europe (including Bosnia and Herzegovina, Bulgaria, Croatia, Romania, Serbia);
- Russia.

Starting from the first quarter of 2022, the Group's organizational structure has been updated by isolating activities in Russia and cross-border exposure booked in UniCredit Spa towards this country in a specific segment of Segment Reporting. In addition to Russia, also Central Europe and Eastern Europe includes cross-border exposure booked in UniCredit S.p.A.

This organization ensures Country and local Banks autonomy on specific activities granting proximity to the customers (for all client segment, Retail and Corporate) and efficient decisional processes.

All standalone geographies of the Group have dedicated support functions such as: People and Culture, Finance, Digital & Information Office, and Operations. In addition, Compliance, Legal and Risk have established specific regional departments.

Alongside the new five geographical areas there are Group Corporate Centre with the objective to lead, control and support the management of the assets and related risks of the Group as a whole and of the single Group companies in their respective areas of competence; it also includes the Group's Legal Entities that are going to be dismissed.

Non Core, reported till full year 2021 date of its complete runoff, included non-strategic Italian assets and those with a poor fit to the Group's risk-adjusted return framework.

The Segment Reporting has been re-shaped according to the Group organization

## Part L - Segment reporting

## A - Primary segment

## A.1 - Breakdown by business segment: income statement

(€ million)

|                                      | ITALY          | GERMANY        | CENTRAL EUROPE | EASTERN EUROPE | RUSSIA       | GROUP CORPORATE CENTRE | NON CORE | CONSOLIDATED GROUP TOTAL 31.12.2022 |
|--------------------------------------|----------------|----------------|----------------|----------------|--------------|------------------------|----------|-------------------------------------|
| Net interest                         | 4,234          | 2,593          | 2,205          | 1,261          | 757          | (358)                  | -        | 10,692                              |
| Dividends                            | 133            | 4              | 133            | 7              | 13           | 17                     | -        | 306                                 |
| Fees                                 | 4,207          | 1,190          | 939            | 498            | 82           | (76)                   | -        | 6,841                               |
| Trading income                       | 551            | 1,156          | 150            | 208            | 482          | 27                     | -        | 2,574                               |
| Other expenses/income                | (75)           | 106            | 27             | 22             | (75)         | (74)                   | -        | (70)                                |
| <b>Revenue</b>                       | <b>9,050</b>   | <b>5,050</b>   | <b>3,453</b>   | <b>1,996</b>   | <b>1,259</b> | <b>(464)</b>           | -        | <b>20,343</b>                       |
| HR costs                             | (2,329)        | (1,417)        | (858)          | (430)          | (147)        | (737)                  | -        | (5,918)                             |
| Non HR costs                         | (1,702)        | (1,006)        | (667)          | (287)          | (83)         | 737                    | -        | (3,007)                             |
| Recovery of expenses                 | 395            | 14             | 51             | 0              | -            | 53                     | -        | 513                                 |
| Amortisations and depreciations      | (305)          | (109)          | (123)          | (102)          | (53)         | (456)                  | -        | (1,149)                             |
| <b>Operating Costs</b>               | <b>(3,941)</b> | <b>(2,518)</b> | <b>(1,598)</b> | <b>(819)</b>   | <b>(283)</b> | <b>(402)</b>           | -        | <b>(9,560)</b>                      |
| <b>GROSS OPERATING PROFIT (LOSS)</b> | <b>5,109</b>   | <b>2,532</b>   | <b>1,855</b>   | <b>1,177</b>   | <b>976</b>   | <b>(867)</b>           | -        | <b>10,782</b>                       |
| Loan loss provisions (LLPs)          | (317)          | (392)          | (117)          | (184)          | (882)        | (2)                    | -        | (1,894)                             |
| <b>OPERATING NET PROFIT</b>          | <b>4,792</b>   | <b>2,140</b>   | <b>1,739</b>   | <b>992</b>     | <b>94</b>    | <b>(868)</b>           | -        | <b>8,888</b>                        |
| Other charges and provisions         | (539)          | (263)          | (236)          | (111)          | (24)         | 80                     | -        | (1,093)                             |
| Integration costs                    | (184)          | (81)           | 20             | (12)           | (21)         | (47)                   | -        | (324)                               |
| Net income from investments          | 241            | 5              | (115)          | 15             | (321)        | (7)                    | -        | (182)                               |
| <b>PROFIT (LOSS) BEFORE TAX</b>      | <b>4,310</b>   | <b>1,801</b>   | <b>1,408</b>   | <b>884</b>     | <b>(272)</b> | <b>(842)</b>           | -        | <b>7,289</b>                        |

The figures refer to the reclassified income statement.

## A.2 - Breakdown by business segment: balance sheet amounts and RWA

(€ million)

| BALANCE SHEET AMOUNTS                | ITALY   | GERMANY | CENTRAL EUROPE | EASTERN EUROPE | RUSSIA | GROUP CORPORATE CENTRE | NON CORE | CONSOLIDATED GROUP TOTAL 31.12.2022 |
|--------------------------------------|---------|---------|----------------|----------------|--------|------------------------|----------|-------------------------------------|
| CUSTOMERS LOANS (NET REPOS AND IC)   | 168,363 | 129,871 | 95,837         | 31,426         | 6,596  | 349                    | -        | 432,441                             |
| CUSTOMERS DEPOS (NET REPOS AND IC)   | 198,962 | 146,580 | 93,651         | 43,954         | 8,677  | (7)                    | -        | 491,817                             |
| TOTAL RISK WEIGHTED ASSETS (BASEL 3) | 120,192 | 81,130  | 60,402         | 26,866         | 16,143 | 3,733                  | -        | 308,466                             |

## A.3 - Staff

|                 | ITALY  | GERMANY | CENTRAL EUROPE | EASTERN EUROPE | RUSSIA | GROUP CORPORATE CENTRE | NON CORE | CONSOLIDATED GROUP TOTAL 31.12.2022 |
|-----------------|--------|---------|----------------|----------------|--------|------------------------|----------|-------------------------------------|
| <b>STAFF</b>    |        |         |                |                |        |                        |          |                                     |
| Employees (FTE) | 27,927 | 10,779  | 10,542         | 13,595         | 3,416  | 8,781                  | -        | 75,040                              |

## Part L - Segment reporting

### A.1 - Breakdown by business segment: income statement

|                                      | (€ million)    |                |                   |                   |              |                              |              | CONSOLIDATED<br>GROUP TOTAL<br>31.12.2021 |
|--------------------------------------|----------------|----------------|-------------------|-------------------|--------------|------------------------------|--------------|---|
|                                      | ITALY          | GERMANY        | CENTRAL<br>EUROPE | EASTERN<br>EUROPE | RUSSIA       | GROUP<br>CORPORATE<br>CENTRE | NON<br>CORE  |   |
| Net interest                         | 3,687          | 2,522          | 1,613             | 1,133             | 455          | (363)                        | (27)         | 9,019                                     |
| Dividends                            | 156            | 18             | 182               | 5                 | 16           | 144                          | -            | 520                                       |
| Fees                                 | 4,200          | 1,148          | 933               | 443               | 70           | (22)                         | 5            | 6,776                                     |
| Trading income                       | 373            | 662            | 226               | 207               | 28           | 90                           | (32)         | 1,554                                     |
| Other expenses/income                | 19             | 109            | 40                | 14                | 1            | (135)                        | (3)          | 45  |
| <b>Revenue</b>                       | <b>8,435</b>   | <b>4,458</b>   | <b>2,994</b>      | <b>1,802</b>      | <b>569</b>   | <b>(288)</b>                 | <b>(57)</b>  | <b>17,913</b>                             |
| HR costs                             | (2,341)        | (1,504)        | (875)             | (402)             | (123)        | (719)                        | (17)         | (5,981)                                   |
| Non HR costs                         | (1,759)        | (1,070)        | (690)             | (270)             | (68)         | 734                          | (68)         | (3,190)                                   |
| Recovery of expenses                 | 423            | 15             | 47                | 0                 | -            | 50                           | 13           | 548                                       |
| Amortisations and depreciations      | (316)          | (112)          | (124)             | (97)              | (43)         | (442)                        | (1)          | (1,133)                                   |
| <b>Operating Costs</b>               | <b>(3,993)</b> | <b>(2,671)</b> | <b>(1,642)</b>    | <b>(768)</b>      | <b>(234)</b> | <b>(376)</b>                 | <b>(72)</b>  | <b>(9,755)</b>                            |
| <b>GROSS OPERATING PROFIT (LOSS)</b> | <b>4,442</b>   | <b>1,788</b>   | <b>1,352</b>      | <b>1,033</b>      | <b>335</b>   | <b>(664)</b>                 | <b>(129)</b> | <b>8,158</b>                              |
| Loan loss provisions (LLPs)          | (1,043)        | (118)          | (261)             | (241)             | (39)         | 7                            | 61           | (1,634)                                   |
| <b>OPERATING NET PROFIT</b>          | <b>3,399</b>   | <b>1,670</b>   | <b>1,091</b>      | <b>792</b>        | <b>296</b>   | <b>(656)</b>                 | <b>(67)</b>  | <b>6,524</b>                              |
| Other charges and provisions         | (606)          | (407)          | (171)             | (92)              | (19)         | (47)                         | (44)         | (1,386)                                   |
| Integration costs                    | (298)          | (617)          | (364)             | (2)               | (7)          | (48)                         | (0)          | (1,337)                                   |
| Net income from investments          | (28)           | (18)           | 1                 | (3)               | (0)          | (1,952)                      | (19)         | (2,020)                                   |
| <b>PROFIT (LOSS) BEFORE TAX</b>      | <b>2,466</b>   | <b>627</b>     | <b>557</b>        | <b>695</b>        | <b>270</b>   | <b>(2,704)</b>               | <b>(131)</b> | <b>1,780</b>                              |

The figures refer to the reclassified income statement.

### A.2 - Breakdown by business segment: balance sheet amounts and RWA

|                                      | (€ million) |         |                   |                   |        |                              |             | CONSOLIDATED<br>GROUP TOTAL<br>31.12.2021 |
|--------------------------------------|-------------|---------|-------------------|-------------------|--------|------------------------------|-------------|---|
| BALANCE SHEET AMOUNTS                | ITALY       | GERMANY | CENTRAL<br>EUROPE | EASTERN<br>EUROPE | RUSSIA | GROUP<br>CORPORATE<br>CENTRE | NON<br>CORE |   |
| CUSTOMERS LOANS (NET REPOS AND IC)   | 169,704     | 127,316 | 92,534            | 28,840            | 11,845 | 318                          | 194         | 430,750                                   |
| CUSTOMERS DEPOS (NET REPOS AND IC)   | 202,558     | 131,756 | 92,962            | 38,741            | 10,483 | (14)                         | 460         | 476,945                                   |
| TOTAL RISK WEIGHTED ASSETS (BASEL 3) | 135,729     | 82,516  | 61,027            | 25,394            | 11,516 | 5,451                        | 361         | 321,992                                   |

### A.3 - Staff

|                 | ITALY  | GERMANY | CENTRAL<br>EUROPE | EASTERN<br>EUROPE | RUSSIA | GROUP<br>CORPORATE<br>CENTRE | NON<br>CORE | CONSOLIDATED<br>GROUP TOTAL<br>31.12.2021 |
|-----------------|--------|---------|-------------------|-------------------|--------|------------------------------|-------------|---|
| <b>STAFF</b>    |        |         |                   |                   |        |                              |             |   |
| Employees (FTE) | 28,580 | 11,678  | 11,381            | 13,889            | 3,913  | 9,047                        | 85          | 78,571                                    |

## Part L - Segment reporting

## B - Secondary segment

The Secondary segment Reporting is presented by client segment (Retail and Corporate), coherently with Strategic Plan UniCredit Unlocked, disclosed to the market in December 2021.

(€ million)

| AMOUNTS AS AT 31.12.2022 | REVENUE       | CUSTOMERS<br>LOANS(*) | TOTAL<br>RWA Eop |
|--------------------------|---------------|-----------------------|------------------|
| Retail                   | 9,502         | 147,662               | 68,253           |
| Corporates               | 11,000        | 279,791               | 189,547          |
| Central Functions        | (159)         | 4,988                 | 50,666           |
| Non Core                 | -             | -                     | -                |
| <b>Total</b>             | <b>20,343</b> | <b>432,441</b>        | <b>308,466</b>   |

Note:

(\*) Net of repos, intercompany transactions.

(€ million)

| AMOUNT AS AT 31.12.2021 | REVENUE       | CUSTOMERS<br>LOANS(*) | TOTAL<br>RWA Eop |
|-------------------------|---------------|-----------------------|------------------|
| Retail                  | 8,302         | 143,784               | 64,509           |
| Corporates              | 9,014         | 281,892               | 205,816          |
| Central Functions       | 654           | 4,880                 | 51,306           |
| Non Core                | (57)          | 194                   | 361              |
| <b>Total</b>            | <b>17,913</b> | <b>430,750</b>        | <b>321,992</b>   |

Note:

(\*) Net of repos, intercompany transactions.

The figures refer to the reclassified income statement.

Figures as of 2021 were recast, where necessary, on a like-to-like basis to consider changes in scope of business segment and methodological reporting.

## Part M - Information on leases

### Section 1 - Lessee

#### Qualitative information

The Group in conducting its business, signs lease contracts for which accounts for rights of use that mainly relate to the following type of tangible assets:

- land;
- buildings;
- others (e.g., cars).

These contracts are accounted for in accordance with rules set in accounting standard IFRS16 further detailed in Part A - Accounting policies, A.2 - Main items of the accounts (refer to this section).

The rights of use deriving from these lease contracts are mainly used to provide for services or for administrative purposes and accounted for according to the cost method. If these rights of use are sub-leased to third parties, a financial or operating lease contract is booked based on their characteristics.

As allowed by the accounting standard, the Group has decided not to account for rights of use or lease liabilities in case of:

- short-term leases, lower than 12 months; and
- lease of low value assets. In this regard, an asset is considered as low value if its fair value when new is equal to or lower than €5 thousand. This category mainly includes office machines (PCs, monitors, tablets, etc.) as well as fixed and mobile telephony devices.

The lease payments deriving from this type of activity are booked in item "190. Administrative expenses" on an accrual basis.

#### Quantitative information

The book value of the rights of use arising from lease contracts are exposed in the paragraph "Section 9 - Property, plant and equipment - Item 90", Notes to the consolidated accounts, Part B - Consolidated balance sheet - Assets.

During the year, these rights of use resulted in the recognition of depreciations for €311.3 million of which:

- €0.6 million relating to land;
- €304.1 million relating to buildings;
- €1.2 million relating to electronic systems;
- €5.4 million relating to the category other (e.g., cars).

In addition, impairment (net of reversal) for €18 million has been booked.

With reference to lease liabilities, the related book value is shown in the paragraph "Section 1 - Financial liabilities at amortised cost - Item 10", Notes to the consolidated accounts, Part B - Consolidated balance sheet, Liabilities.

During the year, these lease liabilities led to the recognition of interest expenses shown in the paragraph "Section 1 - Interests - Items 10 and 20", Notes to the consolidated accounts, Part C - Consolidated income statement.

With reference to short-term leases and leases of low value assets, it should be noted that during the year, rentals were accounted for €92.6 million. It should be noted that such amount also includes VAT on rentals which is not included in the lease liability calculation.

Finally, with reference to the sublease contracts, it should be noted that these contracts determined interest income for €0.4 million during the year if classified as financial leases and other operating income for €2.3 million if classified as operating leases.

For the purposes of determining the lease term, the Group considers the non-cancellable period established by the contract, during which the lessee has the right to use the underlying asset as well as any renewal options where the lessee has reasonable expectation to proceed with the renewal. In particular, with reference to contracts that provide the lessee with the option to automatically renew the lease at the end of a first period, the lease term is determined considering elements such as the duration of the first period, the existence of any plan leading to the disposal of the asset leased as well as any other circumstance indicating the reasonable certainty of renewal.

Therefore, the amount of cash flows, not reflected in the calculation of the lease liability, to which the Group is potentially exposed, is essentially due to the possible renewal of lease contracts and the subsequent extension of the lease term not included in the original calculation of the lease liabilities taking into account the information available and expectations existing as at 1 January 2019 (date of initial application of IFRS16) or on the starting date of the lease.

## Part M - Information on leases

### Section 2 - Lessor

#### Qualitative information

Financial leasing activities are exposed through the recognition of a credit for financial leases recognised in item "40. Financial assets at amortised cost", of the related income on an accrual basis in item "10. Interest income and similar revenues" and of the impairment for the expected credit loss in item "130. Net losses/recoveries on credit impairment".

Operating leasing activities, on the other hand, are essentially attributable to the leasing of owned properties to parties external to the Group. These contracts are represented through the recognition, on an accrual basis, of the rentals received in item "230. Other operating expenses/income".

#### Quantitative information

##### 1. Balance sheet and Income statement information

With reference to financial lease contracts, the book value of credit for financial leases is shown in the paragraph "Section 4 - Financial assets at amortised cost - Item 40", Notes to the consolidated accounts, Part B - Consolidated balance sheet - Assets.

Such loans determined, during the year, interest income shown in the paragraph "Section 1 - Interests - Items 10 and 20", Notes to the consolidated accounts, Part C - Consolidated income statement.

With reference to operating lease contracts, it should be noted that the book value of the owned assets granted under operating lease is composed as follows:

- land: €198 million;
- buildings: €327.8 million;
- office furniture & fitting: €0.1 million;
- electronic systems: €0.3 million;
- other: €538.4 million.

Rentals recognised on an accrual basis during the year for leasing of these activities are shown in the paragraph "Section 16 - Other operating expenses/income", Notes to the consolidated accounts, Part C - Consolidated income statement.

##### 2. Financial leases

##### 2.1 Classification for time bucket of Payments to be received and Reconciliation with Lease Loans booked in the Assets

| TIME BUCKET                                    | (€ million)                       |                                   |
|--|-----------------------------------|-----------------------------------|
|  | 31.12.2022                        | 31.12.2021                        |
|  | PAYMENTS TO BE RECEIVED FOR LEASE | PAYMENTS TO BE RECEIVED FOR LEASE |
| Up to 1 year                                   | 3,439                             | 3,660                             |
| 1 year to 2 years                              | 2,794                             | 2,971                             |
| 2 year to 3 years                              | 2,314                             | 2,427                             |
| 3 year to 4 years                              | 1,905                             | 1,946                             |
| 4 year to 5 years                              | 1,444                             | 1,580                             |
| Over 5 years                                   | 3,695                             | 4,866                             |
| <b>Total Payments to be received for lease</b> | <b>15,591</b>                     | <b>17,450</b>                     |
| <b>RECONCILIATION WITH LOANS</b>               |                                   |                                   |
| Unpaid Financial Profits (-)                   | 1,554                             | 1,712                             |
| Not guaranteed Residual Amount (-)             | -                                 | -                                 |
| <b>Lease Loans</b>                             | <b>14,037</b>                     | <b>15,738</b>                     |

The value shown in the table represents the gross exposure, this value is decreased by impairment, equal to €655 million on a cumulated basis, leading to the amount of €13,382 million shown in the paragraph "Section 4 - Financial assets at amortised cost - Item 40", Notes to the consolidated accounts, Part B - Consolidated balance sheet, Assets.

## Part M - Information on leases

### 2.2 Other information

With regard to financial leases, the credit risk associated with the contract is managed according to what is stated in the paragraph "2.1 Credit risk", Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated, refer to this section.

The classification of the contract as a financial lease is determined by the fact that the risks and rewards of ownership of the asset are transferred to the lessee for the whole lease term and the contract contains an option to purchase the asset at conditions that determines non-economic the non-exercise of the option, or the contract has a duration substantially aligned with the useful life of the asset leased. Such condition is also satisfied in case of contracts that do not contain an option to purchase the asset or have a lease term significantly lower than useful life of the asset leased, but are complemented by agreements with third parties that guarantee the purchase of the asset at the end of the lease contract.

### 3. Operating leases

#### 3.1 Classification for time bucket of Payments to be received

| TIME BUCKET       | (€ million)                          |                                      |
|-------------------|--------------------------------------|--------------------------------------|
|                   | 31.12.2022                           | 31.12.2021                           |
|                   | PAYMENTS TO BE RECEIVED FOR<br>LEASE | PAYMENTS TO BE RECEIVED FOR<br>LEASE |
| Up to 1 year      | 128                                  | 127                                  |
| 1 year to 2 years | 82                                   | 81                                   |
| 2 year to 3 years | 60                                   | 60                                   |
| 3 year to 4 years | 40                                   | 41                                   |
| 4 year to 5 years | 25                                   | 25                                   |
| Over 5 years      | 101                                  | 105                                  |
| <b>Total</b>      | <b>436</b>                           | <b>439</b>                           |

### 3.2 Other information

There is no further significant information to report compared to the above.







## Consolidated Financial Statements Certification pursuant to Art.81-ter of Consob Regulation No.11971/99, as amended

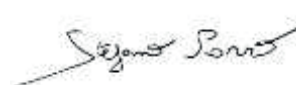
1. The undersigned Andrea Orcel (as Chief Executive Officer) and Stefano Porro (as the Manager charged with preparing the financial reports) of UniCredit S.p.A., also in compliance with Art.154-bis, (paragraphs 3 and 4) of Italian Legislative Decree No.58 of 24 February 1998, hereby certify:
  - the adequacy in relation to the Legal Entity's features and
  - the actual application of the administrative and accounting procedures employed to draw up the 2022 Consolidated Financial Statements.
2. The adequacy of administrative and accounting procedures employed to draw up the 2022 Consolidated Financial Statements has been evaluated by applying a model developed by UniCredit S.p.A., in accordance with the "Internal Control - Integrated Framework (CoSO)" and the "Control Objective for IT and Related Technologies (Cobit)", which represent generally accepted international standards for internal control system and for financial reporting in particular.
3. The undersigned also certify that:
  - 3.1 the 2022 Consolidated Financial Statements:
    - a) were prepared in compliance with applicable international accounting standards recognised by the European Community pursuant to European Parliament and Council Regulation No.1606/2002 of 19 July 2002;
    - b) correspond to the results of the accounting books and records;
    - c) are suitable to provide a fair and correct representation of the economic and financial situation of the issuer and of the group of companies included in the scope of consolidation;
  - 3.2 the Report on Operations includes a reliable analysis of the operating trend and results, as well as of the situation of the issuer and of the Legal Entities included in the scope of consolidation, together with a description of the main risks and uncertainties they are exposed to.

Milan, 16 February 2023

Andrea ORCEL



Stefano PORRO







KPMG S.p.A.  
Revisione e organizzazione contabile  
Via Vittor Pisani, 25  
20124 MILANO MI  
Telefono +39 02 6763.1  
Email [it-fmauditaly@kpmg.it](mailto:it-fmauditaly@kpmg.it)  
PEC [kpmgspa@pec.kpmg.it](mailto:kpmgspa@pec.kpmg.it)

**(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)**

## **Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014**

*To the shareholders of  
UniCredit S.p.A.*

### **Report on the audit of the consolidated financial statements**

#### **Opinion**

We have audited the consolidated financial statements of the UniCredit Group (the "group"), which comprise the balance sheet as at 31 December 2022, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include a summary of the significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the UniCredit Group as at 31 December 2022 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and article 43 of Legislative decree no. 136/15.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of UniCredit S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**Classification and measurement of loans and receivables with customers recognised under financial assets at amortised cost**

Notes to the consolidated accounts "Part A - Accounting policies": paragraph A.2.3 "Financial assets at amortised cost"

Notes to the consolidated accounts "Part B - Consolidated balance sheet - Assets": section 4 "Financial assets at amortised cost"

Notes to the consolidated accounts "Part C - Consolidated income statement": section 8 "Net losses/recoveries on credit impairment"

Notes to the consolidated accounts "Part E - Information on risks and related hedging policies": paragraph 2.1 "Credit risk"

| Key audit matter  | Audit procedures addressing the key audit matter   |
|---|--|
| <p>Lending to customers is one of the group's core activities. Loans and receivables with customers recognised under financial assets at amortised cost totalled €524,865 million at 31 December 2022, accounting for 61% of total assets.</p> <p>Net impairment losses on loans and receivables with customers recognised in profit or loss during the year totalled €1,950 million.</p> <p>For classification purposes, the directors make analyses that are sometimes complex in order to identify those positions that show evidence of impairment after disbursement. To this end, they consider both internal information about the performance of exposures and external information about the reference sector or the borrowers' overall exposure to banks.</p> <p>Measuring loans and receivables with customers is a complex activity, with a high degree of uncertainty and subjectivity, with respect to which the directors apply internal valuation models that consider many quantitative and qualitative factors, including historical collection flows, expected cash flows and related estimated collection dates, the existence of any indicators of impairment, an assessment of any guarantees, the impact of macroeconomic variables, future scenarios and risks of the sectors in which the parent's and the group companies' customers operate.</p> <p>The complexity of the directors' estimation process has increased as a result of the geopolitical uncertainties caused by the conflict in Ukraine and the persisting Covid-19 emergency in 2022. These uncertainties have severely worsened current economic conditions and the outlook for future macroeconomic scenarios and have had a strong impact on the energy market, supply chains, inflationary pressure and its effect on monetary policies, leading central banks to raise interest rates in</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• gaining an understanding of the parent's and group companies' processes and IT environments in relation to the disbursement, monitoring, classification and measurement of loans and receivables with customers;</li> <li>• assessing the design and implementation of controls and performing procedures to assess the operating effectiveness of material controls, especially in relation to the identification of exposures with indicators of impairment and the calculation of impairment losses;</li> <li>• analysing the classification criteria used for allocating loans and receivables with customers to the IFRS 9 categories (staging);</li> <li>• analysing the individual and collective impairment assessment policies and models used and checking the reasonableness of the main assumptions and variables included therein, as well as the adjustments made as a result of the financial effects of the geopolitical situation caused by the conflict in Ukraine and the persisting Covid-19 pandemic. We carried out these procedures with the assistance of experts of the KPMG network;</li> <li>• selecting a sample of exposures tested collectively, checking the application of the measurement models applied and checking that the impairment rates applied complied with those provided for in such models;</li> <li>• selecting a sample of exposures tested individually and checking the reasonableness of the indicators of impairment identified and of the assumptions</li> </ul> |



| Key audit matter  | Audit procedures addressing the key audit matter  |
|---|---|
| <p>the main economies. This required the directors to revisit the valuation processes and methods.</p> <p>For the above reasons, we believe that the classification and measurement of loans and receivables with customers recognised under financial assets at amortised cost are a key audit matter.</p> | <p>about their recoverability, including considering the guarantees received;</p> <ul style="list-style-type: none"> <li>analysing the significant changes in the loan and receivable categories and in the related impairment rates compared to the previous years' figures and discussing the results with the relevant internal departments;</li> <li>assessing the appropriateness of the disclosures about loans and receivables with customers recognised under financial assets measured at amortised cost.</li> </ul> |

**Classification and measurement of financial assets and liabilities at fair value levels 2 and 3**

Notes to the consolidated accounts "Part A - Accounting policies": paragraphs A.2.1 "Financial assets at fair value through profit or loss", A.2.2 "Financial assets at fair value through other comprehensive income", A.2.4 "Hedge accounting", A.2.12 "Financial liabilities held for trading", A.2.13 "Financial liabilities designated at fair value" and A.4 "Information on fair value"

Notes to the consolidated accounts "Part B - Consolidated balance sheet - Assets": section 2 "Financial assets at fair value through profit or loss", 3 "Financial assets at fair value through other comprehensive income" and 5 "Hedging derivatives"

Notes to the consolidated accounts "Part B - Consolidated balance sheet - Liabilities": sections 2 "Financial liabilities held for trading", 3 "Financial liabilities designated at fair value" and 4 "Hedging derivatives"

Notes to the consolidated accounts "Part C - Consolidated income statement": sections 4 "Gains (Losses) on financial assets and liabilities held for trading", 5 "Fair value adjustments in hedge accounting" and 7 "Net gains (losses) on other financial assets/liabilities at fair value through profit or loss"

Notes to the consolidated accounts "Part E - Information on risks and related hedging policies": paragraphs 2.2 "Market risks" and 2.3 "Derivative instruments and hedging policies"

| Key audit matter  | Audit procedures addressing the key audit matter  |
|---|---|
| <p>Trading in and holding financial instruments are one of the parent's and group companies' core activities. The consolidated financial statements at 31 December 2022 include financial assets and financial liabilities at fair value totalling €130,697 million and €64,829 million, respectively.</p> <p>A portion thereof, equal to €62,031 million and €52,860 million, respectively, is made up of financial assets and liabilities at fair value without a quoted price on an active market. The parent's and group companies' directors have classified them in levels 2 and 3 of the fair value hierarchy.</p> <p>Classifying and, especially, measuring fair value levels 2 and 3 financial instruments require a high level of</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>gaining an understanding of the parent's and group companies' processes and IT environments in relation to the trading, classification and measurement of financial instruments;</li> <li>assessing the design and implementation of controls and performing procedures to assess the operating effectiveness of material controls, especially in relation to the classification and measurement of financial instruments with fair value levels 2 and 3, also in the light of the financial effects of the geopolitical situation caused</li> </ul> |



| <b>Key audit matter</b>  | <b>Audit procedures addressing the key audit matter</b>   |
|--|---|
| <p>judgement given the complexity of the models and parameters used.</p> <p>Such complexity has increased as a result of the geopolitical uncertainties caused by the conflict in Ukraine and the persisting Covid-19 emergency in 2022. These uncertainties have severely worsened current economic conditions and the outlook for future macroeconomic scenarios and have had a strong impact on the energy market, supply chains, inflationary pressure and its effect on monetary policies, leading central banks to raise interest rates in the main economies.</p> <p>For the above reasons, we believe that the classification and measurement of financial assets and liabilities at fair value levels 2 and 3 are a key audit matter.</p> | <p>by the conflict in Ukraine and the persisting Covid-19 pandemic;</p> <ul style="list-style-type: none"><li>• checking, on a sample basis, that the financial instruments had been correctly classified on the basis of their fair value level;</li><li>• for a sample of financial instruments with fair value levels 2 and 3, assessing the reasonableness of the parameters used by the directors for their measurement, also in the light of the financial effects of the geopolitical situation caused by the conflict in Ukraine and the persisting Covid-19 pandemic; we carried out these procedures with the assistance of experts of the KPMG network;</li><li>• analysing the changes in the composition of the financial instrument portfolios compared to the previous year end and discussing the results with the relevant internal departments;</li><li>• assessing the appropriateness of the disclosures about financial instruments and related fair value levels.</li></ul> |

### **Comparative figures**

Without modifying our opinion, we draw attention to that disclosed by the directors in the “Reclassification of UniCredit Leasing S.p.A. and UniCredit Leasing GmbH out of non-current assets held for sale” note of Part A, section 5 of the consolidated financial statements about the restatement of certain 2021 comparative figures compared to the figures presented in the consolidated financial statements at 31 December 2021, following the discontinuance of the process for the disposal of the two subsidiaries. We checked the methods used to restate the prior year comparative figures and related disclosures included in the notes for the purposes of preparing this report.

The group’s 2021 consolidated financial statements were audited by other auditors, who expressed their unqualified opinion thereon on 11 March 2022.

### **Responsibilities of the parent’s directors and board of statutory auditors (“Collegio Sindacale”) for the consolidated financial statements**

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and article 43 of Legislative decree no. 136/15 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group’s ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless





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the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

### **Auditors' responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

### ***Other information required by article 10 of Regulation (EU) no. 537/14***

On 9 April 2020, the parent's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2022 to 31 December 2030.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

## **Report on other legal and regulatory requirements**

### ***Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815***

The parent's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the consolidated financial statements at 31 December 2022 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the consolidated financial statements at 31 December 2022 have been prepared in XHTML format and have been marked up, in all material respects, in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Due to certain technical limitations, when extracted from XHTML to an XBRL instance, some information contained in the notes to the consolidated financial statements may not be formatted in a manner that is exactly the same as the corresponding information presented in the consolidated financial statements in XHTML.



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### **Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98**

The parent's directors are responsible for the preparation of the group's reports on operations and on corporate governance and ownership structure at 31 December 2022 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the report on operations and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.4 of Legislative decree no. 58/98 with the group's consolidated financial statements at 31 December 2022 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure referred to above are consistent with the group's consolidated financial statements at 31 December 2022 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

### **Statement pursuant to article 4 of the Consob regulation implementing Legislative decree no. 254/16**

The directors of UniCredit S.p.A. are responsible for the preparation of a non-financial statement pursuant to Legislative decree no. 254/16. We have checked that the directors had approved such non-financial statement. In accordance with article 3.10 of Legislative decree no. 254/16, we attested the compliance of the non-financial statement separately.

Milan, 6 March 2023

KPMG S.p.A.

(signed on the original)

Mario Corti  
Director



# Annex 1 - Reconciliation between reclassified balance sheet and income statement accounts and mandatory reporting schedules

A reconciliation of the reclassified balance sheet and profit and loss account to the mandatory reporting schedules, is provided below. An explanation for the restatement of comparative figures is provided in the previous sections.

## Consolidated balance sheet

|   | AMOUNTS AS AT  |                |
|---|----------------|----------------|
|   | 31.12.2022     | 31.12.2021     |
| (€ million)   |                |                |
| <b>ASSETS</b>   |                |                |
| Cash and cash balances  | 111,776        | 107,407        |
| Item 10. Cash and cash balances   | 111,776        | 107,407        |
| Financial assets held for trading   | 64,443         | 80,109         |
| Item 20. Financial assets at fair value through profit or loss: a) Financial assets held for trading                | 64,443         | 80,109         |
| Loans to banks  | 45,707         | 82,939         |
| Item 40. Financial assets at amortised cost: a) Loans and advances to banks   | 57,796         | 91,404         |
| less: Reclassification of debt securities in Other financial assets   | (12,135)       | (8,520)        |
| less: Reclassification of leasing assets IFRS16 in Other financial assets   | (2)            | (2)            |
| + Reclassification of loans from Other financial assets - Item 20 c)  | 48             | 57             |
| Loans to customers  | 455,781        | 448,989        |
| Item 40. Financial assets at amortised cost: b) Loans and advances to customers                                     | 524,865        | 513,659        |
| less: Reclassification of debt securities in Other financial assets   | (70,969)       | (66,464)       |
| less: Reclassification of leasing assets IFRS16 in Other financial assets   | (45)           | (68)           |
| + Reclassification of loans from Other financial assets - Item 20 c)  | 1,930          | 1,862          |
| Other financial assets  | 148,116        | 157,933        |
| Item 20. Financial assets at fair value through profit or loss: b) Financial assets designated at fair value        | 323            | 279            |
| Item 20. Financial assets at fair value through profit or loss: c) Other financial assets mandatorily at fair value | 8,193          | 11,859         |
| less: Reclassification of loans in Loans to banks   | (48)           | (57)           |
| less: Reclassification of loans in Loans to customers   | (1,930)        | (1,862)        |
| Item 30. Financial assets at fair value through other comprehensive income  | 54,887         | 68,586         |
| Item 70. Equity investments   | 3,540          | 4,073          |
| + Reclassification of debt securities from Loans to banks - Item 40 a)  | 12,135         | 8,520          |
| + Reclassification of debt securities from Loans to customers - Item 40 b)  | 70,969         | 66,464         |
| + Reclassification of leasing assets IFRS16 from Loans to banks - Item 40 a)  | 2              | 2              |
| + Reclassification of leasing assets IFRS16 from Loans to customers - Item 40 b)                                    | 45             | 68             |
| Hedging instruments   | (3,725)        | 4,665          |
| Item 50. Hedging derivatives  | 2,851          | 3,065          |
| Item 60. Changes in fair value of portfolio hedged items (+/-)  | (6,576)        | 1,600          |
| Property, plant and equipment   | 9,164          | 9,510          |
| Item 90. Property, plant and equipment  | 9,164          | 9,510          |
| Goodwill  | -              | -              |
| Item 100. Intangible assets of which: goodwill  | -              | -              |
| Other intangible assets   | 2,350          | 2,234          |
| Item 100. Intangible assets net of goodwill   | 2,350          | 2,234          |
| Tax assets  | 13,120         | 13,702         |
| Item 110. Tax assets  | 13,120         | 13,702         |
| Non-current assets and disposal groups classified as held for sale  | 1,229          | 2,400          |
| Item 120. Non-current assets and disposal groups classified as held for sale  | 1,229          | 2,400          |
| Other assets  | 9,812          | 7,339          |
| Item 130. Other assets  | 9,812          | 7,339          |
| <b>Total assets</b>   | <b>857,773</b> | <b>917,227</b> |

# Annex 1 - Reconciliation between reclassified balance sheet and income statement accounts and mandatory reporting schedules

continued: Consolidated balance sheet

| LIABILITIES AND SHAREHOLDERS' EQUITY  | AMOUNTS AS AT  |                |
|---|----------------|----------------|
|   | 31.12.2022     | 31.12.2021     |
| Deposits from banks   | 131,324        | 163,506        |
| Item 10. Financial liabilities at amortised cost: a) Deposits from banks            | 131,341        | 163,515        |
| less: Reclassification of leasing liabilities IFRS16 in Other financial liabilities | (17)           | (10)           |
| Deposits from customers   | 510,093        | 500,689        |
| Item 10. Financial liabilities at amortised cost: b) Deposits from customers        | 511,925        | 502,739        |
| less: Reclassification of leasing liabilities IFRS16 in Other financial liabilities | (1,831)        | (2,050)        |
| Debt securities issued  | 84,207         | 95,898         |
| Item 10. Financial liabilities at amortised cost: c) Debt securities in issue       | 84,207         | 95,898         |
| Financial liabilities held for trading  | 51,234         | 51,608         |
| Item 20. Financial liabilities held for trading                                     | 51,234         | 51,608         |
| Other financial liabilities   | 12,041         | 11,618         |
| Item 30. Financial liabilities designated at fair value                             | 10,192         | 9,558          |
| + Reclassification of leasing liabilities IFRS16 from Deposits from banks           | 17             | 10             |
| + Reclassification of leasing liabilities IFRS16 from Deposits from customers       | 1,831          | 2,050          |
| Hedging instruments   | (18,101)       | 5,265          |
| Item 40. Hedging derivatives  | 3,403          | 4,303          |
| Item 50. Value adjustment of hedged financial liabilities (+/-)                     | (21,504)       | 963            |
| Tax liabilities   | 1,681          | 1,224          |
| Item 60. Tax liabilities  | 1,681          | 1,224          |
| Liabilities included in disposal groups classified as held for sale                 | 579            | 619            |
| Item 70. Liabilities associated with assets classified as held for sale             | 579            | 619            |
| Other liabilities   | 21,218         | 24,150         |
| Item 80. Other liabilities  | 13,036         | 13,604         |
| item 90. Provision for employee severance pay                                       | 368            | 520            |
| Item 100. Provisions for risks and charges  | 7,814          | 10,028         |
| Minorities  | 158            | 465            |
| Item 190. Minority shareholders' equity (+/-)                                       | 158            | 465            |
| Group shareholders' equity:   | 63,339         | 62,185         |
| - Capital and reserves  | 56,881         | 60,089         |
| Item 120. Valuation reserves  | (4,612)        | (4,337)        |
| Item 140. Equity instruments  | 6,100          | 6,595          |
| Item 150. Reserves  | 31,657         | 31,451         |
| Item 160. Share premium   | 2,516          | 5,446          |
| Item 170. Share capital   | 21,220         | 21,133         |
| Item 180. Treasury shares (-)   | -              | (200)          |
| - Group stated net profit (loss)  | 6,458          | 2,096          |
| Item 200. Profit (Loss) of the year (+/-)   | 6,458          | 2,096          |
| <b>Total liabilities and shareholders' equity</b>                                   | <b>857,773</b> | <b>917,227</b> |

## Annex 1 - Reconciliation between reclassified balance sheet and income statement accounts and mandatory reporting schedules

## Consolidated income statement

(€ million)

|  | YEAR   |        |
|--|--------|--------|
|  | 2022   | 2021   |
| Net interest   | 10,692 | 9,019  |
| Item 30. Net interest margin   | 10,624 | 9,091  |
| less: Reclassification net Interest contribution deriving from Trading Book instruments                                      | (65)   | 6      |
| + Interest on DBO/TFR/Jubilee (from Item 190)  | (49)   | (41)   |
| + Derivatives instruments - Economic Hedges - Others - Interest component  | 30     | (38)   |
| + Remodulation by ECB of contractual terms of TLTRO III facilities   | 153    | -      |
| less: Purchase Price Allocation effect   | -      | 1      |
| Dividends  | 306    | 520    |
| Item 70. Dividend income and similar revenues  | 437    | 351    |
| less: Dividends from held for trading equity instruments included in Item 70   | (321)  | (255)  |
| less: Dividends on equity investments, shares and equity instruments mandatorily at fair value                               | (82)   | (59)   |
| less: Recovery of expenses   | (1)    | -      |
| Item 250. Gains (Losses) of equity investments - of which: Profit (Loss) of equity investments valued at equity              | 272    | 483    |
| Fees   | 6,841  | 6,776  |
| Item 60. Net fees and commissions  | 6,687  | 6,703  |
| + Non-recoverable expenses incurred for customers financial transactions taxes (from Item 190 b)                             | (14)   | (12)   |
| + Structuring and mandate fees on issued or placed certificates by the Group (from Item 110)                                 | 66     | 74     |
| + Structuring and mandate fees on issued or placed certificates by the Group and connected derivatives (from Item 80)        | 102    | 10     |
| Trading income   | 2,574  | 1,554  |
| Item 80. Net gains (losses) on trading   | 859    | 1,472  |
| less: Derivatives instruments - Economic Hedges - Others - Interest component  | (30)   | 38     |
| less: Structuring and mandate fees on issued or placed certificates by the Group and connected derivatives                   | (102)  | (10)   |
| less: Losses from close-out process on derivative instruments with Russian banks after 24 February 2022                      | 94     | -      |
| Item 90. Net gains (losses) on hedge accounting  | 367    | 49     |
| Item 100. Gains (Losses) on disposal and repurchase of: c) financial liabilities   | 191    | 50     |
| less: Remodulation by ECB of contractual terms of TLTRO III facilities   | (153)  | -      |
| Item 100. Gains (Losses) on disposal and repurchase of: b) financial assets at fair value through other comprehensive income | 133    | 141    |
| Item 110. Net gains (losses) on other financial assets/liabilities at fair value through profit or loss                      | 563    | (469)  |
| less: Structuring and mandate fees on issued or placed certificates by the Group   | (66)   | (74)   |
| + Gains (Losses) on disposal and repurchase of financial assets at amortised cost - debt securities (from Item 100 a)        | 196    | 20     |
| + Dividends from held for trading equity instruments (from Item 70)  | 321    | 255    |
| + Dividends on equity investments, shares and equity instruments mandatorily at fair value (from Item 70)                    | 82     | 59     |
| + Net results from trading of gold and precious metals (from Item 230)   | 53     | 29     |
| + Reclassification net Interest contribution deriving from Trading Book instruments  | 65     | (6)    |
| Other expenses/income  | (70)   | 45     |
| Item 230. Other operating expenses/income  | 600    | 566    |
| less: Integration costs  | 3      | 54     |
| less: Recovery of expenses   | (513)  | (548)  |
| less: Net value adjustments/write-backs on leasehold improvements (on non-separable assets)                                  | 52     | 57     |
| less: Net results from trading of gold, precious stones and metals   | (52)   | 12     |
| + Result of industrial companies   | 4      | (7)    |
| + Gains (Losses) on disposal and repurchase of financial assets at amortised cost - performing loans (from Item 100 a)       | (80)   | 2      |
| + Net value adjustments/write-backs on property, plant and equipment in operating lease assets (from Item 210)               | (100)  | (100)  |
| + Gains (Losses) on disposals of investments in operating lease assets (from Item 280)                                       | 16     | 8      |
| Revenue  | 20,343 | 17,913 |

# Annex 1 - Reconciliation between reclassified balance sheet and income statement accounts and mandatory reporting schedules

continued: Consolidated income statement

(€ million)

|   | YEAR           |                |
|---|----------------|----------------|
|   | 2022           | 2021           |
| <b>Revenue</b>  | <b>20,343</b>  | <b>17,913</b>  |
| HR costs  | (5,918)        | (5,981)        |
| Item 190. Administrative expenses: a) staff costs   | (6,208)        | (7,045)        |
| less: Integration costs   | 241            | 1,023          |
| less: Interest on DBO/TFR/Jubilee   | 49             | 41             |
| Non HR costs  | (3,007)        | (3,190)        |
| Item 190. Administrative expenses: b) other administrative expenses   | (4,094)        | (4,212)        |
| less: Administrative expenses: b) other administrative expenses of industrial companies   | 1              | 2              |
| less: Contributions to the Resolution Funds, Deposit Guarantee Schemes (DGS), Bank Levy and Guarantee fees for DTA  | 1,085          | 1,036          |
| less: Integration costs   | 38             | 30             |
| less: Non-recoverable expenses incurred for customers financial transactions taxes  | 14             | 12             |
| + Net value adjustments/write-backs on leasehold improvements on non-separable assets (from Item 230)   | (52)           | (57)           |
| Recovery of expenses  | 513            | 548            |
| + Recovery of expenses (from Item 230)  | 513            | 548            |
| Amortisations and depreciations   | (1,149)        | (1,133)        |
| Item 210. Net value adjustments/write-backs on property, plant and equipment  | (764)          | (850)          |
| less: Impairment/writebacks of inventories assets (IAS2) obtained from recovery procedures of NPE   | 4              | 17             |
| less: Net value adjustments/write-backs of tangible in operating lease assets   | 100            | 100            |
| less: Impairment/write backs of right of use of land and buildings used in the business   | 21             | 5              |
| less: Integration costs   | 5              | 80             |
| Item 220. Net value adjustments/write-backs on intangible assets  | (550)          | (621)          |
| less: Integration costs   | 36             | 136            |
| <b>Operating costs</b>  | <b>(9,560)</b> | <b>(9,755)</b> |
| <b>GROSS OPERATING PROFIT (LOSS)</b>  | <b>10,782</b>  | <b>8,158</b>   |
| Loan Loss Provisions (LLPs)   | (1,894)        | (1,634)        |
| Item 100. Gains (Losses) on disposal and repurchase of: a) financial assets at amortised cost   | 133            | 53             |
| less: Gains (Losses) on disposals/repurchases on loans and receivables - performing loans   | 80             | (2)            |
| less: Gains (Losses) on disposal and repurchase of financial assets at amortised cost - debt securities   | (196)          | (20)           |
| Item 130. Net losses/recoveries on credit impairment relating to: a) financial assets at amortised cost   | (2,031)        | (1,630)        |
| less: Net losses/recoveries on impairment relating to: a) financial assets at amortised cost - debt securities  | 178            | (15)           |
| less: Revaluation arising from IFRS5 non-current assets and disposal groups related to equity investment consolidated line by line and at net equity method | (4)            | 10             |
| Item 130. Net losses/recoveries on credit impairment relating to: b) Financial assets at fair value through other comprehensive income                      | (30)           | (18)           |
| less: Net losses/recoveries on impairment relating to: b) Financial assets at fair value through other comprehensive income - debt securities               | 30             | 18             |
| Item 140. Gains/Losses from contractual changes with no cancellations   | (3)            | (5)            |
| Item 200. Net provisions for risks and charges: a) commitments and financial guarantees given   | 42             | (26)           |
| less: Net provisions for risks and charge - Ex Post Contributions to Deposit Guarantee Schemes (DGS)  | -              | 1              |
| + Losses from close-out process on derivative instruments with Russian banks after 24 February 2022 (from Item 80)  | (94)           | -              |
| <b>NET OPERATING PROFIT (LOSS)</b>  | <b>8,888</b>   | <b>6,524</b>   |



# Annex 1 - Reconciliation between reclassified balance sheet and income statement accounts and mandatory reporting schedules

continued: Consolidated income statement

(€ million)

|   | YEAR         |              |
|---|--------------|--------------|
|   | 2022         | 2021         |
| <b>NET OPERATING PROFIT (LOSS)</b>  | <b>8,888</b> | <b>6,524</b> |
| Other charges and provisions  | (1,093)      | (1,386)      |
| Item 200. Net provisions for risks and charges: b) other net provisions   | (9)          | (351)        |
| less: Integration costs   | 1            | 13           |
| less: Revaluation arising from IFRS5 non-current assets and disposal groups related to equity investment consolidated line by line and at net equity method                                   | (0)          | (10)         |
| + Contributions to Resolution Funds (SRF), Deposit Guarantee Schemes (DGS), Bank Levy and Guarantee fees for DTA (from Item 190 b)  | (1,085)      | (1,036)      |
| + Net provisions for risks and charge - Ex Post Contributions to Deposit Guarantee Schemes (DGS) - (from Item 200)  | -            | (1)          |
| Integration costs   | (324)        | (1,337)      |
| + Payroll costs - Administrative expenses - of which a) staff costs - integration costs (from Item 190)   | (241)        | (1,023)      |
| + Other administrative expenses - Administrative expenses - of which b) other administrative expenses - integration costs (from Item 190)   | (38)         | (30)         |
| + Amortisation, depreciation and impairment losses on intangible and tangible assets - Net value adjustments/write-backs on property, plant and equipment - integration costs (from Item 210) | (5)          | (80)         |
| + Amortisation, depreciation and impairment losses on intangible and tangible assets - Net value adjustments/write-backs on intangible assets - integration costs (from Item 220)             | (36)         | (136)        |
| + Other charges and provisions - Net provisions for risks and charges - integration costs (from Item 200)   | (1)          | (13)         |
| + Net other expenses/income - Other operating expenses/income - integration costs (from Item 230)   | (3)          | (54)         |
| Net income from investments   | (182)        | (2,020)      |
| Item 250. Gains (Losses) of equity investments - of which: write-backs/impairment losses and gains/losses on disposal of associates valued at equity  | 25           | (1,945)      |
| Item 260. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value  | 11           | (19)         |
| Item 280. Gains (Losses) on disposals on investments  | 33           | 11           |
| less: Gains (Losses) on disposals on investments in operating lease assets  | (16)         | (8)          |
| less: Industrial companies  | (5)          | 5            |
| + Net losses/recoveries on impairment relating to: of which: a) financial assets at amortised cost - debt securities (from Item 130)  | (178)        | 15           |
| + Net losses/recoveries on impairment relating to: of which: b) financial assets at fair value through other comprehensive income - debt securities (from Item 130)                           | (30)         | (18)         |
| + Impairment/writebacks of inventories assets (IAS2) obtained from recovery procedures of NPE   | (4)          | (17)         |
| + Revaluation arising from IFRS5 non-current assets and disposal groups related to equity investment consolidated line by line  | 4            | 1            |
| + Net results from trading of precious stones (from Item 230)   | (0)          | (41)         |
| + Impairment/write backs of right of use of land and buildings used in the business   | (21)         | (5)          |
| <b>PROFIT (LOSS) BEFORE TAX</b>   | <b>7,289</b> | <b>1,780</b> |
| Income taxes  | (819)        | 342          |
| Item 300. Tax expenses (income) of the year from continuing operations  | (819)        | 343          |
| Profit (Loss) of discontinued operations  | 3            | 4            |
| Item 320. Profit (Loss) after tax from discontinued operations  | 3            | 4            |
| <b>NET PROFIT (LOSS) FOR THE PERIOD</b>   | <b>6,473</b> | <b>2,126</b> |
| Minorities  | (15)         | (30)         |
| Item 340. Minority profit (loss) of the year  | (15)         | (30)         |
| <b>NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA</b>   | <b>6,458</b> | <b>2,097</b> |
| Purchase Price Allocation (PPA)   | -            | (1)          |
| Goodwill impairment   | -            | -            |
| Item 270. Goodwill Impairment   | -            | -            |
| <b>GROUP STATED NET PROFIT (LOSS)</b>   | <b>6,458</b> | <b>2,096</b> |

## Annex 2 - Audit fees and other non-audit services

## UniCredit group 2022 - KPMG Network

As prescribed by Art.149-duodecies of the Consob Issuers Regulation, the following table gives fees paid in 2022 for services rendered by KPMG S.p.A. and firms in its network.

|                                       |                  |                                   | (€ million)         |
|---------------------------------------|------------------|-----------------------------------|---------------------|
| SERVICE TYPE                          | SERVICE PROVIDER | USER                              | FEES <sup>(*)</sup> |
| Audit <sup>(**)</sup>                 | KPMG S.p.A.      | Parent company - UniCredit S.p.A. | 3.2                 |
|                                       | KPMG S.p.A.      | Subsidiaries                      | 0.7                 |
|                                       | KPMG Network     | Subsidiaries                      | 11.8                |
| Attestation services <sup>(***)</sup> | KPMG S.p.A.      | Parent company - UniCredit S.p.A. | 0.9                 |
|                                       | KPMG S.p.A.      | Subsidiaries                      | 0.1                 |
|                                       | KPMG Network     | Parent company - UniCredit S.p.A. | 0.3                 |
|                                       | KPMG Network     | Subsidiaries                      | 3.2                 |
| Other services <sup>(****)</sup>      | KPMG S.p.A.      | Parent company - UniCredit S.p.A. | 0.2                 |
|                                       | KPMG S.p.A.      | Subsidiaries                      | 0.0                 |
|                                       | KPMG Network     | Parent company - UniCredit S.p.A. | 0.0                 |
|                                       | KPMG Network     | Subsidiaries                      | 0.1                 |
| <b>Total</b>                          |                  |                                   | <b>20.5</b>         |

## Notes:

(\*) Excl. VAT and expenses.

(\*\*) Does not include fees for audits of investment funds.

(\*\*\*) Mainly verification services provided to UniCredit S.p.A. (e.g. Limited review on 2022 non financial information, Limited review on Q1 2022 and Q3 2022 Company and Consolidated Reports, Comfort Letter for the inclusion of year-end net profit in Common Equity Tier 1 Capital, Assurance Engagement ISAE 3402, Issuing Comfort Letters concerning bond issues, Statutory audit of foreign branches financial statements according to local regulations), other verification services required by regulations/local Supervisory Authorities in Germany, Austria and other Central and Eastern Europe Countries.

(\*\*\*\*) Mainly other services provided to UniCredit S.p.A. (e.g. AUP on Own Funds, AUP on quarterly calculation foreign exchange risk of CIUs) and to other subsidiaries of the Group.

# Annex 3 - Securitisations - qualitative tables

**ORIGINATOR: UniCredit S.p.A.**

## Traditional securitisations of Performing and Non-Performing loans

|   |  |
|---|--|
| <p><b>STRATEGIES, PROCESSES AND GOALS:</b></p>  | <p>The initiatives are a part of the Group's strategies, one of the objectives of which is to finance, at competitive rates (and in large amounts), the development of medium and long-term through the disposal of existing "Performing" and "Non-Performing" loan portfolios and also creating eligible securities for refinancing operations with the ECB and/or with third parties (counterbalancing capacity).</p> <p>The main advantages of the transactions can be summarised as follows:</p> <ul style="list-style-type: none"> <li>- risk weighted assets optimitation and ROAC improving;</li> <li>- improvement in the matching of asset maturities;</li> <li>- diversification of sources of financing;</li> <li>- broadening of investor base and resulting optimisation of funding cost;</li> <li>- creating counterbalancing capacity.</li> </ul> <p>Moreover, securitisation transactions can also be implemented for purposes related to business projects (for better management of assets), corporate restructuring or deleveraging projects.</p>   |
| <p><b>INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS:</b></p>                       | <p>UniCredit S.p.A. acts as "Servicer" for almost all transactions concerned for which is Originator. As per the agreements entered into with issuing companies (special purpose vehicles - SPV), servicing consists of performing, on behalf of these companies, administrative, collection and securitised loan collection activities as well as the management of any recovery procedures for impaired loans. Thus, as Servicer, UniCredit S.p.A. is charged with continually tracking cash flows from securitised loans and constantly monitoring their collection, with the assistance of third party companies (especially for the recovery of impaired loans; the company involved is DoValue S.p.A., which operates as an assistant to the Servicer, governed by a special agreement).</p> <p>The Servicer provides the Special Purpose Vehicle (and other counterparties indicated in the servicing agreements) information on the activity performed by, periodically reports that indicate, among other things, the collection and transfer of the income stream sold, the amount of default positions and recoveries completed, overdue installments, etc., with all information broken down in relation to specific transactions. These reports (which are usually quarterly) are periodically checked (if contractually required) by an auditing firm.</p>   |
| <p><b>ORGANISATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT:</b></p> | <p>From a strategic point of view, Finance Italy is responsible for central coordination. In this context, the above structure plays:</p> <p>a) in the launch phase of the operation the role of proposer and provides support to the other Bank's Divisions and to the individual Legal Entities in conducting transactions, cooperating with all the other departments (Planning &amp; Control Italy, Group Risk Management, Group M&amp;A and Corporate Development ecc) in identifying the characteristics and the distinctive features of "true sale" securitisations loans in order to achieve the targets set in the Group's Funding Plan and in the Contingency Funding Plan, approved by the Board of Directors, in the ordinary plan of creating counterbalancing capacity, as well as in organisational strategy and business of Top Management. Specific transactions are subject to prior approval by the competent departments of the Holding and of the Originator Bank (during approval, among other things, the structure, costs and impacts in terms of liquidity, counterbalancing capacity, organisational, business and/or any capital relief are discussed and analysed), and to final approval by the Board of Directors of the Originator Bank;</p> <p>b) in the management phase of the operation, the monitoring role of the securitised portfolios performances and any rating action published by Ratings Agencies, the interactions with the Ratings Agencies in order to submit regular information on portfolios and, more generally, the role of coordination of the Originator Bank to facilitate the solution of events relating to the securitised portfolios (management of actions of payments holidays, downgrading, restructurings, etc.).</p> <p>The Bank has established a special coordination unit (General Ledger &amp; Securitisation Reporting) within the Accounting Italy Department. This unit has been tasked with administrative activities connected to the Servicer and Account Bank related-duties, and to carry out these duties, it works in close cooperation with specific, qualified areas of the Bank (Group Risk Management, Finance Italy, ecc.) and the Group. It also provides a technical and operational support to network units.</p> <p>The information regarding the monitoring of collections and the performance of the securitised portfolio is periodically submitted to the Servicer's Board of Directors.</p> |
| <p><b>HEDGING POLICIES:</b></p>   | <p>By agreement, securitised portfolios can be protected from interest rate risk by means of the Special Purpose Vehicle entering into Interest Rate Swap (IRS) agreements to hedge a fixed-rate portfolio, and Basis Swaps to hedge an indexed rate portfolio. In connection with these swaps, always if required by agreements, related back-to-back swap contracts are entered into between the Swap counterparty and UniCredit S.p.A. as Originator, interfaced in some cases by UniCredit Bank AG.</p>  |
| <p><b>OPERATING RESULTS:</b></p>  | <p>At the end of December 2022, the operating results related to existing securitisation transactions essentially reflected the performance of underlying portfolios and the resulting cash flows, and obviously are affected by the amount of defaults and prepayments during the period, which, moreover, are in line with the performance seen in other assets of this kind that are not securitised. The exercise of the option to repurchase the securitized portfolios underlying operations "Femo 1" and "Cordusio 3" did not result in significant additional economic impacts.</p>  |

## Annex 3 - Securitisations - qualitative tables

ORIGINATOR: UniCredit S.p.A.

### New transactions 2022

|   |  |                                       |
|---|--|---------------------------------------|
| <b>NAME:</b>  | <b>ARTS CONSUMER</b>   |                                       |
| Type of securitisation:                               | Traditional  |                                       |
| Originator:   | UniCredit S.p.A.   |                                       |
| Issuer:   | Arts Consumer S.r.l.   |                                       |
| Servicer:   | UniCredit S.p.A.   |                                       |
| Arranger:   | UniCredit Bank AG  |                                       |
| Target transaction :                                  | Funding/Counterbalancing capacity  |                                       |
| Type of asset:  | Personal loans   |                                       |
| Quality of Asset:                                     | Performing   |                                       |
| Closing date:   | 24.11.2022   |                                       |
| Nominal Value of disposal portfolio :                 | 846  |                                       |
| Net amount of preextinting writedown/writebacks :     | -  |                                       |
| Disposal Profit & Loss realized :                     | -  |                                       |
| Portfolio disposal price:                             | 846  |                                       |
| Guarantees issued by the Bank:                        | -  |                                       |
| Guarantees issued by Third Parties :                  | -  |                                       |
| Bank Lines of Credit :                                | -  |                                       |
| Third Parties Lines of Credit :                       | -  |                                       |
| Other Credit Enhancements :                           | Unicredit Spa subscribed in November 2022 for the class E security for a nominal value of Eur 86,100,000, resold in the same month for Eur 60,270,000 with a consequent loss of Eur 25,830,000 |                                       |
| Other relevant information :                          | UniCredit S.p.A. subscribed the Class Z security for an amount of 12 million euro in order to create a liquidity reserve in favor of the SPV   |                                       |
| Rating Agencies:                                      | Moody's/DBRS   |                                       |
| Amount of CDS or other supersenior risk transferred : | -  |                                       |
| Amount and Condition of tranching:                    |  |                                       |
| . ISIN  | IT0005514481   | IT0005514499                          |
| . Type of security                                    | Senior   | Mezzanine                             |
| . Class   | A  | B                                     |
| . Rating  | Aa3/AA   | A3/AAL                                |
| . Quotation   | Luxembourg Stock Exchange  | Luxembourg Stock Exchange             |
| . Issue date  | 24.11.2022   | 24.11.2022                            |
| . Legal maturity                                      | 10.12.2064   | 10.12.2064                            |
| . Call option   | Clean Up option, Regulatory Call   | Clean Up option, Regulatory Call      |
| . Expected duration                                   | 3.17   | 3.17                                  |
| . Rate  | 0,75% + 3M Euribor   | 3,0% + 3M Euribor                     |
| . Subordinated level                                  | -  | Sub A                                 |
| . Reference Position                                  | 668  | 15                                    |
| . Reference Position at the end of accounting period  | 668  | 15                                    |
| . Security subscribers                                | UniCredit Bank AG  | UniCredit Bank AG                     |
| . ISIN  | IT0005514507   | IT0005514515                          |
| . Type of security                                    | Mezzanine  | Mezzanine                             |
| . Class   | C  | D                                     |
| . Rating  | Baa3/AL  | Baa3/BBB                              |
| . Quotation   | Luxembourg Stock Exchange  | Luxembourg Stock Exchange             |
| . Issue date  | 24.11.2022   | 24.11.2022                            |
| . Legal maturity                                      | 10.12.2064   | 10.12.2064                            |
| . Call option   | Clean Up option, Regulatory Call   | Clean Up option, Regulatory Call      |
| . Expected duration                                   | 3.17   | 3.17                                  |
| . Rate  | 4,25% + 3M Euribor   | 7,75% + 3M Euribor                    |
| . Subordinated level                                  | Sub A, B   | Sub A, B, C                           |
| . Reference Position                                  | 49   | 27                                    |
| . Reference Position at the end of accounting period  | 49   | 27                                    |
| . Security subscribers                                | UniCredit Bank AG  | UniCredit Bank AG                     |
| . ISIN  | IT0005514523   | IT0005514531                          |
| . Type of security                                    | Mezzanine  | Junior                                |
| . Class   | E*   | F                                     |
| . Rating  | -  | -                                     |
| . Quotation   | Luxembourg Stock Exchange  | Luxembourg Stock Exchange             |
| . Issue date  | 24.11.2022   | 24.11.2022                            |
| . Legal maturity                                      | 10.12.2064   | 10.12.2064                            |
| . Call option   | Clean Up option, Regulatory Call   | Clean Up option, Regulatory Call      |
| . Expected duration                                   | 3.17   | 3.17                                  |
| . Rate  | 13% + 3M Euribor   | 0,01% ( Fixed rate) + variable return |
| . Subordinated level                                  | Sub A, B, C, D   | Sub A, B, C, D, E                     |
| . Reference Position                                  | 86   | 0.1                                   |
| . Reference Position at the end of accounting period  | 86   | 0.1                                   |
| . Security subscribers                                | UniCredit S.p.A.   | UniCredit S.p.A.                      |

## Annex 3 - Securitisations - qualitative tables

| NAME:   | ARTS CONSUMER                    |  |
|---|----------------------------------|--|
| . ISIN  | IT0005514549                     |  |
| . Type of security  | Junior (Cash Reserve funding)    |  |
| . Class   | Z                                |  |
| . Rating  | -                                |  |
| . Quotation   | Luxembourg Stock Exchange        |  |
| . Issue date  | 24.11.2022                       |  |
| . Legal maturity  | 10.12.2064                       |  |
| . Call option   | Clean Up option, Regulatory Call |  |
| . Expected duration   | 1,40                             |  |
| . Rate  | 13% + 3M Euribor                 |  |
| . Subordinated level  | Sub A, B, C, D, E                |  |
| . Reference Position  | 12                               |  |
| . Reference Position at the end of accounting period                          | 12                               |  |
| . Security subscribers  | UniCredit S.p.A.                 |  |
| <b>Distribution of securitised assets by area:</b>                            |                                  |  |
| Italy - Northwest   | 217                              |  |
| - Northeast   | 203                              |  |
| - Central   | 175                              |  |
| - South and Islands   | 251                              |  |
| Other European Countries - E.U. countries                                     | -                                |  |
| - not U.E. countries  | -                                |  |
| America   | -                                |  |
| Rest of the World   | -                                |  |
| <b>TOTAL</b>  | <b>846</b>                       |  |
| <b>Distribution of securitised assets by business sector of the borrower:</b> |                                  |  |
| Governments   | -                                |  |
| other governments agencies  | -                                |  |
| Banks   | -                                |  |
| Finance Companies   | -                                |  |
| Insurance Companies   | -                                |  |
| Non-financial companies   | -                                |  |
| Other entities  | 846                              |  |
| <b>TOTAL</b>  | <b>846</b>                       |  |

**Note:**

\* In Offering Circular is defined as Junior title

The "Closing date" is the date when the securitisation transaction was completed, i.e. the date when all contractual documents were signed.

## Annex 3 - Securitisations - qualitative tables

**ORIGINATOR: UniCredit S.p.A.**

**Transaction from previous years**

|   |   |              |
|---|---|--------------|
| <b>NAME:</b>  | <b>IMPRESA TWO</b>  |              |
| Type of securitisation:                                     | Traditional   |              |
| Originator:   | UniCredit S.p.A.  |              |
| Issuer:   | Impresa Two S.r.l.  |              |
| Servicer:   | UniCredit S.p.A.  |              |
| Arranger:   | UniCredit Bank AG   |              |
| Target transaction:   | Funding/Counterbalancing capacity   |              |
| Type of asset:  | Corporate Loans   |              |
| Quality of Asset:   | Performing  |              |
| Closing date:   | 11.08.2019  |              |
| Nominal Value of reference portfolio (€ million):           | 11,066  |              |
| Issued guarantees by the Bank (€):                          | -   |              |
| Issued guarantees by third parties (€):                     | -   |              |
| Bank Lines of Credit:                                       |   |              |
| Third Parties Lines of Credit:                              | -   |              |
| Other Credit Enhancements:                                  | Cash reserve funded by portfolio collections: €116 million.   |              |
| Other relevant information:                                 | Self-securitisation / Renegotiation cash reserve funded by portfolio collections: €29 million. UCI has issued credit lines for a €2 billion maximum amount in order to fund, subject to some conditions, a Cash Reserve to cover Set-Off and Commingling risks. |              |
| Rating Agencies:  | Moody's/DBRS  |              |
| Amount of CDS or other risk transferred (€ million):        | -   |              |
| Amount and Condition of tranching:                          |   |              |
| . ISIN  | IT0005389520  | IT0005389538 |
| . Type of security  | Senior  | Junior       |
| . Class   | A   | B            |
| . Rating  | Aa3/AL  | -            |
| . Nominal Value Issued (€ million)                          | 7,746   | 3,320        |
| . Nominal value at the end of accounting period (€ million) | 7,746   | 3,320        |

**Note:**

(\*) In the 2021 fourth quarter an amendment has been performed in order to further postpone the revolving period until January 2024.

The "Closing date" is the date when the securitisation transaction was completed, i.e. the date when all contractual documents were signed.

## Annex 3 - Securitisations - qualitative tables

ORIGINATOR: UniCredit S.p.A.

Transaction from previous years

| NAME:  | CONSUMER THREE   |              |
|--|--|--------------|
| Type of securitisation:  | Traditional  |              |
| Originator:  | UniCredit S.p.A.   |              |
| Issuer:  | Consumer Three S.r.l.  |              |
| Servicer:  | UniCredit S.p.A.   |              |
| Arranger:  | UniCredit S.p.A.   |              |
| Target transaction:  | Counterbalancing capacity  |              |
| Type of asset:   | Personal loans   |              |
| Quality of Asset:  | Performing   |              |
| Closing date:  | 20.04.2016   |              |
| Nominal Value of disposal portfolio (€ million) <sup>(*)</sup> :           | 4,821  |              |
| Guarantees issued by the Bank:   | -  |              |
| Guarantees issued by Third Parties:  | -  |              |
| Bank Lines of Credit:  | -  |              |
| Third Parties Lines of Credit:   | -  |              |
| Other Credit Enhancements:   |  |              |
| Other relevant information:  | Self-securitisation / UniCredit S.p.A. has granted SPV a subordinated loan of €50 million for loans renegotiation. Consumer Three has also constituted a cash reserve for ABS investors; the outstanding amount, at the end of accounting period, is €41 million, due to further amounts from waterfall payments. Both reserves are constituted into an eligible entity. |              |
| Rating Agencies:   | Moody's/Fitch  |              |
| Amount of CDS or other supersenior risk transferred (€ million):           |  |              |
| Amount and Condition of tranching:   |  |              |
| . ISIN   | IT0005176505   | IT0005176513 |
| . Type of security   | Senior   | Junior       |
| . Class  | A  | J            |
| . Rating   | Aa3/A+   | -            |
| . Nominal value issued (€ million) <sup>(*)</sup>                          | 3,712  | 1,109        |
| . Nominal value at the end of accounting period (€ million) <sup>(*)</sup> | 3,712  | 1,109        |

**Note:**

(\*) In the 2018 third quarter an amendment has been performed in order to postpone the revolving period until June 2020. Moreover an extraordinary new transfer has been settled along the 2018 fourth quarter, increasing the nominal value of the disposal portfolio at €2,000 million, the Senior Note nominal value at €1,664 million and the Junior Note nominal value at €335 million. The Notes Final Maturity Date has been postponed to December 2056. The Cash Reserve Required Amount has decreased from €60 million to €51 million. In the 2020 second quarter an amendment has been performed in order to further postpone the revolving period until June 2022.

The "Closing date" is the date when the securitisation transaction was completed, i.e. the date when all contractual documents were signed.

## Annex 3 - Securitisations - qualitative tables

ORIGINATOR: UniCredit S.p.A.

Transaction from previous years

| NAME:  | CORDUSIO RMBS SECURITISATION - SERIE 2007   |              |
|--|---|--------------|
| Type of securitisation:  | Traditional   |              |
| Originator:  | UniCredit Banca S.p.A.  |              |
| Issuer:  | Cordusio RMBS Securitisation S.r.l.   |              |
| Servicer:  | UniCredit S.p.A.  |              |
| Arranger:  | UniCredit Bank AG London Branch (ex Bayerische Hypo und Vereinsbank AG, London Branch)  |              |
| Target transaction:  | Funding/Counterbalancing capacity   |              |
| Type of asset:   | Residential Mortgage Loans  |              |
| Quality of Asset:  | Performing  |              |
| Closing date:  | 22.05.2007  |              |
| Nominal Value of disposal portfolio (€ million):                 | 3,908   |              |
| Guarantees issued by the Bank:                                   | -   |              |
| Guarantees issued by Third Parties:                              | -   |              |
| Bank Lines of Credit:  | -   |              |
| Third Parties Lines of Credit:                                   | -   |              |
| Other Credit Enhancements:                                       | UniCredit S.p.A. has granted SPV a subordinated loan of €6.253 million, at the end of accounting period that amount is fully reimbursed   |              |
| Other relevant information:                                      | Following its downgrade by debt-rating agencies, UniCredit S.p.A. paid €236 million of funds into an eligible entity to maintain its role as an Account Bank; during the year 2017, as a result of the contractual amendment and the contextual outsourcing of the role of the Account Bank, the fund was fully repaid. Moreover, in 2013, UniCredit S.p.A. has been replaced as swap counterparty with another Bank rated as eligible by ratings Agencies. |              |
| Rating Agencies:   | Fitch/Moody's/Standard & Poor's   |              |
| Amount of CDS or other supersenior risk transferred (€ million): | -   |              |
| Amount and Conditions of tranching:                              |   |              |
| . ISIN   | IT0004231210  | IT0004231236 |
| . Type of security   | Senior  | Senior       |
| . Class  | A1  | A2           |
| . Rating   | -   | -            |
| . Nominal value issued (€ million):                              | 704   | 2,228        |
| . Nominal value at the end of accounting period (€ million):     | -   | -            |
| . ISIN   | IT0004231244  | IT0004231285 |
| . Type of security   | Senior  | Mezzanine    |
| . Class  | A3  | B            |
| . Rating   | A+/Aa3/AA   | A+/Aa3/AA    |
| . Nominal value issued (€ million):                              | 739   | 71           |
| . Nominal value at the end of accounting period (€ million):     | 82  | 71           |
| . ISIN   | IT0004231293  | IT0004231301 |
| . Type of security   | Mezzanine   | Mezzanine    |
| . Class  | C   | D            |
| . Rating   | A+/Aa3/AA   | A+/Aa3/AA    |
| . Nominal value issued (€)                                       | 44  | 102          |
| . Nominal value at the end of accounting period (€)              | 44  | 102          |
| . ISIN   | IT0004231319  | IT0004231327 |
| . Type of security   | Mezzanine   | Junior       |
| . Class  | E   | F            |
| . Rating   | BBB/A1/AA-  | -            |
| . Nominal value issued (€ million):                              | 20  | 2            |
| . Nominal value at the end of accounting period (€ million):     | 20  | 2            |

The "Closing date" is the date when the securitisation transaction was completed, i.e. the date when all contractual documents were signed.



## Annex 3 - Securitisations - qualitative tables

ORIGINATOR: UniCredit S.p.A.

Transaction from previous years

| NAME:  | CAPITAL MORTGAGE 2007 - 1   |              |
|--|---|--------------|
| Type of securitisation:  | Traditional   |              |
| Originator:  | UniCredit S.p.A. (ex Banca di Roma S.p.A.)  |              |
| Issuer:  | Capital Mortgage S.r.l.   |              |
| Servicer:  | UniCredit S.p.A.  |              |
| Arranger:  | UniCredit Bank AG (ex Capitalia S.p.A.)   |              |
| Target transaction:  | Funding/Counterbalancing capacity   |              |
| Type of asset:   | Residential Mortgage Loans  |              |
| Quality of Asset:  | Performing  |              |
| Closing date:  | 14.05.2007  |              |
| Nominal Value of disposal portfolio (€ million):                 | 2,183   |              |
| Guarantees issued by the Bank:                                   | -   |              |
| Guarantees issued by Third Parties:                              | -   |              |
| Bank Lines of Credit:  | -   |              |
| Third Parties Lines of Credit:                                   | -   |              |
| Other Credit Enhancements:                                       | UniCredit S.p.A. has granted SPV a subordinated loan of €37 million (as equity).  |              |
| Other relevant information:                                      | Tranching based on an original assets portfolio €2,479 million, reduced to €2,183 million due to checks after closing date. Following its downgrade by debt-rating agencies, UniCredit S.p.A. paid funds into an eligible entity (amounting to €156 million at 31 December 2016) to maintain its role as Account Bank; during the 2017, as a result of the contractual amendment and the contextual outsourcing of the role of the Account Bank, the fund was fully repaid. |              |
| Rating Agencies:   | S & P/Moody's/Fitch   |              |
| Amount of CDS or other supersenior risk transferred (€ million): | -   |              |
| Amount and Conditions of tranching:                              |   |              |
| . ISIN   | IT0004222532  | IT0004222540 |
| . Type of security   | Senior  | Senior       |
| . Class  | A1  | A2           |
| . Rating   | AA/Aa3/A+   | AA/Aa3/A+    |
| . Nominal value issued (€ million):                              | 1,736   | 644          |
| . Nominal value at the end of accounting period (€ million):     | 85  | 130          |
| . ISIN   | IT0004222557  | IT0004222565 |
| . Type of security   | Mezzanine   | Junior       |
| . Class  | B   | C            |
| . Rating   | A+/A2/BB+   | BBB/Ba2/BB+  |
| . Nominal value issued (€ million):                              | 74  | 25           |
| . Nominal value at the end of accounting period (€ million):     | 74  | 25           |

The "Closing date" is the date when the securitisation transaction was completed, i.e. the date when all contractual documents were signed.

## Annex 3 - Securitisations - qualitative tables

**ORIGINATOR: UniCredit S.p.A.**

Transaction from previous years

| NAME:  | F-E MORTGAGES 2005   |              |
|--|--|--------------|
| Type of securitisation:  | Traditional  |              |
| Originator:  | UniCredit S.p.A. (ex FinecoBank S.p.A.)  |              |
| Issuer:  | F-E Mortgages S.r.l.   |              |
| Servicer:  | UniCredit S.p.A.   |              |
| Arranger:  | UniCredit S.p.A. (ex MCC S.p.A. - Capitalia Gruppo Bancario)   |              |
| Target transaction:  | Funding/Counterbalancing capacity  |              |
| Type of asset:   | Residential Mortgage Loans   |              |
| Quality of Asset:  | Performing   |              |
| Closing date:  | 06.04.2005   |              |
| Nominal Value of disposal portfolio (€ million):                 | 1,029  |              |
| Guarantees issued by the Bank:                                   | -  |              |
| Guarantees issued by Third Parties:                              | -  |              |
| Bank Lines of Credit:  | -  |              |
| Third Parties Lines of Credit:                                   | -  |              |
| Other Credit Enhancements:                                       | UniCredit S.p.A. has granted SPV a subordinated loan of €15 million (as Equity). At the end of accounting period the amount of capital tranche is fully reimbursed |              |
| Other relevant information:                                      | -  |              |
| Rating Agencies:   | S & P/Moody's/Fitch  |              |
| Amount of CDS or other supersenior risk transferred (€ million): | -  |              |
| Amount and Conditions of tranching:                              |  |              |
| . ISIN   | IT0003830418   | IT0003830426 |
| . Type of security   | Senior   | Mezzanine    |
| . Class  | A  | B            |
| . Rating   | AA/Aa3/AA  | AA/Aa3/AA    |
| . Nominal value issued (€ million):                              | 952  | 41           |
| . Nominal value at the end of accounting period (€ million):     | 12   | 37           |
| . ISIN   | IT0003830434   |              |
| . Type of security   | Junior   |              |
| . Class  | C  |              |
| . Rating   | AA-/Aa3/A+   |              |
| . Nominal value issued (€ million):                              | 36   |              |
| . Nominal value at the end of accounting period (€ million):     | 32   |              |

The "Closing date" is the date when the securitisation transaction was completed, i.e. the date when all contractual documents were signed.

## Annex 3 - Securitisations - qualitative tables

ORIGINATOR: UniCredit S.p.A.

Transaction from previous years

| NAME:   | ARENA NPL ONE  |              |
|---|--|--------------|
| Type of securitisation:   | Traditional  |              |
| Originator:   | UniCredit SpA (ex UCCMB S.p.A.)  |              |
| Issuer:   | Arena NPL One S.r.L.   |              |
| Servicer:   | UniCredit S.p.A.   |              |
| Arranger:   | UBS  |              |
| Target transaction :  | Funding  |              |
| Type of asset:  | Unsecured loans - mortgage loans   |              |
| Quality of asset:   | Non-Performing   |              |
| Closing date:   | 04.12.2014   |              |
| Nominal Value of disposal portfolio (€ million):                | 8,461  |              |
| Guarantees issued by the Bank:                                  | -  |              |
| Guarantees issued by Third Parties:                             | -  |              |
| Bank Lines of Credit:   | UniCredit S.p.A. issued a line of Liquidity Facility revolving amounts to €100 million, used for €30 million at the end of accounting period.  |              |
| Third Parties Lines of Credit:                                  | -  |              |
| Other Credit Enhancements:                                      | -  |              |
| Other relevant information:                                     | Self-securitisation / UniCredit S.p.A. has granted SPV a loans facility of €30 million, used for legal expenses and refunded for an amount of €24 million at the end of accounting period. |              |
| Rating Agencies:  | No Rating Agency   |              |
| Amount of CDS or other supesenior risk transferred (€ million): | -  |              |
| Amount and Condition of tranching:                              |  |              |
| . ISIN  | IT0005070120   | IT0005070138 |
| . Type of security  | Senior   | Junior       |
| . Class   | A  | B            |
| . Rating  | -  | -            |
| . Nominal value issued (€ million):                             | 304  | 913          |
| . Nominal value at the end of accounting period (€ million):    | -  | 913          |

The "Closing date" is the date when the securitisation transaction was completed, i.e. the date when all contractual documents were signed.

## Annex 3 - Securitisations - qualitative tables

## ORIGINATOR: UniCredit S.p.A.

## Transaction from previous years

|   |  |
|---|--|
| STRATEGIES, PROCESSES AND GOALS:                  | <p>The following initiatives, called Pillarstone Italy, were undertaken to allow the Group to improve the management of loan restructuring, also through the innovative use (for this purpose) of securitisation. The goal is to facilitate and increase recoveries of the exposures under securitisation thanks to:</p> <ul style="list-style-type: none"> <li>- restructuring with long-term industrial logic, focusing on introducing new finance (by third parties) in favour of the debtors sold, with focus on concrete needs and opportunities for the companies involved;</li> <li>- efficient and targeted restructuring and turnaround processes.</li> </ul> <p>Shared acceptance of the economic principles that guide the transactions in question and a strong alignment of the interests between the parties involved, ensures the asset manager's commitment to maximize the value of the said assets, optimising therefore the expected recovery on the junior notes bought by UniCredit S.p.A., through the transferred management of the securitised portfolio.</p>  |
| INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS: | <p>UniCredit S.p.A. does not act as Servicer. The business of servicing is carried out by third parties outside the Group, as per the contracts stipulated with the Special Purpose Vehicle issuing the ABS securities, and involves the administration, encashment, restructuring and collection of securitised loans, on behalf thereof, as well as managing any recovery proceedings on Non-Performing loans. The Servicer of the assets, therefore, has the task, on an ongoing basis, of following the financial flows arising from the securitised loans, constantly monitoring the encashment, also where appropriate making use of third party companies.</p> <p>For each specific transaction, the Servicer provides the Special Purpose Vehicle (in addition to other counterparties as defined in the servicing contracts, including UniCredit S.p.A.) with information on the activities carried out via periodic reports which show, inter alia, the collection and realization of the assigned receivables, the number of defaulted positions and the successfully completed recoveries, the instalments in arrears, restructuring activities, etc. Where contractually provided for, these reports are periodically checked by an independent auditors' firm.</p> |
| ORGANIZATIONAL STRUCTURE:                         | <p>The Servicer provides UniCredit S.p.A. with a series of reports that enable the evaluation and monitoring of the underlying portfolios. On a quarterly basis the performances are also presented in the reference internal Credit Committees.</p>   |
| HEDGING POLICIES:                                 | <p>There are no risk hedging derivatives.</p>  |
| OPERATING RESULTS:                                | <p>We implemented a set of monitoring initiatives, focused on one side on the single company performances and, on the other side, on the evolution of the Pillarstone project as a whole.</p>  |

## Annex 3 - Securitisations - qualitative tables

ORIGINATOR: UniCredit S.p.A.

Operations of securitisation of Non-Performing credits

| NAME:   | SANDOKAN   |            |   |            |
|---|--|------------|---|------------|
| Type of securitisation:                                     | Traditional  |            |   |            |
| Originator:   | UniCredit S.p.A.   |            |   |            |
| Issuer:   | Yanez S.r.l.   |            |   |            |
| Servicer:   | Banca Finanziaria Internazionale SpA   |            |   |            |
| Arranger:   | -  |            |   |            |
| Target transaction:   | Innovative structure of securitisation to manage and overcome the temporary difficulties of the debtors sold, in order to optimise the reimbursement of the securitised portfolio. |            |   |            |
| Type of asset:  | Corporate loans  |            |   |            |
| Quality of Asset:   | Unlikely to pay + NPL  |            |   |            |
| Closing date:   | 12.11.2016   | 11.21.2017 | 10.17.2018  | 12.12.2018 |
| Nominal Value of disposal portfolio (€ million):            | 861  | 240        | 18  | 96         |
| Net amount of pre-existing write-down/write-backs:          | -  | -          | -   | -          |
| Disposal Profit & Loss realised (€ million):                | -  | -          | -   | -          |
| Portfolio disposal price (€ million):                       | 861  | 240        | 18  | 96         |
| Guarantees issued by the Bank:                              | -  | -          | -   | -          |
| Guarantees issued by Third Parties:                         | -  | -          | -   | -          |
| Bank Lines of Credit :                                      | -  | -          | 10  | -          |
| Third Parties Lines of Credit (€ million):                  | -  | -          | -   | -          |
| Other Credit Enhancements (€ million):                      | -  | -          | -   | -          |
| Other relevant information:                                 | -  | -          | -   | -          |
| Rating Agencies:  | -  | -          | -   | -          |
| Amount of CDS or other supersenior risk transferred:        | -  | -          | -   | -          |
| Amount and Condition of tranching:                          |  |            |   |            |
| . ISIN  | IT0005382103   |            | IT0005273674  |            |
| . Type of security  | Senior <sup>(*)</sup>  |            | Senior <sup>(**)</sup>  |            |
| . Class   | AS1  |            | AS2   |            |
| . Rating  | -  |            | -   |            |
| . Quotation   | -  |            | -   |            |
| . Issue date  | 11.08.2019   |            | 07.31.2017  |            |
| . Legal maturity  | 11.30.2025   |            | 11.30.2050  |            |
| . Call option   | -  |            | -   |            |
| . Expected duration (years)                                 | -  |            | -   |            |
| . Rate  | 4.5%   |            | 4.0%  |            |
| . Subordinated level  | pari passu AS2   |            | pari passu AS1  |            |
| . Nominal value issued (€ million)                          | 150  |            | 100   |            |
| . Nominal value at the end of accounting period (€ million) | 38   |            | 0   |            |
| . Security subscribers                                      | D2 Europe I S.à r.l./Banca Finanziaria Internazionale  |            | Celidoria S.a.r.l./Europa Plus SCA SIF/Banca Finanziaria Internazionale |            |
| Amount and Condition of tranching:                          |  |            |   |            |
| . ISIN  | IT0005382111   |            | IT0005273690  |            |
| . Type of security  | Senior <sup>(**)</sup>   |            | Senior <sup>(**)</sup>  |            |
| . Class   | AJ1  |            | AJ2   |            |
| . Rating  | -  |            | -   |            |
| . Quotation   | -  |            | -   |            |
| . Issue date  | 11.08.2019   |            | 07.31.2017  |            |
| . Legal maturity  | 11.30.2050   |            | 11.30.2050  |            |
| . Call option   | -  |            | -   |            |
| . Expected duration (years)                                 | -  |            | -   |            |
| . Rate  | 14.0%  |            | 14.0%   |            |
| . Subordinated level  | Sub AS1, AS2, pari passu AJ2, AX   |            | Sub AS1, AS2, pari passu AJ1 and AX                                     |            |
| . Nominal value issued (€ million)                          | 10   |            | 10  |            |
| . Nominal value at the end of accounting period (€ million) | 2  |            | 0   |            |
| . Security subscribers                                      | Celidoria S.a.r.l./Europa Plus SCA SIF   |            | Celidoria S.a.r.l./Europa Plus SCA SIF                                  |            |
| . ISIN  | IT0005273666   |            | IT0005273708  |            |
| . Type of security  | Senior <sup>(**)</sup>   |            | Mezzanine <sup>(1)</sup>  |            |
| . Class   | AX   |            | B1  |            |
| . Rating  | -  |            | -   |            |
| . Quotation   | -  |            | -   |            |
| . Issue date  | 07.31.2017 - 11.08.2019 (size increase)  |            | 07.31.2017 - 05.10.2019 (size increase)                                 |            |
| . Legal maturity  | 11.30.2050   |            | 11.30.2050  |            |
| . Call option   | -  |            | -   |            |
| . Expected duration (years)                                 | -  |            | -   |            |
| . Rate  | 14.0%  |            | 3.0%  |            |
| . Subordinated level  | Sub AS1, AS2, pari passu AJ1, AJ2  |            | Sub AS1, AS2, AJ  |            |
| . Nominal value issued (€ million)                          | 10   |            | 181 <sup>(***)</sup>  |            |
| . Nominal value at the end of accounting period (€ million) | 0  |            | 0   |            |
| . Security subscribers                                      | Banca Finanziaria Internazionale   |            | UniCredit S.p.A.  |            |

## Annex 3 - Securitisations - qualitative tables

continued from previous page

| NAME:   | SANDOKAN   |  |
|---|--|--|
| . ISIN  | IT0005273724                                     | IT0005273732                                 |
| . Type of security  | Mezzanine <sup>(*)</sup>                         | Mezzanine <sup>(*)</sup>                     |
| . Class   | B2   | C1   |
| . Rating  | -  | -  |
| . Quotation   | -  | -  |
| . Issue date  | 07.31.2017 - 05.10.2019 (size increase)          | 07.31.2017 - 05.10.2019 (size increase)      |
| . Legal maturity  | 11.30.2050                                       | 11.30.2050                                   |
| . Call option   | -  | -  |
| . Expected duration (years)   | 1.6  | 3.9  |
| . Rate  | 7.5%   | 3.5%   |
| . Subordinated level  | Sub AS1, AS2, AJ, AX, B1                         | Sub AS1, AS2, AJ, AX, B1, B2                 |
| . Nominal value issued (€ million)  | 45 <sup>(**)</sup>                               | 62 <sup>(**)</sup>                           |
| . Nominal value at the end of accounting period (€ million)                       | 0  | 0  |
| . Security subscribers  | Celidoria S.a.r.l./Europa Plus SCA SIF/FR Invest | UniCredit S.p.A.                             |
| . ISIN  | IT0005273740                                     | IT0005273757                                 |
| . Type of security  | Mezzanine <sup>(*)</sup>                         | Mezzanine <sup>(*)</sup>                     |
| . Class   | C2   | D1   |
| . Rating  | -  | -  |
| . Quotation   | -  | -  |
| . Issue date  | 07.31.2017 - 05.10.2019 (size increase)          | 07.31.2017 - 05.10.2019 (size increase)      |
| . Legal maturity  | 11.30.2050                                       | 11.30.2050                                   |
| . Call option   | -  | -  |
| . Expected duration (years)   | 4.9  | 6.3  |
| . Rate  | 15.0%  | 4.0%   |
| . Subordinated level  | Sub AS1, AS2, AJ, AX, B1, B2, C1                 | Sub AS1, AS2, AJ, AX, B1, B2, C1, C2         |
| . Nominal value issued (€ million)  | 16 <sup>(**)</sup>                               | 153 <sup>(**)</sup>                          |
| . Nominal value at the end of accounting period (€ million)                       | 0  | 153  |
| . Security subscribers  | Celidoria S.a.r.l./Europa Plus SCA SIF/FR Invest | UniCredit S.p.A.                             |
| . ISIN  | IT0005273773                                     | IT0005273872                                 |
| . Type of security  | Mezzanine <sup>(*)</sup>                         | Junior <sup>(*)</sup>                        |
| . Class   | D2   | E  |
| . Rating  | -  | -  |
| . Quotation   | -  | -  |
| . Issue date  | 07.31.2017 - 05.10.2019 (size increase)          | 07.31.2017 - 05.10.2019 (size increase)      |
| . Legal maturity  | 11.30.2050                                       | 11.30.2050                                   |
| . Call option   | -  | -  |
| . Expected duration (years)   | 6.9  | 10.0   |
| . Rate  | 19.0%  | 5%   |
| . Subordinated level  | Sub AS1, AS2, AJ, AX, B1, B2, C1, C2, D1         | Sub AS1, AS2, AJ, AX, B1, B2, C1, C2, D1, D2 |
| . Nominal value issued (€ million)  | 8 <sup>(**)</sup>                                | 750 <sup>(**)</sup>                          |
| . Nominal value at the end of accounting period (€ million)                       | 8  | 750  |
| . Security subscribers  | Celidoria S.a.r.l./Europa Plus SCA SIF/FR Invest | UniCredit S.p.A.                             |
| <b>Distribution of securitised assets by area (€):</b>                            |  |  |
| Italy   | 1,215  |  |
| Other European Countries - E.U. countries   | -  |  |
| - non-E.U. countries  | -  |  |
| America   | -  |  |
| Rest of the World   | -  |  |
| <b>Total</b>  | <b>1,215</b>                                     |  |
| <b>Distribution of securitised assets by business sector of the borrower (€):</b> |  |  |
| Governments   | -  |  |
| other governments agencies  | -  |  |
| Banks   | -  |  |
| Financial Companies   | -  |  |
| Insurance Companies   | -  |  |
| Non-financial companies   | 1,215  |  |
| Other entities  | -  |  |
| <b>Total</b>  | <b>1,215</b>                                     |  |

**Notes:**

(\*) The classification of the field "Type of security" refers to Bank of Italy Circular No.262 "The Bank's Financial Statements" - Chapter 1 General principles - Section 5 Definitions - 5.23 - Securitisations: senior, mezzanine and junior exposures.

(\*\*) Securities issued to fund new money finance needs.

(\*\*\*) Nominal Value Issued B1: €172 million at Note Issuance + €9 million due to Size Increase; Nominal Value Issued B2: €43 million + €2 million following Size Increase; Nominal Value Issued C1: €57 million + €5 million due to Size Increase; Nominal Value Issued C2: €14 million + €1 million following the Size Increase; Nominal Value Issued D1: €126 million + €27 million due to Size Increase; Nominal Value Issued D2: €7 million + €1 million due to Size Increase Nominal Value Issued: €442 million + €308 million due to Size Increase.

The "Closing date "corresponds to the date of portfolio sale.

## Annex 3 - Securitisations - qualitative tables

| NAME:   |   | SANDOKAN 2 |   |            |            |
|---|---|------------|---|------------|------------|
| Type of securitisation:                                     | Traditional   |            |   |            |            |
| Originator:   | UniCredit S.p.A.  |            |   |            |            |
| Issuer:   | Yanez S.r.l.  |            |   |            |            |
| Servicer:   | Banca Finanziaria Internazionale S.p.A.   |            |   |            |            |
| Arranger:   | -   |            |   |            |            |
| Target transaction:   | Innovative structure of securitisation to manage and overcome the temporary difficulties of the debtors sold, in order to optimise the reimbursement of the securitised portfolio.                        |            |   |            |            |
| Type of asset:  | Corporate loans   |            |   |            |            |
| Quality of Asset:   | Unlikely to pay + NPL   |            |   |            |            |
| Closing date:   | 06.05.2019  | 07.17.2019 | 12.04.2019  | 03.09.2020 | 05.07.2020 |
| Nominal Value of disposal portfolio (€ million):            | 144   | 163        | 381   | 86         | 162        |
| Net amount of pre-existing write-down/write-backs:          | -   | -          | -   | -          | -          |
| Disposal Profit & Loss realised (€ million):                | -   | -          | -   | -          | -          |
| Portfolio disposal price (€ million):                       | 144   | 163        | 381   | 86         | 162        |
| Guarantees issued by the Bank:                              | -   | -          | -   | -          | -          |
| Guarantees issued by Third Parties:                         | -   | -          | -   | -          | -          |
| Bank Lines of Credit :                                      | 10  |            |   |            |            |
| Third Parties Lines of Credit (€ million):                  | -   |            |   |            |            |
| Other Credit Enhancements (€ million):                      | -   |            |   |            |            |
| Other relevant information:                                 | -   |            |   |            |            |
| Rating Agencies:  | -   |            |   |            |            |
| Amount of CDS or other supersenior risk transferred:        | -   |            |   |            |            |
| Amount and Condition of tranching:                          |   |            |   |            |            |
| . ISIN  | IT0005432114  |            | IT0005432270  |            |            |
| . Type of security  | Senior <sup>(*)</sup>   |            | Senior <sup>(*)</sup>   |            |            |
| . Class   | AS2   |            | AS4   |            |            |
| . Rating  | -   |            | -   |            |            |
| . Quotation   | -   |            | -   |            |            |
| . Issue date  | 12.30.2020 - 10.29.2021   |            | 12.30.2020  |            |            |
| . Legal maturity  | 10.31.2054  |            | 10.31.2053  |            |            |
| . Call option   | -   |            | -   |            |            |
| . Expected duration (years)                                 | -   |            | -   |            |            |
| . Rate  | 4.0%  |            | 4.0%  |            |            |
| . Subordinated level  | pari passu AS4  |            | pari passu AS2  |            |            |
| . Nominal value issued (€ million)                          | 100   |            | 100   |            |            |
| . Nominal value at the end of accounting period (€ million) | 0   |            | -   |            |            |
| . Security subscribers                                      | PAF BRAVO III - Compartment/Italian Real Estate Special Situations II SCS, SICAV-RAIF - Closed-end/Italian Real Estate Special Situations II SCS, SICAV-RAIF - Seed Fund/Banca Finanziaria Internazionale |            | PAF BRAVO III - Compartment/Italian Real Estate Special Situations II SCS, SICAV-RAIF - Closed-end/Italian Real Estate Special Situations II SCS, SICAV-RAIF - Seed Fund/Banca Finanziaria Internazionale |            |            |
| Amount and Condition of tranching:                          |   |            |   |            |            |
| . ISIN  | IT0005432288  |            | IT0005432296  |            |            |
| . Type of security  | Senior <sup>(*)</sup>   |            | Senior <sup>(*)</sup>   |            |            |
| . Class   | AJ2   |            | AJ4   |            |            |
| . Rating  | -   |            | -   |            |            |
| . Quotation   | -   |            | -   |            |            |
| . Issue date  | 12.30.2020 - 10.29.2021   |            | 12.30.2020  |            |            |
| . Legal maturity  | 10.31.2054  |            | 10.31.2053  |            |            |
| . Call option   | -   |            | -   |            |            |
| . Expected duration (years)                                 | -   |            | -   |            |            |
| . Rate  | 14.0%   |            | 14.0%   |            |            |
| . Subordinated level  | Sub AS2, AS4, pari passu AJ4, AX  |            | Sub AS2, AS4, pari passu AJ2 and AX   |            |            |
| . Nominal value issued (€ million)                          | 10  |            | 10  |            |            |
| . Nominal value at the end of accounting period (€ million) | 1   |            | -   |            |            |
| . Security subscribers                                      | PAF BRAVO III - Compartment/Italian Real Estate Special Situations II SCS, SICAV-RAIF - Closed-end/Italian Real Estate Special Situations II SCS, SICAV-RAIF - Seed Fund                                  |            | PAF BRAVO III - Compartment/Italian Real Estate Special Situations II SCS, SICAV-RAIF - Closed-end/Italian Real Estate Special Situations II SCS, SICAV-RAIF - Seed Fund                                  |            |            |
| . ISIN  | IT0005432304  |            | IT0005432312  |            |            |
| . Type of security  | Senior <sup>(*)</sup>   |            | Senior <sup>(*)</sup>   |            |            |
| . Class   | AX  |            | AY  |            |            |
| . Rating  | -   |            | -   |            |            |
| . Quotation   | -   |            | -   |            |            |
| . Issue date  | 12.30.2020  |            | 12.30.2020  |            |            |
| . Legal maturity  | 10.31.2054  |            | 10.31.2053  |            |            |
| . Call option   | -   |            | -   |            |            |
| . Expected duration (years)                                 | -   |            | -   |            |            |
| . Rate  | 14.0%   |            | 14.0%   |            |            |
| . Subordinated level  | Sub AS2, AS4, pari passu AJ2, AJ4 and AY  |            | Sub AS2, AS4, pari passu AJ2, AJ4 and AX  |            |            |
| . Nominal value issued (€ million)                          | 10  |            | 10  |            |            |
| . Nominal value at the end of accounting period (€ million) | -   |            | -   |            |            |
| . Security subscribers                                      | Yanez/Banca Finanziaria Internazionale  |            | Yanez/Banca Finanziaria Internazionale  |            |            |

## Annex 3 - Securitisations - qualitative tables

continued from previous page

| NAME:   | SANDOKAN 2   |   |
|---|--|---|
| . ISIN  | IT0005432320                                       | IT0005432338  |
| . Type of security  | Mezzanine(*)                                       | Mezzanine(*)  |
| . Class   | B1   | B2  |
| . Rating  | -  | -   |
| . Quotation   | -  | -   |
| . Issue date  | 12.30.2020   | 12.30.2020  |
| . Legal maturity  | 10.31.2054   | 10.31.2054  |
| . Call option   | -  | -   |
| . Expected duration (years)                                 | 1.8  | 1.8   |
| . Rate  | 5.0%   | 5.0%  |
| . Subordinated level  | Sub AS2, AS4, AJ2, AJ4, AY, AX                     | Sub AS2, AS4, AJ2, AJ4, AY, AX, B1  |
| . Nominal value issued (€ million)                          | 15   | 19  |
| . Nominal value at the end of accounting period (€ million) | 1  | 0   |
| . Security subscribers                                      | 0  | UniCredit S.p.A./PAF BRAVO III – Compartment/Italian Real Estate Special Situations II SCS, SICAV-RAIF – Closed-end/Italian Real Estate Special Situations II SCS, SICAV-RAIF – Seed Fund |
| . ISIN  | IT0005432346                                       | IT0005432353  |
| . Type of security  | Mezzanine(*)                                       | Mezzanine(*)  |
| . Class   | C1   | C2  |
| . Rating  | -  | -   |
| . Quotation   | -  | -   |
| . Issue date  | 12.30.2020   | 12.30.2020  |
| . Legal maturity  | 10.31.2054   | 10.31.2054  |
| . Call option   | -  | -   |
| . Expected duration (years)                                 | 4.3  | 4.3   |
| . Rate  | 5.5%   | 9.0%  |
| . Subordinated level  | Sub AS2, AS4, AJ2, AJ4, AY, AX, B1, B2             | Sub AS2, AS4, AJ2, AJ4, AY, AX, B1, B2, C1  |
| . Nominal value issued (€ million)                          | 32   | 11  |
| . Nominal value at the end of accounting period (€ million) | 14   | 5   |
| . Security subscribers                                      | UniCredit S.p.A.                                   | UniCredit S.p.A./PAF BRAVO III – Compartment/Italian Real Estate Special Situations II SCS, SICAV-RAIF – Closed-end/Italian Real Estate Special Situations II SCS, SICAV-RAIF – Seed Fund |
| . ISIN  | IT0005432361                                       | IT0005432379  |
| . Type of security  | Mezzanine(*)                                       | Mezzanine(*)  |
| . Class   | D1   | D2  |
| . Rating  | -  | -   |
| . Quotation   | -  | -   |
| . Issue date  | 12.30.2020   | 12.30.2020  |
| . Legal maturity  | 10.31.2054   | 10.31.2054  |
| . Call option   | -  | -   |
| . Expected duration (years)                                 | 5.9  | 5.9   |
| . Rate  | 6.0%   | 8.5%  |
| . Subordinated level  | Sub AS2, AS4, AJ2, AJ4, AY, AX, B1, B2, C2         | Sub AS2, AS4, AJ2, AJ4, AY, AX, B1, B2, C2, D1  |
| . Nominal value issued (€ million)                          | 59   | 7   |
| . Nominal value at the end of accounting period (€ million) | 59   | 7   |
| . Security subscribers                                      | UniCredit S.p.A.                                   | UniCredit S.p.A./PAF BRAVO III – Compartment/Italian Real Estate Special Situations II SCS, SICAV-RAIF – Closed-end/Italian Real Estate Special Situations II SCS, SICAV-RAIF – Seed Fund |
| . ISIN  | IT0005432387                                       |   |
| . Type of security  | Junior(*)  |   |
| . Class   | E  |   |
| . Rating  | -  |   |
| . Quotation   | -  |   |
| . Issue date  | 12.30.2020   |   |
| . Legal maturity  | 10.31.2054   |   |
| . Call option   | -  |   |
| . Expected duration (years)                                 | 8.1  |   |
| . Rate  | 5.0%   |   |
| . Subordinated level  | Sub AS2, AS4, AJ2, AJ4, AY, AX, B1, B2, C2, D1, D2 |   |
| . Nominal value issued (€ million)                          | 766  |   |
| . Nominal value at the end of accounting period (€ million) | 766  |   |
| . Security subscribers                                      | UniCredit S.p.A.                                   |   |



## Annex 3 - Securitisations - qualitative tables

continued from previous page

| NAME:   | SANDOKAN 2 |  |
|---|------------|--|
| <b>Distribution of securitised assets by area (€):</b>                            |            |  |
| Italy   | 935        |  |
| Other European Countries - E.U. countries   | -          |  |
| - non-E.U. countries  | -          |  |
| America   | -          |  |
| Rest of the World   | -          |  |
| <b>Total</b>  | <b>935</b> |  |
| <b>Distribution of securitised assets by business sector of the borrower (€):</b> |            |  |
| Governments   | -          |  |
| other governments agencies  | -          |  |
| Banks   | -          |  |
| Financial Companies   | -          |  |
| Insurance Companies   | -          |  |
| Non-financial companies   | 935        |  |
| Other entities  | -          |  |
| <b>Total</b>  | <b>935</b> |  |

**Notes:**

(\*) The classification of the field "Type of security" refers to Bank of Italy Circular No.262 "The Bank's Financial Statements" - Chapter 1 General principles - Section 5 Definitions - 5.23 - Securitisations: senior, mezzanine and junior exposures.

(\*\*) Securities issued to fund new money finance needs.

The "Closing date "corresponds to the date of portfolio sale.

## Annex 3 - Securitisations - qualitative tables

ORIGINATOR: UniCredit S.p.A.

Transaction from previous years

| NAME:   | PILLARSTONE ITALY - PREMUDA  |                          |
|---|--|--------------------------|
| Type of securitisation:                                   | Traditional  |                          |
| Originator:   | UniCredit S.p.A.   |                          |
| Issuer:   | Pillarstone Italy SPV S.r.l.   |                          |
| Servicer:   | Securitisation Services S.p.A.   |                          |
| Arranger:   | -  |                          |
| Target transaction:                                       | Innovative structure of securitisation to manage and overcome the temporary difficulties of the debtor sold, in order to optimise the reimbursement of the securitised portfolio |                          |
| Type of asset:  | Corporate loans  |                          |
| Quality of Asset:   | Unlikely to pay  |                          |
| Closing date:   | 07.14.2016   | 04.04.2017               |
| Nominal Value of disposal portfolio (million):            | \$78 + €31   | \$3                      |
| Net amount of pre-existing write-down/write-backs:        | -  |                          |
| Disposal Profit & Loss realised (million):                | -  |                          |
| Portfolio disposal price (million):                       | \$78 + €31   | \$3                      |
| Guarantees issued by the Bank:                            | -  |                          |
| Guarantees issued by Third Parties:                       | -  |                          |
| Bank Lines of Credit :                                    | -  |                          |
| Third Parties Lines of Credit (€ million):                | 2  |                          |
| Other Credit Enhancements (€ million):                    | -  |                          |
| Other relevant information:                               | -  |                          |
| Rating Agencies:  | -  |                          |
| Amount of CDS or other supersenior risk transferred:      | -  |                          |
| Amount and Condition of tranching:                        |  |                          |
| . ISIN  | IT0005203937   | IT0005203952             |
| . Type of security  | Senior <sup>(*)</sup>  | Mezzanine <sup>(*)</sup> |
| . Class   | A  | B                        |
| . Rating  | -  | -                        |
| . Quotation   | -  | -                        |
| . Issue date  | 07.14.2016   | 07.14.2016               |
| . Legal maturity  | 10.20.2030   | 10.20.2030               |
| . Call option   | -  |                          |
| . Expected duration (years)                               | 5.0  | 5.0                      |
| . Rate  | 8.50%  | 2.67%                    |
| . Subordinated level                                      | -  | Sub A                    |
| . Nominal value issued (million)                          | €3   | \$58                     |
| . Nominal value at the end of accounting period (million) | 0  | \$58                     |
| . Security subscribers                                    |  |                          |
| . ISIN  | IT0005246712   | IT0005246761             |
| . Type of security  | Mezzanine <sup>(*)</sup>   | Junior <sup>(*)</sup>    |
| . Class   | B  | C                        |
| . Rating  | -  | -                        |
| . Quotation   | -  | -                        |
| . Issue date  | 04.04.2017   | 04.04.2017               |
| . Legal maturity  | 10.20.2030   | 10.20.2030               |
| . Call option   | -  |                          |
| . Expected duration (years)                               | 3.4  | 3.4                      |
| . Rate  | 3.43%  | EUR6M(360) +1000pb       |
| . Subordinated level                                      | Sub A  | Sub A,B                  |
| . Nominal value issued (million)                          | €0,3   | €3                       |
| . Nominal value at the end of accounting period (million) | €0,3   | €3                       |
| . Security subscribers                                    |  |                          |
| . ISIN  | IT0005204125   | IT0005204133             |
| . Type of security  | Junior <sup>(*)</sup>  | Junior <sup>(*)</sup>    |
| . Class   | C  | C                        |
| . Rating  | -  | -                        |
| . Quotation   | -  | -                        |
| . Issue date  | 07.14.2016   | 07.14.2016               |
| . Legal maturity  | 10.20.2030   | 10.20.2030               |
| . Call option   | -  |                          |
| . Expected duration (years)                               | 5.0  | 5.0                      |
| . Rate  | EUR6M(360) +1000pb   | LIBOR6M(360) +1000pb     |
| . Subordinated level                                      | Sub A,B  | Sub A,B                  |
| . Nominal value issued (million)                          | €25  | \$21                     |
| . Nominal value at the end of accounting period (million) | €25  | \$21                     |
| . Security subscribers                                    |  |                          |

**Note:**

(\*) The classification of the field "Type of security" refers to Banca d'Italia Circular No.262 "The Bank's Financial Statements" - Chapter 1 General principles - Section 5 Definitions - 5.23 - Securitisations: senior, mezzanine and junior exposures.

## Annex 3 - Securitisations - qualitative tables

Pillarstone is a multioriginator securitization, with claims transferred by UniCredit and other banks. For representation purposes, securities reported in the table are those issued in light of the portfolio transferred by UniCredit.

The "Closing date" is the date when the securitisation vehicle has issued the securities of the transaction.

### ORIGINATOR: UniCredit S.p.A.

#### Transaction from previous years

| NAME:  | PILLARSTONE ITALY - RAINBOW  |  |
|--|--|--|
| Type of securitisation:  | Traditional  |  |
| Originator:  | UniCredit S.p.A.   |  |
| Issuer:  | Pillarstone Italy SPV S.r.l.   |  |
| Servicer:  | Securitisation Services S.p.A.   |  |
| Arranger:  | -  |  |
| Target transaction:  | Innovative structure of securitisation to manage and overcome the temporary difficulties of the debtor sold, in order to optimise the reimbursement of the securitised portfolio |  |
| Type of asset:   | Corporate loans  |  |
| Quality of Asset:  | Unlikely to pay  |  |
| Closing date:  | 12.10.2015   | 01.22.2019   |
| Nominal Value of disposal portfolio (€ million):                 | 74   | 17   |
| Net amount of pre-existing write-down/write-backs (€ million):   | -  | -  |
| Disposal Profit & Loss realised (€ million):                     | -  | -  |
| Portfolio disposal price (€ million):                            | 74   | 17   |
| Guarantees issued by the Bank:                                   | -  |  |
| Guarantees issued by Third Parties:                              | -  |  |
| Bank Lines of Credit:  | -  |  |
| Third Parties Lines of Credit (€ million):                       | 4  | 2  |
| Other Credit Enhancements:                                       | -  |  |
| Other relevant information:                                      | -  | The new issue of securities, occurred on 22 January 2019, resulted in an increase of mezzanine notes for €2 million and junior notes for €15 million |
| Rating Agencies:   | -  |  |
| Amount of CDS or other supersenior risk transferred (€ million): | -  |  |
| Amount and Condition of tranching:                               |  |  |
| . ISIN   | IT0005154833   | IT0005155103   |
| . Type of security   | Senior <sup>(*)</sup>  | Mezzanine <sup>(*)</sup>   |
| . Class  | A  | B  |
| . Rating   | -  | -  |
| . Quotation  | -  | -  |
| . Issue date   | 12.10.2015   | 12.10.2015 - 01.22.2019 (size increase)  |
| . Legal maturity   | 10.20.2030   | 10.20.2030   |
| . Call option  | -  |  |
| . Expected duration (years)                                      | 5.0  | 5.0  |
| . Rate   | 8.50%  | EUR6M(360) + 144pb   |
| . Subordinated level   | -  | SUB A  |
| . Nominal value issued (€ million)                               | 1  | 19   |
| . Nominal value at the end of accounting period (€ million)      | 1  | 19   |
| . ISIN   | IT0005155111   |  |
| . Type of security   | Junior <sup>(*)</sup>  |  |
| . Class  | C  |  |
| . Rating   | -  |  |
| . Quotation  | -  |  |
| . Issue date   | 12.10.2015 - 01.22.2019 (size increase)  |  |
| . Legal maturity   | 10.20.2030   |  |
| . Call option  | -  |  |
| . Expected duration (years)                                      | 5.0  |  |
| . Rate   | EUR6M(360)+1000pb  |  |
| . Subordinated level   | SUB A-B  |  |
| . Nominal value issued (€ million)                               | 71   |  |
| . Nominal value at the end of accounting period (€ million)      | 71   |  |

#### Nota:

(\*) The classification of the field "Type of security" refers to Banca d'Italia Circular No.262 "The Bank's Financial Statements" - Chapter 1 General principles - Section 5 Definitions - 5.23 - Securitizations: senior, mezzanine and junior exposures.

Pillarstone is a multioriginator securitisation, with claims transferred by UniCredit and other banks. For representation purposes, securities reported in the table are those issued in light of the portfolio transferred by UniCredit.

The "Closing date" is the date when the securitisation vehicle has issued the securities of the transaction.

## Annex 3 - Securitisations - qualitative tables

## ORIGINATOR: UniCredit S.p.A.

## Traditional securitisations of non-performing loans

|   |  |
|---|--|
| STRATEGIES, PROCESSES AND GOALS:  | UniCredit S.p.A., through the transfer of its non-performing exposures to SPV pursuant to 130 Law on securitization, has set itself the objective of reducing the stock of Non Performing Exposures, in line with the Group's strategy of a complete rundown of this perimeter.  |
| INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS:                       | The performance of securitisations is subject to continuous monitoring by the bank, with specific focus on the recovery performance and the evolution of the Gross Book Value (GBV) of the underlying portfolio and on the progressive repayment of the principal and payment of interest of the ABS securities issued by the SPV, based on the information provided by the servicer (also through specific periodic reports foreseen in the transaction documentation). |
| ORGANISATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT: | The execution of the securitization transactions of non performing exposures is approved by the Board or delegated internal committees. Credit reviews of the transactions are scheduled on an annual basis and discussed in specific committees with the participation of top management, during which updates are given on the progress of transactions as a whole.  |
| HEDGING POLICIES:   | None   |
| OPERATING RESULTS:  | Every six months, or more frequently if necessary, information relating to the performance of securitisations (with specific focus on the evolution of the Gross Book Value of the transferred portfolio, the recovery performances and the redemption of ABS securities) is made available to the various functions of the bank for the performance of their respective roles on monitoring and representation in the financial statements.                             |

## Annex 3 - Securitisations - qualitative tables

## New transactions 2022

|   |  |  |
|---|--|--|
| NAME:   | ITACA  |  |
| Type of securitisation:                                       | Traditional  |  |
| Originator:   | UniCredit S.p.A.   |  |
| Issuer:   | Itaca SPV S.r.l.   |  |
| Servicer:   | doNext S.p.A. (Master Servicer), doValue S.p.A. (Special Servicer)   |  |
| Arranger:   | UniCredit Bank A.G.  |  |
| Target transaction:   | UniCredit S.p.A. NPL stock reduction   |  |
| Type of asset:  | Secured and unsecured loans granted to small and medium enterprises and individuals  |  |
| Quality of Asset:   | Bad loans  |  |
| Closing date:   | 03.05.2022   |  |
| Nominal Value of reference portfolio (€ million):             | 1,100  |  |
| Net amount of preexisting write-down/write-backs (€ million): | 193  |  |
| Disposal Profit & Loss realised (€ million)*):                | -38  |  |
| Portfolio disposal price (€ million):                         | 155  |  |
| Issued guarantees by the Bank:                                | -  |  |
| Issued guarantees by third parties:                           | On 7 May 2022 a request was submitted to the MEF and Consap for the issuing of the state guarantee on the senior notes (so-called GACS). The GACS was issued on 10 June 2022 |  |
| Bank Lines of Credit:   | -  |  |
| Third Parties Lines of Credit:                                | UniCredit Bank Ag has granted a credit facility of €21.75 million to the SPV, super-senior in the priority of payment.   |  |
| Other Credit Enhancements:                                    | -  |  |
| Other relevant information:                                   | UniCredit S.p.A. has initially underwritten the whole set of notes issued by the SPV. On 8 June 2022, 95% of junior and mezzanine notes was sold on the market.              |  |
| Rating Agencies:  | Scope Ratings GmbH (Scope), Moody's Italia S.r.l.  |  |
| Amount of CDS or other risk transferred (€ million):          | -  |  |
| Amount and Condition of tranching:                            |  |  |
| . ISIN  | IT0005494221   | IT0005494247                                 |
| . Type of security  | Senior   | Mezzanine                                    |
| . Class   | A  | B  |
| . Rating  | BBB, Baa2  | -  |
| . Quotation   | -  | -  |
| . Issue date  | 06.05.2022   | 06.05.2022                                   |
| . Legal maturity  | 01.07.2045   | 31.07.2045                                   |
| . Call option   | -  | -  |
| . Expected duration (years)                                   | 4.85   | 9.71   |
| . Rate  | 6M Eur +1,50%  | 6M Eur +9,50%                                |
| . Subordination level   | -  | SUB A  |
| . Nominal Value Issued (€ million)                            | 125  | 24   |
| . Nominal value at the end of accounting period (€ million)   | 125  | 24   |
| . Security subscribers  | UniCredit S.p.A. (100%)  | UniCredit S.p.A. (5%), CRC CF Lux Sarl (95%) |
| . ISIN  | IT0005494254   |  |
| . Type of security  | Junior   |  |
| . Class   | C  |  |
| . Rating  | -  |  |
| . Quotation   | -  |  |
| . Issue date  | 06.05.2022   |  |
| . Legal maturity  | 31.07.2045   |  |
| . Call option   | -  |  |
| . Expected duration (years)                                   | 14.52  |  |
| . Rate  | Variable   |  |
| . Subordination level   | SUB A-B  |  |
| . Nominal Value Issued (€ million)                            | 6  |  |
| . Nominal value at the end of accounting period (€ million)   | 6  |  |
| . Security subscribers  | UniCredit S.p.A. (5%), CRC CF Lux Sarl (95%)   |  |

## Annex 3 - Securitisations - qualitative tables

Continued: ITACA

| NAME:   |              |
|---|--------------|
| <b>Distribution of securitised assets by area (€ million):</b>                            |              |
| Italy - Northwest   | 261          |
| Italy - Northeast   | 271          |
| Italy - Central   | 304          |
| Italy - South and Islands   | 257          |
| Other European Countries - E.U. countries   | -            |
| Other European Countries - non-E.U. countries   | 7            |
| America   | -            |
| Rest of the World   | -            |
| <b>Total</b>  | <b>1,100</b> |
| <b>Distribution of securitised assets by business sector of the borrower (€ million):</b> |              |
| Governments   | -            |
| Other public-sector entities  | -            |
| Banks   | -            |
| Financial Companies   | -            |
| Insurance Companies   | -            |
| Non-financial Companies   | 781          |
| Other entities  | 319          |
| <b>Total</b>  | <b>1,100</b> |

**Note:**

(\*) Amount gross of initial transaction's costs.

## Annex 3 - Securitisations - qualitative tables

|   |   |  |
|---|---|--|
| <b>NAME:</b>  | <b>Project Panthers</b>   |  |
| Type of securitisation:                                       | Traditional   |  |
| Originator:   | UniCredit S.p.A.  |  |
| Issuer:   | Altea SPV S.r.l.  |  |
| Servicer:   | Prelios Credit Servicing S.p.A.   |  |
| Arranger:   | UniCredit Bank A.G.   |  |
| Target transaction:   | UniCredit S.p.A. Non performing exposure stock reduction  |  |
| Type of asset:  | Secured and unsecured loans granted to small and medium enterprises and individuals   |  |
| Quality of Asset:   | Bad Loans, unlikely To Pay  |  |
| Closing date:   | 20.06.2022  |  |
| Nominal Value of reference portfolio (€ million):             | 1,895   |  |
| Net amount of preexisting write-down/write-backs (€ million): | 756   |  |
| Disposal Profit & Loss realised (€ million) <sup>(1)</sup> :  | -46   |  |
| Portfolio disposal price (€ million) <sup>(2)</sup> :         | 710   |  |
| Issued guarantees by the Bank:                                | -   |  |
| Issued guarantees by third parties:                           | -   |  |
| Bank Lines of Credit:   | -   |  |
| Third Parties Lines of Credit:                                | 78 €mln (limited recourse Loan)   |  |
| Other Credit Enhancements:                                    | -   |  |
| Other relevant information:                                   | UniCredit S.p.A. has initially underwritten 100% of notes issued by the SPV. On 30 June 2022, 95% of junior and mezzanine notes was sold on the market. |  |
| Rating Agencies:  | -   |  |
| Amount of CDS or other risk transferred (€ million):          | -   |  |
| Amount and Condition of tranching:                            |   |  |
| . ISIN  | IT0005499030  | IT0005499048   |
| . Type of security  | Senior  | Mezzanine  |
| . Class   | A   | B  |
| . Rating  | -   | -  |
| . Quotation   | -   | -  |
| . Issue date  | 21.06.2022  | 21.06.2022   |
| . Legal maturity  | 30.06.2037  | 30.06.2037   |
| . Call option   | -   | -  |
| . Expected duration (years)                                   | 6.11  | 5.78   |
| . Rate  | 2%  | 10%  |
| . Subordination level   | -   | SUB A  |
| . Nominal Value Issued (€ million)                            | 552   | 162  |
| . Nominal value at the end of accounting period (€ million)   | 552   | 162  |
| . Security subscribers  | UniCredit S.p.A. (100%)   | UniCredit S.p.A. (5%), Lavaredo S.r.l. e CRC CF Lux Sàrl (95%) |
| . ISIN  | IT0005499055  |  |
| . Type of security  | Junior  |  |
| . Class   | C   |  |
| . Rating  | -   |  |
| . Quotation   | -   |  |
| . Issue date  | 21.06.2022  |  |
| . Legal maturity  | 30.06.2037  |  |
| . Call option   | -   |  |
| . Expected duration (years)                                   | 10.17   |  |
| . Rate  | Variable  |  |
| . Subordination level   | SUB A-B   |  |
| . Nominal Value Issued (€ million)                            | 22  |  |
| . Nominal value at the end of accounting period (€ million)   | 22  |  |
| . Security subscribers  | UniCredit S.p.A. (5%), Lavaredo S.r.l. e CRC CF Lux Sàrl (95%)  |  |

## Annex 3 - Securitisations - qualitative tables

Continued: Project Panthers

| NAME:   |              |
|---|--------------|
| <b>Distribution of securitised assets by area (€ million):</b>                            |              |
| Italy - Northwest   | 567          |
| Italy - Northeast   | 201          |
| Italy - Central   | 808          |
| Italy - South and Islands   | 319          |
| Other European Countries - E.U. countries   | -            |
| Other European Countries - non-E.U. countries   | -            |
| America   | -            |
| Rest of the World   | -            |
| <b>Total</b>  | <b>1,895</b> |
| <b>Distribution of securitised assets by business sector of the borrower (€ million):</b> |              |
| Governments   | -            |
| Other public-sector entities  | -            |
| Banks   | -            |
| Financial Companies   | 87           |
| Insurance Companies   | -            |
| Non-financial Companies   | 1,310        |
| Other entities  | 498          |
| <b>Total</b>  | <b>1,895</b> |

**Note:**

(1) Amount gross of initial transaction's costs and loss of €4mln on off-balance exposures.

(2) The overall amount issued is equal to the disposal price plus €26mln related to securitization reserves directly credited by UniCredit S.p.A to the SPV.



## Annex 3 - Securitisations - qualitative tables

## Transactions from previous years

|   |   |               |
|---|---|---------------|
| <b>NAME:</b>  | <b>OLYMPIA</b>  |               |
| Type of securitisation:                                       | Traditional   |               |
| Originator:   | UniCredit S.p.A.  |               |
| Issuer:   | Olympia SPV S.r.l.  |               |
| Servicer:   | Italfondario S.p.A. (Master Servicer), doValue S.p.A. (Special Servicer)  |               |
| Arranger:   | UniCredit Bank A.G.   |               |
| Target transaction:   | UniCredit S.p.A. NPL stock reduction  |               |
| Type of asset:  | Secured and unsecured loans granted to small and medium enterprises and individuals   |               |
| Quality of Asset:   | Bad loans   |               |
| Closing date:   | 25.11.2021  |               |
| Nominal Value of reference portfolio (€ million):             | 2,136   |               |
| Net amount of preexisting write-down/write-backs (€ million): | 312   |               |
| Disposal Profit & Loss realised (€ million)*):                | -22   |               |
| Portfolio disposal price (€ million):                         | 290   |               |
| Issued guarantees by the Bank:                                | -   |               |
| Issued guarantees by third parties:                           | On 24 December 2021 a request was submitted to the MEF and Consap for the issuing of the state guarantee on the senior notes (so-called GACS).                      |               |
| Bank Lines of Credit:   | -   |               |
| Third Parties Lines of Credit:                                | UniCredit Bank Ag has granted a credit facility of €26 million to the SPV, super-senior in the priority of payment.   |               |
| Other Credit Enhancements:                                    | -   |               |
| Other relevant information:                                   | UniCredit S.p.A. has initially underwritten the whole set of notes issued by the SPV. On 9 December 2021, 95% of junior and mezzanine notes was sold on the market. |               |
| Rating Agencies:  | Moody's Italia S.r.l., Scope Ratings GmbH and S&P Global Ratings Europe Limited   |               |
| Amount of CDS or other risk transferred (€ million):          | -   |               |
| Amount and Condition of tranching:                            |   |               |
| . ISIN  | IT0005468365  | IT0005468373  |
| . Type of security  | Senior  | Mezzanine     |
| . Class   | A   | B             |
| . Rating  | (Moody's) Baa2 - (Scope) BBB - (S&P) BBB  | -             |
| . Quotation   | -   | -             |
| . Issue date  | 25.11.2021  | 25.11.2021    |
| . Legal maturity  | 01.07.2044  | 01.07.2044    |
| . Call option   | -   | -             |
| . Expected duration (years)                                   | 4.7   | 7.7           |
| . Rate  | 6M Eur +1,50%   | 6M Eur +9,50% |
| . Subordination level   | -   | SUB A         |
| . Nominal Value Issued (€ million)                            | 261   | 26            |
| . Nominal value at the end of accounting period (€ million)   | 225   | 26            |
| . ISIN  | IT0005468381  |               |
| . Type of security  | Junior  |               |
| . Class   | J   |               |
| . Rating  | -   |               |
| . Quotation   | -   |               |
| . Issue date  | 25.11.2021  |               |
| . Legal maturity  | 01.07.2044  |               |
| . Call option   | -   |               |
| . Expected duration (years)                                   | 8.2   |               |
| . Rate  | variabile   |               |
| . Subordination level   | SUB A-B   |               |
| . Nominal Value Issued (€ million)                            | 3   |               |
| . Nominal value at the end of accounting period (€ million)   | 3   |               |

## Note:

(\*) Amount gross of initial transaction's costs.

## Annex 3 - Securitisations - qualitative tables

| NAME:   | PRISMA  |                           |
|---|---|---------------------------|
| Type of securitisation:                                       | Traditional   |                           |
| Originator:   | UniCredit S.p.A.  |                           |
| Issuer:   | Prisma SPV S.r.l.   |                           |
| Servicer:   | doValue S.p.A.  |                           |
| Arranger:   | UniCredit Bank A.G.   |                           |
| Target transaction:   | Decrease of exposure to non-performing residential mortgages (bad-loans)  |                           |
| Type of asset:  | Residential mortgages granted to retail customers   |                           |
| Quality of Asset:   | Bad loans   |                           |
| Closing date:   | 18.10.2019  |                           |
| Nominal Value of reference portfolio (€ million):             | 6,101   |                           |
| Net amount of preexisting write-down/write-backs (€ million): | 1,357   |                           |
| Disposal Profit & Loss realised (€ million) <sup>(*)</sup> :  | -37   |                           |
| Portfolio disposal price (€ million):                         | 1,320   |                           |
| Issued guarantees by the Bank:                                | -   |                           |
| Issued guarantees by third parties:                           | Government guarantee is effective on senior notes (i.e. GACS)   |                           |
| Bank Lines of Credit:   | -   |                           |
| Third Parties Lines of Credit:                                | UniCredit Bank Ag has granted a credit facility of €66 million to the SPV, super-senior in the priority of payment.   |                           |
| Other Credit Enhancements:                                    | -   |                           |
| Other relevant information:                                   | UniCredit S.p.A. has originally underwritten the whole of notes issued by the SPV. On 12 November 2019, 95% of junior and mezzanine notes was sold on the market. |                           |
| Rating Agencies:  | Moody's and Scope   |                           |
| Amount of CDS or other risk transferred (€ million):          | -   |                           |
| Amount and Condition of tranching:                            |   |                           |
| . ISIN  | IT0005387904  | IT0005387912              |
| . Type of security  | Senior  | Mezzanine                 |
| . Class   | A   | B                         |
| . Rating  | (Moody's) Baa1 - (Scope) BBB+   | (Moody's) B3 - (Scope) B- |
| . Quotation   | -   | -                         |
| . Issue date  | 18.10.2019  | 18.10.2019                |
| . Legal maturity  | 01.11.2039  | 01.11.2039                |
| . Call option   | -   | -                         |
| . Expected duration (years)                                   | 3.4   | 8.1                       |
| . Rate  | 6M Eur +1,50%   | 6M Eur +9%                |
| . Subordination level   | -   | SUB A                     |
| . Nominal Value Issued (€ million)                            | 1,210   | 80                        |
| . Nominal value at the end of accounting period (€ million)   | 609   | 80                        |
| . ISIN  | IT0005387920  |                           |
| . Type of security  | Junior  |                           |
| . Class   | J   |                           |
| . Rating  | -   |                           |
| . Quotation   | -   |                           |
| . Issue date  | 18.10.2019  |                           |
| . Legal maturity  | 01.11.2039  |                           |
| . Call option   | -   |                           |
| . Expected duration (years)                                   | 9.1   |                           |
| . Rate  | variable  |                           |
| . Subordination level   | SUB A-B   |                           |
| . Nominal Value Issued (€ million)                            | 30  |                           |
| . Nominal value at the end of accounting period (€ million)   | 30  |                           |

**Note:**

(\*) Amount gross of initial transaction's costs.

## Annex 3 - Securitisations - qualitative tables

| NAME:  |   | FINO 1                              |  |
|--|---|-------------------------------------|--|
| Type of securitisation:  | Traditional   |                                     |  |
| Originator:  | UniCredit S.p.A./Arena Npl ONE S.r.l.   |                                     |  |
| Issuer:  | FINO 1 Securitisation S.r.l.  |                                     |  |
| Service:   | Italfondario S.p.A. (Master Servicer), doValue S.p.A. (Special Servicer)            |                                     |  |
| Arranger:  | Morgan Stanley International Plc - UniCredit Bank AG                                |                                     |  |
| Target transaction:  | UniCredit S.p.A. bad loans stock reduction  |                                     |  |
| Type of asset:   | Secured and unsecured loans granted to small and medium enterprises and individuals |                                     |  |
| Quality of Asset:  | Bad loans   |                                     |  |
| Closing date:  | 31.07.2017  |                                     |  |
| Nominal Value of disposal portfolio (€ million):                 | 5,376   |                                     |  |
| Net amount of pre-existing write-down/write-backs (€ million):   | 890   |                                     |  |
| Disposal Profit & Loss realised (€ million) <sup>(*)</sup> :     | -96   |                                     |  |
| Portfolio disposal price (€ million):                            | 794   |                                     |  |
| Guarantees issued by the Bank:                                   | -   |                                     |  |
| Guarantees issued by Third Parties:                              | Government guarantee is effective on senior notes (i.e. GACS)                       |                                     |  |
| Bank Lines of Credit:  | -   |                                     |  |
| Third Parties Lines of Credit :                                  | -   |                                     |  |
| Other Credit Enhancements :                                      | -   |                                     |  |
| Other relevant information:                                      |   |                                     |  |
| Rating Agencies:   | Moody's - DBRS  |                                     |  |
| Amount of CDS or other supersenior risk transferred (€ million): | -   |                                     |  |
| Amount and Condition of tranching:                               |   |                                     |  |
| . ISIN   | IT0005277311  | IT0005277337                        |  |
| . Type of security   | Senior  | Mezzanine                           |  |
| . Class  | A   | B                                   |  |
| . Rating   | (Moody's) A2/BBB+ - (DBRS) A2/BBB+  | (Moody's) Ba3/BB+ - (DBRS) Ba3 /BB+ |  |
| . Quotation  | -   | -                                   |  |
| . Issue date   | 31.07.2017  | 31.07.2017                          |  |
| . Legal maturity   | 01.10.2045  | 01.10.2045                          |  |
| . Call option  | -   |                                     |  |
| . Expected duration (years)                                      | 2.2   | 4.1                                 |  |
| . Rate   | 3M Eur + 1.5%   | 3M Eur + 4%                         |  |
| . Subordinated level   | -   | SUB A                               |  |
| . Nominal value issued (€ million)                               | 650   | 30                                  |  |
| . Nominal value at the end of accounting period (€ million)      | 21  | 30                                  |  |
| . ISIN   | IT0005277345  | IT0005277352                        |  |
| . Type of security   | Mezzanine   | Junior                              |  |
| . Class  | C   | D                                   |  |
| . Rating   | (Moody's) B1/BB - (DBRS) B1/BB  | -                                   |  |
| . Quotation  | -   | -                                   |  |
| . Issue date   | 31.07.2017  | 31.07.2017                          |  |
| . Legal maturity   | 01.10.2045  | 01.10.2045                          |  |
| . Call option  | -   |                                     |  |
| . Expected duration (years)                                      | 4.2   | 6.8                                 |  |
| . Rate   | 3M Eur + 6%   | 12.00%                              |  |
| . Subordinated level   | SUB A-B   | SUB A-B-C                           |  |
| . Nominal value issued (€ million)                               | 40  | 50                                  |  |
| . Nominal value at the end of accounting period (€ million)      | 40  | 50                                  |  |

## Note:

(\*) Amount gross of initial transaction's costs.

## Annex 3 - Securitisations - qualitative tables

| NAME:  | FINO 2  |              |
|--|---|--------------|
| Type of securitisation:  | Traditional   |              |
| Originator:  | UniCredit S.p.A./Arena Npl ONE S.r.l.   |              |
| Issuer:  | FINO 2 Securitisation S.r.l.  |              |
| Servicer:  | Italfondario S.p.A. (Master Servicer), doValue S.p.A. (Special Servicer)            |              |
| Arranger:  | Morgan Stanley International Plc - UniCredit Bank AG                                |              |
| Target transaction:  | UniCredit S.p.A. Bad loans stock reduction  |              |
| Type of asset:   | Secured and unsecured loans granted to small and medium enterprises and individuals |              |
| Quality of Asset:  | Bad loans   |              |
| Closing date:  | 31.07.2017  |              |
| Nominal Value of disposal portfolio (€ million):                 | 7,841   |              |
| Net amount of pre-existing write-down/write-backs (€ million):   | 822   |              |
| Disposal Profit & Loss realised (€ million)*:                    | -181  |              |
| Portfolio disposal price (€ million):                            | 640   |              |
| Guarantees issued by the Bank:                                   | -   |              |
| Guarantees issued by Third Parties:                              | -   |              |
| Bank Lines of Credit :   | -   |              |
| Third Parties Lines of Credit :                                  | -   |              |
| Other Credit Enhancements :                                      | -   |              |
| Other relevant information:                                      | -   |              |
| Rating Agencies:   | -   |              |
| Amount of CDS or other supersenior risk transferred (€ million): | -   |              |
| Amount and Condition of tranching:                               |   |              |
| . ISIN   | IT0005277378  | IT0005277394 |
| . Type of security   | Senior  | Mezzanine    |
| . Class  | A   | B            |
| . Rating   | -   | -            |
| . Quotation  | -   | -            |
| . Issue date   | 31.07.2017  | 31.07.2017   |
| . Legal maturity   | 01.10.2045  | 01.10.2045   |
| . Call option  | -   | -            |
| . Expected duration (years)                                      | 1.6   | 3.6          |
| . Rate   | 3M Eur + 2%   | 3M Eur + 6%  |
| . Subordinated level   | -   | SUB A        |
| . Nominal value issued (€ million)                               | 400   | 125          |
| . Nominal value at the end of accounting period (€ million)      | 185   | 125          |
| . ISIN   | IT0005277402  | IT0005277410 |
| . Type of security   | Mezzanine   | Junior       |
| . Class  | C   | D            |
| . Rating   | -   | -            |
| . Quotation  | -   | -            |
| . Issue date   | 31.07.2017  | 31.07.2017   |
| . Legal maturity   | 01.10.2045  | 01.10.2045   |
| . Call option  | -   | -            |
| . Expected duration (years)                                      | 4.3   | 6.2          |
| . Rate   | 3M Eur + 8%   | 3M Eur + 12% |
| . Subordinated level   | SUB A-B   | SUB A-B-C    |
| . Nominal value issued (€ million)                               | 76  | 40           |
| . Nominal value at the end of accounting period (€ million)      | 76  | 40           |

**Note:**

(\*) Amount gross of initial transaction's costs.

## Annex 3 - Securitisations - qualitative tables

| NAME:  | ONIF   |              |
|--|--|--------------|
| Type of securitisation:  | Traditional  |              |
| Originator:  | UniCredit S.p.A  |              |
| Issuer:  | Onif Finance S.r.l.  |              |
| Servicer:  | Zenith Service S.p.A. (Master Servicer) - Phoenix Asset Management S.p.A. (Special Servicer) |              |
| Arranger:  | Morgan Stanley International Plc - UniCredit Bank AG   |              |
| Target transaction:  | UniCredit S.p.A. bad loans stock reduction   |              |
| Type of asset:   | Secured and unsecured loans granted to large enterprises                                     |              |
| Quality of Asset:  | Bad loans  |              |
| Closing date:  | 26.07.2017   |              |
| Nominal Value of disposal portfolio (€ million):                 | 2,994  |              |
| Net amount of pre-existing write-down/write-backs (€ million):   | 402  |              |
| Disposal Profit & Loss realised (€ million)*:                    | -84  |              |
| Portfolio disposal price net of Lock Box Cash (€ million):       | 318  |              |
| Guarantees issued by the Bank:                                   | -  |              |
| Guarantees issued by Third Parties:                              | -  |              |
| Bank Lines of Credit:  | 2  |              |
| Third Parties Lines of Credit :                                  | -  |              |
| Other Credit Enhancements :                                      | Cash reserve for €0,7 million  |              |
| Other relevant information:                                      | -  |              |
| Rating Agencies:   | -  |              |
| Amount of CDS or other supersenior risk transferred (€ million): | -  |              |
| Amount and Condition of tranching:                               |  |              |
| . ISIN   | IT0005277014   | IT0005277022 |
| . Type of security   | Senior   | Mezzanine    |
| . Class  | A  | B            |
| . Rating   | -  | -            |
| . Quotation  | -  | -            |
| . Issue date   | 26.07.2017   | 26.07.2017   |
| . Legal maturity   | 01.10.2047   | 01.10.2047   |
| . Call option  | -  | -            |
| . Expected duration (years)                                      | 2.0  | 4.5          |
| . Rate   | 2.00%  | 5.00%        |
| . Subordinated level   | -  | SUB A        |
| . Nominal value issued (€ million)                               | 150  | 100          |
| . Nominal value at the end of accounting period (€ million)      | -  | 30           |
| . ISIN   | IT0005277030   |              |
| . Type of security   | Junior   |              |
| . Class  | C  |              |
| . Rating   | -  |              |
| . Quotation  | -  |              |
| . Issue date   | 26.07.2017   |              |
| . Legal maturity   | 01.10.2047   |              |
| . Call option  | -  |              |
| . Expected duration (years)                                      | 6.7  |              |
| . Rate   | 10.00%   |              |
| . Subordinated level   | SUB A-B  |              |
| . Nominal value issued (€ million)                               | 80   |              |
| . Nominal value at the end of accounting period (€ million)      | 80   |              |

## Note:

(\*) Amount gross of initial transaction's costs.

## Annex 3 - Securitisations - qualitative tables

ORIGINATOR: UniCredit S.p.A.

Traditional securitisations of performing exposures

*New transactions 2022*

|   |  |
|---|--|
| STRATEGIES, PROCESSES AND GOALS:  | These initiatives are part of the Group strategic guidelines, which has, among its objectives, the optimization of risk-weighted average assets and improving ROAC also through the accounting derecognition of the assets securitized   |
| INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS:                       | The portfolio of the securitization transaction is subject to continuous monitoring by third parties with respect to the bank and quarterly reports are prepared as envisaged by the contractual documentation of the transaction, with evidence of the status of the receivables and the trend of the collections. Furthermore UniCredit S.p.A. performs the role of "Sub Servicer" in charge of the administration and collections activities of securitized loans, as well as the management of any procedures for the recovery of non-performing loans. Finally UniCredit S.p.A. underwrites and maintains, in accordance with the retention rule, at least 5% of each securitized loan, thus directly monitoring their performance. |
| ORGANISATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT: | Although the securitized portfolio has been derecognised from the balance sheet, UniCredit constantly monitors the securitized portfolio and therefore its own investment in the senior note through the management of securitized portfolio collections through the same structures that manage the own portfolio and continuing to directly manage the portfolio not sold in order to maintain the net economic interest required by law. In this context, it ensures adequate overall monitoring of the portfolio also in favor of Top Management.  |
| HEDGING POLICIES:   | There is no interest rate swap agreement in charge since this was not requested by the investor.   |
| OPERATING RESULTS:  | The economic results achieved by the transaction are substantially in line with the expectations subject to the relative initial approvals   |

## Annex 3 - Securitisations - qualitative tables

| NAME:   | ARTS PEVA                |                           |
|---|--------------------------|---------------------------|
| Type of securitisation:   | Traditional              |                           |
| Originator:   | UniCredito SpA           |                           |
| Issuer:   | ARTS Large Corporate Srl |                           |
| Servicer:   | Banca Finint             |                           |
| Arranger:   | UniCredit Bank Ag        |                           |
| Target transaction:   | Capital Relief           |                           |
| Type of asset:  | Large Corporate          |                           |
| Quality of Asset:   | Performing               |                           |
| Closing date:   | 07.04.2022               |                           |
| Nominal Value of reference portfolio (€ million):   | 1,315                    |                           |
| Net amount of preexisting write-down/write-backs (€ million):                             | 1,315                    |                           |
| Disposal Profit & Loss realised (€ million) <sup>(*)</sup> :                              | -24                      |                           |
| Portfolio disposal price (€ million):   | 1,290                    |                           |
| Issued guarantees by the Bank:  | -                        |                           |
| Issued guarantees by third parties:   | -                        |                           |
| Bank Lines of Credit:   | -                        |                           |
| Third Parties Lines of Credit:  | -                        |                           |
| Other Credit Enhancements:  | -                        |                           |
| Other relevant information:   | -                        |                           |
| Rating Agencies:  | -                        |                           |
| Amount of CDS or other risk transferred (€ million):                                      | -                        |                           |
| Amount and Condition of tranching:  |                          |                           |
| . ISIN  | IT0005491045             | ISIN IT0005491052         |
| . Type of security  | Senior                   | Junior                    |
| . Class   | A                        | B                         |
| . Rating  | -                        | -                         |
| . Quotation   | -                        | -                         |
| . Issue date  | 07.04.2022               | 07.04.2022                |
| . Legal maturity  | 25.01.2041               | 25.01.2041                |
| . Call option   | Clean-up call            |                           |
| . Expected duration (years)   | 1.98                     | 4.68                      |
| . Rate  | EUR3M+0,90%              | Variable return           |
| . Subordination level   | A                        | sub A                     |
| . Nominal Value Issued (€ million)  | 1,187                    | 103                       |
| . Nominal value at the end of accounting period (€ million)                               | 1,017                    | 89                        |
| . Security subscribers  | UniCredit SpA            | Investitore istituzionale |
| <b>Distribution of securitised assets by area (€ million):</b>                            |                          |                           |
| Italy - Northwest   | 241                      |                           |
| Italy - Northeast   | 130                      |                           |
| Italy - Central   | 792                      |                           |
| Italy - South and Islands   | 12                       |                           |
| Other European Countries - E.U. countries   | 140                      |                           |
| Other European Countries - non-E.U. countries   | -                        |                           |
| America   | -                        |                           |
| Rest of the World   | -                        |                           |
| <b>Total</b>  | <b>1,315</b>             |                           |
| <b>Distribution of securitised assets by business sector of the borrower (€ million):</b> |                          |                           |
| Governments   | -                        |                           |
| Other public-sector entities  | -                        |                           |
| Banks   | -                        |                           |
| Financial Companies   | -                        |                           |
| Insurance Companies   | -                        |                           |
| Non-financial Companies   | 604                      |                           |
| Other entities  | 711                      |                           |
| <b>Total</b>  | <b>1,315</b>             |                           |

**Note:**

(\*) Amount gross of initial transaction's costs.

## Annex 3 - Securitisations - qualitative tables

### Transactions from previous years

|   |   |
|---|---|
| STRATEGIES, PROCESSES AND GOALS:  | The securitizations aim at facilitating the access to long term financing opportunities for the Italian small and medium enterprises ("SMEs"), through minibonds subscription by SMEs and purchase of it by SPV, in addition to the traditional bank credit lines, thus supporting the real economy and achieving a significant transfer risk on institutional qualified investors.                         |
| INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS:                       | Each portfolio is monitored on an ongoing basis by external third counterparty and is described in monthly and quarterly reports (required by the agreements) with a breakdown of loans by status and the trend of repayments. Moreover compliant to the retention rule UniCredit S.p.A. maintained at least a 5% of minibonds issued by SMES, so is able to monitor directly performance of the portfolio. |
| ORGANISATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT: | The BoD approved a plafond for similar transactions and each new securitization is submitted to the top management and internal of UniCredit S.p.A. deputed committees approval. The bank's annual/interim report contains details information on the specific ABS transactions achieved.   |
| HEDGING POLICIES:   | There is no swap on interest rates in force since the interest rates of the assets are matched with interest rates of the liabilities.  |
| OPERATING RESULTS:  | The results achieved up to the present are broadly in line with expectations and approved at inception.   |

| NAME:   | BASKET BOND PUGLIA                               |
|---|--|
| Type of securitisation:                                       | Traditional                                      |
| Originator:   | UniCredit S.p.A.                                 |
| Issuer:   | Garibaldi Tower Basket Bond S.r.l.               |
| Servicer:   | Banca Finint S.p.A.                              |
| Arranger:   | UniCredit S.p.A./UniCredit Bank AG London Branch |
| Target transaction:   | Funding to SMEs                                  |
| Type of asset:  | Minibonds  |
| Quality of Asset:   | Performing                                       |
| Closing date:   | 18.06.2020                                       |
| Nominal Value of reference portfolio (€ million):             | 104  |
| Net amount of preexisting write-down/write-backs (€ million): | -  |
| Disposal Profit & Loss realised (€ million)(*):               | -  |
| Portfolio disposal price (€ million):                         | 104  |
| Issued guarantees by the Bank:                                | -  |
| Issued guarantees by third parties:                           | 26   |
| Bank Lines of Credit:   | -  |
| Third Parties Lines of Credit:                                | -  |
| Other Credit Enhancements:                                    | -  |
| Other relevant information:                                   | -  |
| Rating Agencies:  | -  |
| Amount of CDS or other risk transferred (€ million):          | -  |
| Amount and Condition of tranching:                            |  |
| . ISIN  | IT0005414120                                     |
| . Type of security  | Senior   |
| . Class   | A  |
| . Rating  | -  |
| . Quotation   | -  |
| . Issue date  | 18.06.2020                                       |
| . Legal maturity  | 17.06.2030                                       |
| . Call option   | -  |
| . Expected duration (years)                                   | 4.3  |
| . Rate  | 0.5% + Variable                                  |
| . Subordination level   | -  |
| . Nominal Value Issued (€ million)                            | 104  |
| . Nominal value at the end of accounting period (€ million)   | 97   |

**Note:**

(\*) Amount gross of initial transaction's costs.



## Annex 3 - Securitisations - qualitative tables

**ORIGINATOR: UniCredit S.p.A.**

### Synthetic securitisations of performing loans

|   |  |
|---|--|
| STRATEGIES, PROCESSES AND GOALS:  | The main purpose of structuring synthetic securitizations is the relief of Regulatory Capital.   |
| INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS:                       | Each securitised portfolio is monitored by the Servicing Department on an ongoing basis and disclosed in the form of quarterly reports (Investor Report), providing a breakdown of the status of underlying loans.   |
| ORGANISATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT: | A first-level Committee approves each new transaction and any other related decisions and is informed about expected and actual performances of already existing transactions. The bank's annual report features information about all originated synthetic securitizations. |
| HEDGING POLICIES:   | None   |
| OPERATING RESULTS:  | The performances of synthetic securitizations are monitored on a semi-annual basis with dedicated reports addressed to the competent first-level Committee.  |

## Annex 3 - Securitisations - qualitative tables

### New Transactions 2022

| NAME:   | ARTS Large Corporate 2022                                 |                  |
|---|---|------------------|
| Type of securitisation:   | Tranched Cover  |                  |
| Originator:   | UniCredit S.p.A.  |                  |
| Issuer:   | UniCredit S.p.A.  |                  |
| Servicer:   | UniCredit S.p.A.  |                  |
| Arranger:   | UniCredit Bank A.G.                                       |                  |
| Target transaction:   | Credit risk hedging                                       |                  |
| Type of asset:  | Loans to Large Corporates                                 |                  |
| Quality of Asset:   | Performing  |                  |
| Closing date:   | 14.12.2022  |                  |
| Nominal Value of disposal portfolio (€ million):  | 2,943   |                  |
| Guarantees issued by the Bank:  | -   |                  |
| Guarantees issued by Third Parties:   | Cash collateral for junior risk                           |                  |
| Bank Lines of Credit:   | -   |                  |
| Third Parties Lines of Credit :   | -   |                  |
| Other Credit Enhancements :   | -   |                  |
| Other relevant information:   | -   |                  |
| Rating Agencies:  | No rating agency, use of Supervisory SEC-IRBA Approach(*) |                  |
| Amount of CDS or other supersenior risk transferred (€ million):                          | -   |                  |
| Amount and Condition of tranching:  |   |                  |
| . ISIN  | -   | -                |
| . Type of security  | Senior  | Junior           |
| . Class   | A   | B                |
| . Rating  | -   | -                |
| . Issue date  | 14.12.2022  | 14.12.2022       |
| . Legal maturity  | 31.12.2033  | 31.12.2033       |
| . Call option   | Clean-up call, Regulatory call, SRT call, Time call       |                  |
| . Expected duration (years)   | -   | -                |
| . Rate  | -   | -                |
| . Subordinated level  | -   | SUB A            |
| . Reference Position (€ million)  | 2,744   | 199              |
| . Reference Position at the end of accounting period (€ million)                          | 2,623   | 199              |
| . Risk holder   | UniCredit S.p.A.  | private Investor |
| <b>Distribution of securitised assets by area (€ million):</b>                            |   |                  |
| Italy - Northwest   | 1,698   |                  |
| Italy - Northeast   | 868   |                  |
| Italy - Central   | 185   |                  |
| Italy - South and Islands   | 178   |                  |
| Other European Countries - E.U. countries   | 14  |                  |
| Other European Countries - non-E.U. countries   | -   |                  |
| America   | -   |                  |
| Rest of the World   | -   |                  |
| <b>Total</b>  | <b>2,943</b>  |                  |
| <b>Distribution of securitised assets by business sector of the borrower (€ million):</b> |   |                  |
| Governments   | -   |                  |
| Other public-sector entities  | -   |                  |
| Banks   | -   |                  |
| Financial Companies   | -   |                  |
| Insurance Companies   | -   |                  |
| Non-financial Companies   | 2,943   |                  |
| Other entities  | -   |                  |
| <b>Total</b>  | <b>2,943</b>  |                  |

**Note:**

(\*) Synthetic securitizations carried out using the SEC-IRBA approach as required by Artt. 258-259 of Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

| NAME:   | MidCap 2022  |                        |
|---|--|------------------------|
| Type of securitisation:   | Tranched Cover   |                        |
| Originator:   | UniCredit S.p.A.   |                        |
| Issuer:   | UniCredit S.p.A.   |                        |
| Servicer:   | UniCredit S.p.A.   |                        |
| Arranger:   | UniCredit Bank A.G.  |                        |
| Target transaction:   | Credit risk hedging  |                        |
| Type of asset:  | Loans to Small and Mid Corporates  |                        |
| Quality of Asset:   | Performing   |                        |
| Closing date:   | 09.06.2022   |                        |
| Nominal Value of disposal portfolio (€ million):  | 1,662  |                        |
| Guarantees issued by the Bank:  | -  |                        |
| Guarantees issued by Third Parties:   | Financial guarantee to hedge the junior risk in the form of personal guarantee |                        |
| Bank Lines of Credit:   | -  |                        |
| Third Parties Lines of Credit :   | -  |                        |
| Other Credit Enhancements :   | -  |                        |
| Other relevant information:   | -  |                        |
| Rating Agencies:  | No rating agency, use of Supervisory SEC-IRBA Approach(*)                      |                        |
| Amount of CDS or other supersenior risk transferred (€ million):                          | -  |                        |
| Amount and Condition of tranching:  |  |                        |
| . ISIN  | -  | -                      |
| . Type of security  | Senior   | Junior                 |
| . Class   | A  | B                      |
| . Rating  | -  | -                      |
| . Issue date  | 09.06.2022   | 09.06.2022             |
| . Legal maturity  | 31.12.2035   | 31.12.2035             |
| . Call option   | Clean-up call, Regulatory call, SRT call, Time call                            |                        |
| . Expected duration (years)   | -  | -                      |
| . Rate  | -  | -                      |
| . Subordinated level  | -  | SUB A                  |
| . Reference Position (€ million)  | 1,534  | 128                    |
| . Reference Position at the end of accounting period (€ million)                          | 1,200  | 100                    |
| . Risk holder   | UniCredit S.p.A.   | Supranational Investor |
| <b>Distribution of securitised assets by area (€ million):</b>                            |  |                        |
| Italy - Northwest   | 593  |                        |
| Italy - Northeast   | 597  |                        |
| Italy - Central   | 311  |                        |
| Italy - South and Islands   | 161  |                        |
| Other European Countries - E.U. countries   | -  |                        |
| Other European Countries - non-E.U. countries   | -  |                        |
| America   | -  |                        |
| Rest of the World   | -  |                        |
| <b>Total</b>  | <b>1,662</b>   |                        |
| <b>Distribution of securitised assets by business sector of the borrower (€ million):</b> |  |                        |
| Governments   | -  |                        |
| Other public-sector entities  | 12   |                        |
| Banks   | -  |                        |
| Financial Companies   | -  |                        |
| Insurance Companies   | -  |                        |
| Non-financial Companies   | 1,538  |                        |
| Other entities  | 112  |                        |
| <b>Total</b>  | <b>1,662</b>   |                        |

**Note:**

(\*) Synthetic securitizations carried out using the SEC-IRBA approach as required by Artt. 258-259 of Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

| NAME:   | A.R.T.S. Remo 2022  |                     |
|---|---|---------------------|
| Type of securitisation:   | Tranching Cover   |                     |
| Originator:   | UniCredit S.p.A.  |                     |
| Issuer:   | UniCredit S.p.A.  |                     |
| Servicer:   | UniCredit S.p.A.  |                     |
| Arranger:   | UniCredit S.p.A.  |                     |
| Target transaction:   | Credit risk hedging   |                     |
| Type of asset:  | Residential mortgages   |                     |
| Quality of Asset:   | Performing  |                     |
| Closing date:   | 13.07.2022  |                     |
| Nominal Value of disposal portfolio (€ million):  | 1,605   |                     |
| Guarantees issued by the Bank:  | -   |                     |
| Guarantees issued by Third Parties:   | Insurance policy to hedge the mezzanine and upper junior risk |                     |
| Bank Lines of Credit:   | -   |                     |
| Third Parties Lines of Credit :   | -   |                     |
| Other Credit Enhancements :   | -   |                     |
| Other relevant information:   | -   |                     |
| Rating Agencies:  | No rating agency, use of Supervisory SEC-IRBA Approach(*)     |                     |
| Amount of CDS or other supersenior risk transferred (€ million):                          | -   |                     |
| Amount and Condition of tranching:  |   |                     |
| . ISIN  | -   | -                   |
| . Type of security  | Senior  | Mezzanine           |
| . Class   | A   | B                   |
| . Rating  | -   | -                   |
| . Issue date  | 13.07.2022  | 13.07.2022          |
| . Legal maturity  | 14.07.2030  | 14.07.2030          |
| . Call option   | Clean-up call, Regulatory call, SRT call                      |                     |
| . Expected duration (years)   | -   | -                   |
| . Rate  | -   | -                   |
| . Subordinated level  | -   | SUB A               |
| . Reference Position (€ million)  | 1,404   | 88                  |
| . Reference Position at the end of accounting period (€ million)                          | 1,321   | 88                  |
| . Risk holder   | UniCredit S.p.A.  | Insurance Companies |
| Amount and Condition of tranching:  |   |                     |
| . ISIN  | -   | -                   |
| . Type of security  | Upper Junior  | Lower Junior        |
| . Class   | C   | D                   |
| . Rating  | -   | -                   |
| . Issue date  | 13.07.2022  | 13.07.2022          |
| . Legal maturity  | 14.07.2030  | 14.07.2030          |
| . Call option   | Clean-up call, Regulatory call, SRT call                      |                     |
| . Expected duration (years)   | -   | -                   |
| . Rate  | -   | -                   |
| . Subordinated level  | SUB A-B   | SUB A-B-C           |
| . Reference Position (€ million)  | 96  | 17                  |
| . Reference Position at the end of accounting period (€ million)                          | 96  | 17                  |
| . Risk holder   | Insurance Company   | UniCredit S.p.A.    |
| <b>Distribution of securitised assets by area (€ million):</b>                            |   |                     |
| Italy - Northwest   | 711   |                     |
| Italy - Northeast   | 223   |                     |
| Italy - Central   | 348   |                     |
| Italy - South and Islands   | 324   |                     |
| Other European Countries - E.U. countries   | -   |                     |
| Other European Countries - non-E.U. countries   | -   |                     |
| America   | -   |                     |
| Rest of the World   | -   |                     |
| <b>Total</b>  | <b>1,605</b>  |                     |
| <b>Distribution of securitised assets by business sector of the borrower (€ million):</b> |   |                     |
| Governments   | -   |                     |
| Other public-sector entities  | -   |                     |
| Banks   | -   |                     |
| Financial Companies   | -   |                     |
| Insurance Companies   | -   |                     |
| Non-financial Companies   | -   |                     |
| Other entities  | 1,605   |                     |
| <b>Total</b>  | <b>1,605</b>  |                     |

**Note:**  
 (\*) Synthetic securitizations carried out using the SEC-IRBA approach as required by Artt. 258-259 of Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

| NAME:   | A.R.T.S. Remo 2022/2  |                     |
|---|---|---------------------|
| Type of securitisation:   | Tranched Cover  |                     |
| Originator:   | UniCredit S.p.A.  |                     |
| Issuer:   | UniCredit S.p.A.  |                     |
| Servicer:   | UniCredit S.p.A.  |                     |
| Arranger:   | UniCredit S.p.A.  |                     |
| Target transaction:   | Credit risk hedging   |                     |
| Type of asset:  | Residential mortgages   |                     |
| Quality of Asset:   | Performing  |                     |
| Closing date:   | 15.12.2022  |                     |
| Nominal Value of disposal portfolio (€ million):  | 1,272   |                     |
| Guarantees issued by the Bank:  | -   |                     |
| Guarantees issued by Third Parties:   | Insurance policy to hedge the mezzanine and upper junior risk |                     |
| Bank Lines of Credit:   | -   |                     |
| Third Parties Lines of Credit :   | -   |                     |
| Other Credit Enhancements :   | -   |                     |
| Other relevant information:   | -   |                     |
| Rating Agencies:  | No rating agency, use of Supervisory SEC-IRBA Approach(*)     |                     |
| Amount of CDS or other supersenior risk transferred (€ million):                          | -   |                     |
| Amount and Condition of tranching:  |   |                     |
| . ISIN  | -   | -                   |
| . Type of security  | Senior  | Mezzanine           |
| . Class   | A   | B                   |
| . Rating  | -   | -                   |
| . Issue date  | 15.12.2022  | 15.12.2022          |
| . Legal maturity  | 15.12.2030  | 15.12.2030          |
| . Call option   | Clean-up call, Regulatory call, SRT call                      |                     |
| . Expected duration (years)   | -   | -                   |
| . Rate  | -   | -                   |
| . Subordinated level  | -   | SUB A               |
| . Reference Position (€ million)  | 1,145   | 50                  |
| . Reference Position at the end of accounting period (€ million)                          | 1,133   | 50                  |
| . Risk holder   | UniCredit S.p.A.  | Insurance Companies |
| Amount and Condition of tranching:  |   |                     |
| . ISIN  | -   | -                   |
| . Type of security  | Upper Junior  | Lower Junior        |
| . Class   | C   | D                   |
| . Rating  | -   | -                   |
| . Issue date  | 15.12.2022  | 15.12.2022          |
| . Legal maturity  | 15.12.2030  | 15.12.2030          |
| . Call option   | Clean-up call, Regulatory call, SRT call                      |                     |
| . Expected duration (years)   | -   | -                   |
| . Rate  | -   | -                   |
| . Subordinated level  | SUB A-B   | SUB A-B-C           |
| . Reference Position (€ million)  | 64  | 13                  |
| . Reference Position at the end of accounting period (€ million)                          | 64  | 13                  |
| . Risk holder   | Insurance Company   | UniCredit S.p.A.    |
| <b>Distribution of securitised assets by area (€ million):</b>                            |   |                     |
| Italy - Northwest   | 436   |                     |
| Italy - Northeast   | 225   |                     |
| Italy - Central   | 288   |                     |
| Italy - South and Islands   | 323   |                     |
| Other European Countries - E.U. countries   | -   |                     |
| Other European Countries - non-E.U. countries   | -   |                     |
| America   | -   |                     |
| Rest of the World   | -   |                     |
| <b>Total</b>  | <b>1,272</b>  |                     |
| <b>Distribution of securitised assets by business sector of the borrower (€ million):</b> |   |                     |
| Governments   | -   |                     |
| Other public-sector entities  | -   |                     |
| Banks   | -   |                     |
| Financial Companies   | -   |                     |
| Insurance Companies   | -   |                     |
| Non-financial Companies   | -   |                     |
| Other entities  | 1,272   |                     |
| <b>Total</b>  | <b>1,272</b>  |                     |

**Note:**

(\*) Synthetic securitizations carried out using the SEC-IRBA approach as required by Artt. 258-259 of Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

### Transactions from previous years

| NAME:  | A.R.T.S. Re.Mo. 2021                                      |            |
|--|---|------------|
| Type of securitisation:  | Tranched Cover  |            |
| Originator:  | UniCredit S.p.A.  |            |
| Issuer:  | UniCredit S.p.A.  |            |
| Servicer:  | UniCredit S.p.A.  |            |
| Arranger:  | UniCredit S.p.A.  |            |
| Target transaction:  | Credit risk hedging                                       |            |
| Type of asset:   | Residential mortgages                                     |            |
| Quality of Asset:  | Performing  |            |
| Closing date:  | 20.12.2021  |            |
| Nominal Value of disposal portfolio (€ million):                 | 586   |            |
| Guarantees issued by the Bank:                                   | -   |            |
| Guarantees issued by Third Parties:                              | Insurance policy to hedge the junior risk                 |            |
| Bank Lines of Credit:  | -   |            |
| Third Parties Lines of Credit :                                  | -   |            |
| Other Credit Enhancements :                                      | -   |            |
| Other relevant information:                                      | -   |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*) |            |
| Amount of CDS or other supersenior risk transferred (€ million): | -   |            |
| Amount and Condition of tranching:                               |   |            |
| . ISIN   | -   | -          |
| . Type of security   | Senior  | Junior     |
| . Class  | A   | B          |
| . Rating   | -   | -          |
| . Issue date   | 20.12.2021  | 20.12.2021 |
| . Legal maturity   | 20.12.2029  | 20.12.2029 |
| . Call option  | Clean-up call, Regulatory call, SRT call                  |            |
| . Expected duration (years)                                      | -   | -          |
| . Rate   | -   | -          |
| . Subordinated level   | -   | SUB A      |
| . Reference Position (€ million)                                 | 539   | 47         |
| . Reference Position at the end of accounting period (€ million) | 487   | 47         |

**Note:**

(\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art.258-259 of Regulation (EU) No.2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No.575/2013 (Capital Requirements Regulation – CRR) on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

| NAME:  | A.R.T.S. MidCap 2021  |            |
|--|---|------------|
| Type of securitisation:  | Tranched Cover  |            |
| Originator:  | UniCredit S.p.A.  |            |
| Issuer:  | UniCredit S.p.A.  |            |
| Servicer:  | UniCredit S.p.A.  |            |
| Arranger:  | UniCredit Bank A.G.   |            |
| Target transaction:  | Credit risk hedging   |            |
| Type of asset:   | Loans to Small and Mid Corporates   |            |
| Quality of Asset:  | Performing  |            |
| Closing date:  | 26.11.2021  |            |
| Nominal Value of disposal portfolio (€ million):                 | 1,998   |            |
| Guarantees issued by the Bank:                                   | -   |            |
| Guarantees issued by Third Parties:                              | Financial guarantee to hedge the mezzanine risk in the form of personal guarantee |            |
| Bank Lines of Credit:  | -   |            |
| Third Parties Lines of Credit :                                  | -   |            |
| Other Credit Enhancements :                                      | -   |            |
| Other relevant information:                                      | -   |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*)                         |            |
| Amount of CDS or other supersenior risk transferred (€ million): | -   |            |
| Amount and Condition of tranching:                               |   |            |
| . ISIN   | -   | -          |
| . Type of security   | Senior  | Mezzanine  |
| . Class  | A   | B          |
| . Rating   | -   | -          |
| . Issue date   | 26.11.2021  | 26.11.2021 |
| . Legal maturity   | 31.12.2035  | 31.12.2035 |
| . Call option  | Clean-up call, Regulatory call, SRT call, Time call                               |            |
| . Expected duration (years)                                      | -   | -          |
| . Rate   | -   | -          |
| . Subordinated level   | -   | SUB A      |
| . Reference Position (€ million)                                 | 1,844   | 120        |
| . Reference Position at the end of accounting period (€ million) | 1,085   | 71         |
| . ISIN   | -   |            |
| . Type of security   | Junior  |            |
| . Class  | C   |            |
| . Rating   | -   |            |
| . Issue date   | 26.11.2021  |            |
| . Legal maturity   | 31.12.2035  |            |
| . Call option  | Clean-up call, regulatory call, SRT call, Time call                               |            |
| . Expected duration (years)                                      | -   |            |
| . Rate   | -   |            |
| . Subordinated level   | SUB A-B   |            |
| . Reference Position (€ million)                                 | 34  |            |
| . Reference Position at the end of accounting period (€ million) | 34  |            |

**Note:**

(\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art.258-259 of Regulation (EU) No.2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No.575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

| NAME:  | Puglia Sviluppo 2021   |            |
|--|--|------------|
| Type of securitisation:  | Tranched Cover   |            |
| Originator:  | UniCredit S.p.A.   |            |
| Issuer:  | UniCredit S.p.A.   |            |
| Servicer:  | UniCredit S.p.A.   |            |
| Arranger:  | UniCredit S.p.A.   |            |
| Target transaction:  | Credit risk hedging  |            |
| Type of asset:   | Unsecured loans - maturity up to 72 months - to small and medium enterprises located in Apulia |            |
| Quality of Asset:  | Performing   |            |
| Closing date:  | 26.05.2021   |            |
| Nominal Value of disposal portfolio (€ million):                 | 7  |            |
| Guarantees issued by the Bank:                                   | -  |            |
| Guarantees issued by Third Parties:                              | Junior risk cash collateralised  |            |
| Bank Lines of Credit:  | -  |            |
| Third Parties Lines of Credit :                                  | -  |            |
| Other Credit Enhancements :                                      | -  |            |
| Other relevant information:                                      | -  |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*)                                      |            |
| Amount of CDS or other supersenior risk transferred (€ million): | -  |            |
| Amount and Condition of tranching:                               |  |            |
| . ISIN   | -  | -          |
| . Type of security   | Senior   | Junior     |
| . Class  | A  | B          |
| . Rating   | -  | -          |
| . Issue date   | 26.05.2021   | 26.05.2021 |
| . Legal maturity   | 31.12.2031   | 31.12.2031 |
| . Call option  | -  | -          |
| . Expected duration (years)                                      | -  | -          |
| . Rate   | -  | -          |
| . Subordinated level   | -  | SUB A      |
| . Reference Position (€ million)                                 | 5  | 2          |
| . Reference Position at the end of accounting period (€ million) | 0  | 2          |

**Note:**  
 (\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art.258-259 of Regulation (EU) No.2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No.575/2013 on prudential requirements for credit institutions and investment firms.



## Annex 3 - Securitisations - qualitative tables

| NAME:  | Bond Italia 8 Investimenti   |            |
|--|--|------------|
| Type of securitisation:  | Tranched Cover   |            |
| Originator:  | UniCredit S.p.A.   |            |
| Issuer:  | UniCredit S.p.A.   |            |
| Servicer:  | UniCredit S.p.A.   |            |
| Arranger:  | UniCredit S.p.A.   |            |
| Target transaction:  | Credit risk hedging  |            |
| Type of asset:   | Unsecured loans - maturity between 24 and 60 months - to small and medium enterprises    |            |
| Quality of Asset:  | Performing   |            |
| Closing date:  | 16.12.2020   |            |
| Nominal Value of disposal portfolio (€ million):                 | 76   |            |
| Guarantees issued by the Bank:                                   | -  |            |
| Guarantees issued by Third Parties:                              | Financial guarantee to partially hedge the junior risk in the form of personal guarantee |            |
| Bank Lines of Credit:  | -  |            |
| Third Parties Lines of Credit :                                  | -  |            |
| Other Credit Enhancements :                                      | -  |            |
| Other relevant information:                                      | -  |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*)                                |            |
| Amount of CDS or other supersenior risk transferred (€ million): | -  |            |
| Amount and Condition of tranching:                               |  |            |
| . ISIN   | -  | -          |
| . Type of security   | Senior   | Junior     |
| . Class  | A  | B          |
| . Rating   | -  | -          |
| . Issue date   | 16.12.2020   | 16.12.2020 |
| . Legal maturity   | 31.07.2026   | 31.07.2026 |
| . Call option  | -  | -          |
| . Expected duration (years)                                      | -  | -          |
| . Rate   | -  | -          |
| . Subordinated level   | -  | SUB A      |
| . Reference Position (€ million)                                 | 68   | 8          |
| . Reference Position at the end of accounting period (€ million) | 26   | 8          |

**Note:**

(\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art.258-259 of Regulation (EU) No.2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No.575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

| NAME:  | Bond Italia 8 Misto  |            |
|--|--|------------|
| Type of securitisation:  | Tranched Cover   |            |
| Originator:  | UniCredit S.p.A.   |            |
| Issuer:  | UniCredit S.p.A.   |            |
| Servicer:  | UniCredit S.p.A.   |            |
| Arranger:  | UniCredit S.p.A.   |            |
| Target transaction:  | Credit risk hedging  |            |
| Type of asset:   | Unsecured loans - maturity between 18 and 60 months - to small and medium enterprises    |            |
| Quality of Asset:  | Performing   |            |
| Closing date:  | 16.12.2020   |            |
| Nominal Value of disposal portfolio (€ million):                 | 238  |            |
| Guarantees issued by the Bank:                                   | -  |            |
| Guarantees issued by Third Parties:                              | Financial guarantee to partially hedge the junior risk in the form of personal guarantee |            |
| Bank Lines of Credit:  | -  |            |
| Third Parties Lines of Credit :                                  | -  |            |
| Other Credit Enhancements :                                      | -  |            |
| Other relevant information:                                      | -  |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*)                                |            |
| Amount of CDS or other supersenior risk transferred (€ million): | -  |            |
| Amount and Condition of tranching:                               |  |            |
| . ISIN   | -  | -          |
| . Type of security   | Senior   | Junior     |
| . Class  | A  | B          |
| . Rating   | -  | -          |
| . Issue date   | 16.12.2020   | 16.12.2020 |
| . Legal maturity   | 31.07.2026   | 31.07.2026 |
| . Call option  | -  | -          |
| . Expected duration (years)                                      | -  | -          |
| . Rate   | -  | -          |
| . Subordinated level   | -  | SUB A      |
| . Reference Position (€ million)                                 | 216  | 22         |
| . Reference Position at the end of accounting period (€ million) | 9  | 22         |

**Note:**  
 (\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art.258-259 of Regulation (EU) No.2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No.575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

|  |  |            |
|--|--|------------|
| <b>NAME:</b>   | <b>ArtgianCredito Toscano</b>  |            |
| Type of securitisation:  | Tranched Cover   |            |
| Originator:  | UniCredit S.p.A.   |            |
| Issuer:  | UniCredit S.p.A.   |            |
| Servicer:  | UniCredit S.p.A.   |            |
| Arranger:  | UniCredit S.p.A.   |            |
| Target transaction:  | Credit risk hedging  |            |
| Type of asset:   | Unsecured loans - maturity up to 54 months - to small and medium enterprises mainly located in Tuscany |            |
| Quality of Asset:  | Performing   |            |
| Closing date:  | 14.07.2020   |            |
| Nominal Value of disposal portfolio (€ million):                 | 21   |            |
| Guarantees issued by the Bank:                                   | -  |            |
| Guarantees issued by Third Parties:                              | Junior risk partially cash collateralised  |            |
| Bank Lines of Credit:  | -  |            |
| Third Parties Lines of Credit :                                  | -  |            |
| Other Credit Enhancements :                                      | -  |            |
| Other relevant information:                                      | -  |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*)  |            |
| Amount of CDS or other supersenior risk transferred (€ million): | -  |            |
| Amount and Condition of tranching:                               |  |            |
| . ISIN   | -  | -          |
| . Type of security   | Senior   | Junior     |
| . Class  | A  | B          |
| . Rating   | -  | -          |
| . Issue date   | 14.07.2020   | 14.07.2020 |
| . Legal maturity   | 31.12.2028   | 31.12.2028 |
| . Call option  | -  | -          |
| . Expected duration (years)                                      | -  | -          |
| . Rate   | -  | -          |
| . Subordinated level   | -  | SUB A      |
| . Reference Position (€ million)                                 | 19   | 2          |
| . Reference Position at the end of accounting period (€ million) | 6  | 2          |

**Note:**

(\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art.258-259 of Regulation (EU) No.2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No.575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

| NAME:  | Bond del Mezzogiorno 2 - SME Initiative  |            |
|--|--|------------|
| Type of securitisation:  | Tranched Cover   |            |
| Originator:  | UniCredit S.p.A.   |            |
| Issuer:  | UniCredit S.p.A.   |            |
| Servicer:  | UniCredit S.p.A.   |            |
| Arranger:  | UniCredit S.p.A.   |            |
| Target transaction:  | Credit risk hedging  |            |
| Type of asset:   | Unsecured loans - maturity up to 60 months - to small and medium enterprises located in Southern Italy |            |
| Quality of Asset:  | Performing   |            |
| Closing date:  | 20.07.2020   |            |
| Nominal Value of disposal portfolio (€ million):                 | 202  |            |
| Guarantees issued by the Bank:                                   | -  |            |
| Guarantees issued by Third Parties:                              | Financial guarantee to partially hedge the junior risk in the form of personal guarantee               |            |
| Bank Lines of Credit:  | -  |            |
| Third Parties Lines of Credit :                                  | -  |            |
| Other Credit Enhancements :                                      | -  |            |
| Other relevant information:                                      | -  |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*)  |            |
| Amount of CDS or other supersenior risk transferred (€ million): | -  |            |
| Amount and Condition of tranching:                               |  |            |
| . ISIN   | -  | -          |
| . Type of security   | Senior   | Junior     |
| . Class  | A  | B          |
| . Rating   | -  | -          |
| . Issue date   | 20.07.2020   | 20.07.2020 |
| . Legal maturity   | 31.03.2026   | 31.03.2026 |
| . Call option  | -  | -          |
| . Expected duration (years)                                      | -  | -          |
| . Rate   | -  | -          |
| . Subordinated level   | -  | SUB A      |
| . Reference Position (€ million)                                 | 177  | 25         |
| . Reference Position at the end of accounting period (€ million) | 11   | 25         |

**Note:**

(\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art.258-259 of Regulation (EU) No.2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No.575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

| NAME:  | EaSi MicroCredito 2  |            |
|--|--|------------|
| Type of securitisation:  | Tranched Cover   |            |
| Originator:  | UniCredit S.p.A.   |            |
| Issuer:  | UniCredit S.p.A.   |            |
| Servicer:  | UniCredit S.p.A.   |            |
| Arranger:  | UniCredit S.p.A.   |            |
| Target transaction:  | Credit risk hedging  |            |
| Type of asset:   | Unsecured loans - maturity up to 60 months - to micro enterprises              |            |
| Quality of Asset:  | Performing   |            |
| Closing date:  | 31.03.2020   |            |
| Nominal Value of disposal portfolio (€ million):                 | 27   |            |
| Guarantees issued by the Bank:                                   | -  |            |
| Guarantees issued by Third Parties:                              | Financial guarantee to hedge the junior risk in the form of personal guarantee |            |
| Bank Lines of Credit:  | -  |            |
| Third Parties Lines of Credit :                                  | -  |            |
| Other Credit Enhancements :                                      | -  |            |
| Other relevant information:                                      | -  |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*)                      |            |
| Amount of CDS or other supersenior risk transferred (€ million): | -  |            |
| Amount and Condition of tranching:                               |  |            |
| . ISIN   | -  | -          |
| . Type of security   | Senior   | Junior     |
| . Class  | A  | B          |
| . Rating   | -  | -          |
| . Issue date   | 31.03.2020   | 31.03.2020 |
| . Legal maturity   | 01.01.2030   | 01.01.2030 |
| . Call option  | -  | -          |
| . Expected duration (years)                                      | -  | -          |
| . Rate   | -  | -          |
| . Subordinated level   | -  | SUB A      |
| . Reference Position (€ million)                                 | 23   | 4          |
| . Reference Position at the end of accounting period (€ million) | 26   | 7          |

**Note:**

(\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art.258-259 of Regulation (EU) No.2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No.575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

|  |  |            |
|--|--|------------|
| <b>NAME:</b>   | <b>Federascomfidi</b>  |            |
| Type of securitisation:  | Tranched Cover   |            |
| Originator:  | UniCredit S.p.A.   |            |
| Issuer:  | UniCredit S.p.A.   |            |
| Servicer:  | UniCredit S.p.A.   |            |
| Arranger:  | UniCredit S.p.A.   |            |
| Target transaction:  | Credit risk hedging  |            |
| Type of asset:   | Unsecured loans to small and medium enterprises  |            |
| Quality of Asset:  | Performing   |            |
| Closing date:  | 13.03.2013   |            |
| Nominal Value of disposal portfolio (€ million):                 | 69   |            |
| Guarantees issued by the Bank:                                   | -  |            |
| Guarantees issued by Third Parties:                              | Junior risk partially cash collateralised; financial guarantee to partially hedge the mezzanine risk in the form of personal guarantee |            |
| Bank Lines of Credit:  | -  |            |
| Third Parties Lines of Credit :                                  | -  |            |
| Other Credit Enhancements :                                      | -  |            |
| Other relevant information:                                      | -  |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*)  |            |
| Amount of CDS or other supersenior risk transferred (€ million): | -  |            |
| Amount and Condition of tranching:                               |  |            |
| . ISIN   | -  | -          |
| . Type of security   | Senior   | Mezzanine  |
| . Class  | A  | -          |
| . Rating   | -  | -          |
| . Issue date   | 13.03.2013   | 13.03.2013 |
| . Legal maturity   | 31.05.2030   | 25.03.2023 |
| . Call option  | -  | -          |
| . Expected duration (years)                                      | -  | -          |
| . Rate   | -  | -          |
| . Subordinated level   | -  | SUB A      |
| . Reference Position (€ million)                                 | 67   | 1          |
| . Reference Position at the end of accounting period (€ million) | 4  | 1          |
| . ISIN   | -  |            |
| . Type of security   | Junior   |            |
| . Class  | C  |            |
| . Rating   | -  |            |
| . Issue date   | 13.03.2013   |            |
| . Legal maturity   | 31.05.2030   |            |
| . Call option  | -  |            |
| . Expected duration (years)                                      | -  |            |
| . Rate   | -  |            |
| . Subordinated level   | SUB A-B  |            |
| . Reference Position (€ million)                                 | 1  |            |
| . Reference Position at the end of accounting period (€ million) | 0  |            |

**Note:**  
 (\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art.258-259 of Regulation (EU) No.2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No.575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

|  |  |            |
|--|--|------------|
| <b>NAME:</b>   | <b>Federconfidi</b>  |            |
| Type of securitisation:  | Tranched Cover   |            |
| Originator:  | UniCredit S.p.A.   |            |
| Issuer:  | UniCredit S.p.A.   |            |
| Servicer:  | UniCredit S.p.A.   |            |
| Arranger:  | UniCredit S.p.A.   |            |
| Target transaction:  | Credit risk hedging  |            |
| Type of asset:   | Unsecured loans to small and medium enterprises  |            |
| Quality of Asset:  | Performing   |            |
| Closing date:  | 25.02.2013   |            |
| Nominal Value of disposal portfolio (€ million):                 | 67   |            |
| Guarantees issued by the Bank:                                   | -  |            |
| Guarantees issued by Third Parties:                              | Junior risk partially cash collateralised; financial guarantee to partially hedge the mezzanine risk in the form of personal guarantee |            |
| Bank Lines of Credit:  | -  |            |
| Third Parties Lines of Credit :                                  | -  |            |
| Other Credit Enhancements :                                      | -  |            |
| Other relevant information:                                      | -  |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*)  |            |
| Amount of CDS or other supesenior risk transferred (€ million):  | -  |            |
| Amount and Condition of tranching:                               |  |            |
| . ISIN   | -  | -          |
| . Type of security   | Senior   | Mezzanine  |
| . Class  | A  | -          |
| . Rating   | -  | -          |
| . Issue date   | 25.02.2013   | 25.02.2013 |
| . Legal maturity   | 31.01.2030   | 25.03.2023 |
| . Call option  | -  | -          |
| . Expected duration (years)                                      | -  | -          |
| . Rate   | -  | -          |
| . Subordinated level   | -  | SUB A      |
| . Reference Position (€ million)                                 | 64   | 1          |
| . Reference Position at the end of accounting period (€ million) | 7  | 1          |
| . ISIN   | -  | -          |
| . Type of security   | Junior   | -          |
| . Class  | C  | -          |
| . Rating   | -  | -          |
| . Issue date   | 25.02.2013   | -          |
| . Legal maturity   | 31.01.2030   | -          |
| . Call option  | -  | -          |
| . Expected duration (years)                                      | -  | -          |
| . Rate   | -  | -          |
| . Subordinated level   | SUB A-B  | -          |
| . Reference Position (€ million)                                 | 2  | -          |
| . Reference Position at the end of accounting period (€ million) | 0  | -          |

**Note:**

(\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art.258-259 of Regulation (EU) No.2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No.575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

| NAME:  | TC EaSI Micro Credito  |            |
|--|--|------------|
| Type of securitisation:  | Tranched Cover   |            |
| Originator:  | UniCredit S.p.A.   |            |
| Issuer:  | UniCredit S.p.A.   |            |
| Servicer:  | UniCredit S.p.A.   |            |
| Arranger:  | UniCredit S.p.A.   |            |
| Target transaction:  | Credit risk hedging  |            |
| Type of asset:   | Unsecured loans - maturity between 6 and 55 months - to micro enterprises      |            |
| Quality of Asset:  | Performing   |            |
| Closing date:  | 25.11.2019   |            |
| Nominal Value of disposal portfolio (€ million):                 | 27   |            |
| Guarantees issued by the Bank:                                   | -  |            |
| Guarantees issued by Third Parties:                              | Financial guarantee to hedge the junior risk in the form of personal guarantee |            |
| Bank Lines of Credit:  | -  |            |
| Third Parties Lines of Credit :                                  | -  |            |
| Other Credit Enhancements :                                      | -  |            |
| Other relevant information:                                      | -  |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach <sup>(*)</sup>          |            |
| Amount of CDS or other supersenior risk transferred (€ million): | -  |            |
| Amount and Condition of tranching:                               |  |            |
| . ISIN   | -  | -          |
| . Type of security   | Senior   | Junior     |
| . Class  | A  | B          |
| . Rating   | -  | -          |
| . Issue date   | 25.11.2019   | 25.11.2019 |
| . Legal maturity   | 10.12.2025   | 10.12.2025 |
| . Call option  | -  | -          |
| . Expected duration (years)                                      | -  | -          |
| . Rate   | -  | -          |
| . Subordinated level   | -  | SUB A      |
| . Reference Position (€ million)                                 | 24   | 3          |
| . Reference Position at the end of accounting period (€ million) | 4  | 3          |

**Note:**  
 (\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art.258-259 of Regulation (EU) No.2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No.575/2013 on prudential requirements for credit institutions and investment firms.



## Annex 3 - Securitisations - qualitative tables

| NAME:  | Bond Italia 7  |            |
|--|--|------------|
| Type of securitisation:  | Tranched Cover   |            |
| Originator:  | UniCredit S.p.A.   |            |
| Issuer:  | UniCredit S.p.A.   |            |
| Servicer:  | UniCredit S.p.A.   |            |
| Arranger:  | UniCredit S.p.A.   |            |
| Target transaction:  | Credit risk hedging  |            |
| Type of asset:   | Unsecured loans - maturity between 18 and 60 months - to small and medium enterprises    |            |
| Quality of Asset:  | Performing   |            |
| Closing date:  | 21.11.2019   |            |
| Nominal Value of disposal portfolio (€ million):                 | 273  |            |
| Guarantees issued by the Bank:                                   | -  |            |
| Guarantees issued by Third Parties:                              | Financial guarantee to partially hedge the junior risk in the form of personal guarantee |            |
| Bank Lines of Credit:  | -  |            |
| Third Parties Lines of Credit :                                  | -  |            |
| Other Credit Enhancements :                                      | -  |            |
| Other relevant information:                                      | -  |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach <sup>(*)</sup>                    |            |
| Amount of CDS or other supersenior risk transferred (€ million): | -  |            |
| Amount and Condition of tranching:                               |  |            |
| . ISIN   | -  | -          |
| . Type of security   | Senior   | Junior     |
| . Class  | A  | B          |
| . Rating   | -  | -          |
| . Issue date   | 21.11.2019   | 21.11.2019 |
| . Legal maturity   | 31.08.2027   | 31.08.2027 |
| . Call option  | -  | -          |
| . Expected duration (years)                                      | -  | -          |
| . Rate   | -  | -          |
| . Subordinated level   | -  | SUB A      |
| . Reference Position (€ million)                                 | 252  | 21         |
| . Reference Position at the end of accounting period (€ million) | 26   | 20         |

**Note:**

(\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art.258-259 of Regulation (EU) No.2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No.575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

| NAME:  | Bond Italia 6 Investimenti   |            |
|--|--|------------|
| Type of securitisation:  | Tranched Cover   |            |
| Originator:  | UniCredit S.p.A.   |            |
| Issuer:  | UniCredit S.p.A.   |            |
| Servicer:  | UniCredit S.p.A.   |            |
| Arranger:  | UniCredit S.p.A.   |            |
| Target transaction:  | Credit risk hedging  |            |
| Type of asset:   | Unsecured loans - maturity between 24 and 60 months - to small and medium enterprises    |            |
| Quality of Asset:  | Performing   |            |
| Closing date:  | 21.11.2019   |            |
| Nominal Value of disposal portfolio (€ million):                 | 88   |            |
| Guarantees issued by the Bank:                                   | -  |            |
| Guarantees issued by Third Parties:                              | Financial guarantee to partially hedge the junior risk in the form of personal guarantee |            |
| Bank Lines of Credit:  | -  |            |
| Third Parties Lines of Credit :                                  | -  |            |
| Other Credit Enhancements :                                      | -  |            |
| Other relevant information:                                      | -  |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach <sup>(*)</sup>                    |            |
| Amount of CDS or other supersenior risk transferred (€ million): | -  |            |
| Amount and Condition of tranching:                               |  |            |
| . ISIN   | -  | -          |
| . Type of security   | Senior   | Junior     |
| . Class  | A  | B          |
| . Rating   | -  | -          |
| . Issue date   | 21.11.2019   | 21.11.2019 |
| . Legal maturity   | 31.05.2026   | 31.05.2026 |
| . Call option  | -  | -          |
| . Expected duration (years)                                      | -  | -          |
| . Rate   | -  | -          |
| . Subordinated level   | -  | SUB A      |
| . Reference Position (€ million)                                 | 79   | 9          |
| . Reference Position at the end of accounting period (€ million) | 22   | 8          |

**Note:**  
 (\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art.258-259 of Regulation (EU) No.2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No.575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

| NAME:  | Bond Italia 6 Misto  |            |
|--|--|------------|
| Type of securitisation:  | Tranched Cover   |            |
| Originator:  | UniCredit S.p.A.   |            |
| Issuer:  | UniCredit S.p.A.   |            |
| Servicer:  | UniCredit S.p.A.   |            |
| Arranger:  | UniCredit S.p.A.   |            |
| Target transaction:  | Credit risk hedging  |            |
| Type of asset:   | Unsecured loans - maturity between 30 and 72 months - to small and medium enterprises    |            |
| Quality of Asset:  | Performing   |            |
| Closing date:  | 18.12.2018   |            |
| Nominal Value of disposal portfolio (€ million):                 | 210  |            |
| Guarantees issued by the Bank:                                   | -  |            |
| Guarantees issued by Third Parties:                              | Financial guarantee to partially hedge the junior risk in the form of personal guarantee |            |
| Bank Lines of Credit:  | -  |            |
| Third Parties Lines of Credit (€ million):                       | -  |            |
| Other Credit Enhancements (€ million):                           | -  |            |
| Other relevant information:                                      | -  |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*)                                |            |
| Amount of CDS or other supersenior risk transferred:             | -  |            |
| Amount and Condition of tranching:                               |  |            |
| . ISIN   | -  | -          |
| . Type of security   | Senior   | Junior     |
| . Class  | A  | B          |
| . Rating   | -  | -          |
| . Issue date   | 18.12.2018   | 18.12.2018 |
| . Legal maturity   | 31.12.2024   | 31.12.2024 |
| . Call option  | -  | -          |
| . Expected duration (years)                                      | -  | -          |
| . Rate   | -  | -          |
| . Subordinated level   | -  | SUB A      |
| . Reference Position (€ million)                                 | 192  | 18         |
| . Reference Position at the end of accounting period (€ million) | 4  | 17         |

**Note:**

(\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art.258-259 of Regulation (EU) No.2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No.575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

|  |   |            |
|--|---|------------|
| <b>NAME:</b>   | <b>Bond Italia 5-bis</b>  |            |
| Type of securitisation:  | Tranched Cover  |            |
| Originator:  | UniCredit S.p.A.  |            |
| Issuer:  | UniCredit S.p.A.  |            |
| Servicer:  | UniCredit S.p.A.  |            |
| Arranger:  | UniCredit S.p.A.  |            |
| Target transaction:  | Credit risk hedging   |            |
| Type of asset:   | Unsecured loans - maturity between 18 and 60 months - to small and medium enterprises located in Southern Italy |            |
| Quality of Asset:  | Performing  |            |
| Closing date:  | 19.10.2018  |            |
| Nominal Value of disposal portfolio (€ million):                 | 34  |            |
| Guarantees issued by the Bank:                                   | -   |            |
| Guarantees issued by Third Parties:                              | Financial guarantee to partially hedge the junior risk in the form of personal guarantee                        |            |
| Bank Lines of Credit:  | -   |            |
| Third Parties Lines of Credit :                                  | -   |            |
| Other Credit Enhancements :                                      | -   |            |
| Other relevant information:                                      | -   |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*)   |            |
| Amount of CDS or other supersenior risk transferred (€ million): | -   |            |
| Amount and Condition of tranching:                               |   |            |
| . ISIN   | -   | -          |
| . Type of security   | Senior  | Junior     |
| . Class  | A   | B          |
| . Rating   | -   | -          |
| . Issue date   | 19.10.2018  | 19.10.2018 |
| . Legal maturity   | 31.08.2025  | 31.08.2025 |
| . Call option  | -   | -          |
| . Expected duration (years)                                      | -   | -          |
| . Rate   | -   | -          |
| . Subordinated level   | -   | SUB A      |
| . Reference Position (€ million)                                 | 32  | 2          |
| . Reference Position at the end of accounting period (€ million) | 3   | 2          |

**Note:**  
 (\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art. 258-259 of Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

| NAME:  | Bond del Mezzogiorno 1  |            |
|--|---|------------|
| Type of securitisation:  | Tranched Cover  |            |
| Originator:  | UniCredit S.p.A.  |            |
| Issuer:  | UniCredit S.p.A.  |            |
| Servicer:  | UniCredit S.p.A.  |            |
| Arranger:  | UniCredit S.p.A.  |            |
| Target transaction:  | Credit risk hedging   |            |
| Type of asset:   | Unsecured loans - maturity between 18 and 60 months - to small and medium enterprises located in Southern Italy |            |
| Quality of Asset:  | Performing  |            |
| Closing date:  | 19.09.2018  |            |
| Nominal Value of disposal portfolio (€ million):                 | 92  |            |
| Guarantees issued by the Bank:                                   | -   |            |
| Guarantees issued by Third Parties:                              | Financial guarantee to partially hedge the junior risk in the form of personal guarantee                        |            |
| Bank Lines of Credit:  | -   |            |
| Third Parties Lines of Credit :                                  | -   |            |
| Other Credit Enhancements :                                      | -   |            |
| Other relevant information:                                      | -   |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*)   |            |
| Amount of CDS or other supesenior risk transferred (€ million):  | -   |            |
| Amount and Condition of tranching:                               |   |            |
| . ISIN   | -   | -          |
| . Type of security   | Senior  | Junior     |
| . Class  | A   | B          |
| . Rating   | -   | -          |
| . Issue date   | 19.09.2018  | 19.09.2018 |
| . Legal maturity   | 28.02.2025  | 28.02.2025 |
| . Call option  | -   | -          |
| . Expected duration (years)                                      | -   | -          |
| . Rate   | -   | -          |
| . Subordinated level   | -   | SUB A      |
| . Reference Position (€ million)                                 | 81  | 11         |
| . Reference Position at the end of accounting period (€ million) | 0   | 9          |

**Note:**

(\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art. 258-259 of Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

| NAME:  | Agribond 2  |            |
|--|---|------------|
| Type of securitisation:  | Tranched Cover  |            |
| Originator:  | UniCredit S.p.A.  |            |
| Issuer:  | UniCredit S.p.A.  |            |
| Servicer:  | UniCredit S.p.A.  |            |
| Arranger:  | UniCredit S.p.A.  |            |
| Target transaction:  | Credit risk hedging   |            |
| Type of asset:   | Unsecured loans - maturity 72 months - to small and medium enterprises pertaining to the agriculture sector |            |
| Quality of Asset:  | Performing  |            |
| Closing date:  | 05.09.2018  |            |
| Nominal Value of disposal portfolio (€ million):                 | 166   |            |
| Guarantees issued by the Bank:                                   | -   |            |
| Guarantees issued by Third Parties:                              | Financial guarantee to partially hedge the junior risk in the form of personal guarantee                    |            |
| Bank Lines of Credit:  | -   |            |
| Third Parties Lines of Credit :                                  | -   |            |
| Other Credit Enhancements :                                      | -   |            |
| Other relevant information:                                      | -   |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*)   |            |
| Amount of CDS or other supersenior risk transferred (€ million): | -   |            |
| Amount and Condition of tranching:                               |   |            |
| . ISIN   | -   | -          |
| . Type of security   | Senior  | Junior     |
| . Class  | A   | B          |
| . Rating   | -   | -          |
| . Issue date   | 05.09.2018  | 05.09.2018 |
| . Legal maturity   | 31.12.2026  | 31.12.2026 |
| . Call option  | Clean-up call   |            |
| . Expected duration (years)                                      | -   | -          |
| . Rate   | -   | -          |
| . Subordinated level   | -   | SUB A      |
| . Reference Position (€ million)                                 | 154   | 12         |
| . Reference Position at the end of accounting period (€ million) | 33  | 12         |

**Note:**  
 (\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art. 258-259 of Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

|  |   |            |
|--|---|------------|
| <b>SECURITISATIONS NAME:</b>                                     | <b>Puglia Sviluppo 1</b>  |            |
| Type of securitisation:  | Tranched Cover  |            |
| Originator:  | UniCredit S.p.A.  |            |
| Issuer:  | UniCredit S.p.A.  |            |
| Servicer:  | UniCredit S.p.A.  |            |
| Arranger:  | UniCredit S.p.A.  |            |
| Target transaction:  | Credit risk hedging   |            |
| Type of asset:   | Unsecured loans - maturity between 18 and 60 months - to small and medium enterprises located in Apulia |            |
| Quality of Asset:  | Performing  |            |
| Closing date:  | 31.03.2017  |            |
| Nominal Value of disposal portfolio (€ million):                 | 21  |            |
| Guarantees issued by the Bank:                                   | -   |            |
| Guarantees issued by Third Parties:                              | Junior risk partially cash collateralised   |            |
| Bank Lines of Credit:  | -   |            |
| Third Parties Lines of Credit :                                  | -   |            |
| Other Credit Enhancements :                                      | -   |            |
| Other relevant information:                                      | -   |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*)   |            |
| Amount of CDS or other supesenior risk transferred (€ million):  | -   |            |
| Amount and Condition of tranching:                               |   |            |
| . ISIN   | -   | -          |
| . Type of security   | Senior  | Junior     |
| . Class  | A   | B          |
| . Rating   | -   | -          |
| . Issue date   | 31.03.2017  | 31.03.2017 |
| . Legal maturity   | 31.12.2025  | 31.12.2025 |
| . Call option  | -   | -          |
| . Expected duration (years)                                      | -   | -          |
| . Rate   | -   | -          |
| . Subordinated level   | -   | SUB A      |
| . Reference Position (€ million)                                 | 19  | 2          |
| . Reference Position at the end of accounting period (€ million) | -   | 0          |

**Note:**

(\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art. 258-259 of Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

| NAME:  |  | SME Initiative 2017 |  |
|--|--|---------------------|--|
| Type of securitisation:  | Tranched Cover   |                     |  |
| Originator:  | UniCredit S.p.A.   |                     |  |
| Issuer:  | UniCredit S.p.A.   |                     |  |
| Servicer:  | UniCredit S.p.A.   |                     |  |
| Arranger:  | UniCredit S.p.A.   |                     |  |
| Target transaction:  | Credit risk hedging  |                     |  |
| Type of asset:   | Pool of UniCredit's SME loans, concentrated in South of Italy for at least 50%               |                     |  |
| Quality of Asset:  | Performing   |                     |  |
| Closing date:  | 22.12.2017   |                     |  |
| Nominal Value of reference portfolio (€ million):                | 460  |                     |  |
| Issued guarantees by the Bank:                                   | -  |                     |  |
| Issued guarantees by third parties:                              | Financial guarantee to hedge the mezzanine and junior risk in the form of personal guarantee |                     |  |
| Bank Lines of Credit:  | -  |                     |  |
| Third Parties Lines of Credit:                                   | -  |                     |  |
| Other Credit Enhancements:                                       | -  |                     |  |
| Other relevant information:                                      | -  |                     |  |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-SA Approach(*)                                      |                     |  |
| Amount and Conditions of tranching:                              |  |                     |  |
| . ISIN   | -  | -                   |  |
| . Type of security   | Senior   | Upper Mezzanine     |  |
| . Class  | A  | B1                  |  |
| . Rating   | -  | -                   |  |
| . Issue date   | 22.12.2017   | 22.12.2017          |  |
| . Legal maturity   | 31.12.2030   | 31.12.2030          |  |
| . Call option  | Clean-up call, regulatory call, Time call  |                     |  |
| . Expected duration  | -  | -                   |  |
| . Rate   | -  | -                   |  |
| . Subordinated level   | -  | SUB A               |  |
| . Reference Position (€ million)                                 | 395  | 2                   |  |
| . Reference Position at the end of accounting period (€ million) | -  | -                   |  |
| . ISIN   | -  | -                   |  |
| . Type of security   | Middle Mezzanine   | Lower Mezzanine     |  |
| . Class  | B2   | B3                  |  |
| . Rating   | -  | -                   |  |
| . Issue date   | 22.12.2017   | 22.12.2017          |  |
| . Legal maturity   | 31.12.2030   | 31.12.2030          |  |
| . Call option  | Clean-up call, Regulatory call, Time call  |                     |  |
| . Expected duration  | -  | -                   |  |
| . Rate   | -  | -                   |  |
| . Subordinated level   | SUB A-B1   | SUB A-B1-B2         |  |
| . Reference Position (€ million)                                 | 1  | 12                  |  |
| . Reference Position at the end of accounting period (€ million) | -  | 4                   |  |
| . ISIN   | -  | -                   |  |
| . Type of security   | Second Loss  | Junior              |  |
| . Class  | C  | D                   |  |
| . Rating   | -  | -                   |  |
| . Issue date   | 22.12.2017   | 22.12.2017          |  |
| . Legal maturity   | 31.12.2030   | 31.12.2030          |  |
| . Call option  | Clean-up call, regulatory call, Time call  |                     |  |
| . Expected duration  | -  | -                   |  |
| . Rate   | -  | -                   |  |
| . Subordinated level   | SUB A-B1-B2-B3   | SUB A-B1-B2-B3-C    |  |
| . Reference Position (€ million)                                 | 14   | 36                  |  |
| . Reference Position at the end of accounting period (€ million) | 14   | 29                  |  |

**Note:**  
 (\*) Synthetic securitisations carried out using the SEC-SA approach as required by Art. 261 of Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.



## Annex 3 - Securitisations - qualitative tables

| NAME:  | Finpiemonte 2016  |            | FILSEC 2016  |            |
|--|---|------------|--|------------|
| Type of securitisation:  | Tranched Cover  |            | Tranched Cover   |            |
| Originator:  | UniCredit S.p.A.  |            | UniCredit S.p.A.   |            |
| Issuer:  | UniCredit S.p.A.  |            | UniCredit S.p.A.   |            |
| Servicer:  | UniCredit S.p.A.  |            | UniCredit S.p.A.   |            |
| Arranger:  | UniCredit S.p.A.  |            | UniCredit S.p.A.   |            |
| Target transaction:  | Credit risk hedging   |            | Credit risk hedging  |            |
| Type of asset:   | Unsecured loans - maturity between 18 and 60 months - to small and medium enterprises located in Piemonte |            | Unsecured loans - maturity between 18 and 60 months - to small and medium enterprises located in Liguria |            |
| Quality of Asset:  | Performing  |            | Performing   |            |
| Closing date:  | 31.10.2017  |            | 31.10.2017   |            |
| Nominal Value of reference portfolio (€ million):                | 58  |            | 28   |            |
| Issued guarantees by the Bank:                                   | -   |            | -  |            |
| Issued guarantees by third parties:                              | Junior risk partially cash collateralised   |            | Junior risk partially cash collateralised  |            |
| Bank Lines of Credit:  | -   |            | -  |            |
| Third Parties Lines of Credit:                                   | -   |            | -  |            |
| Other Credit Enhancements:                                       | -   |            | -  |            |
| Other relevant information:                                      | -   |            | -  |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*)   |            | No rating agency, use of Supervisory SEC-IRBA Approach(*)  |            |
| Amount and Conditions of tranching:                              |   |            |  |            |
| . ISIN   | -   | -          | -  | -          |
| . Type of security   | Senior  | Junior     | Senior   | Mezzanine  |
| . Class  | A   | B          | A  | B          |
| . Rating   | -   | -          | -  | -          |
| . Issue date   | 31.10.2017  | 31.10.2017 | 16.06.2017   | 16.06.2017 |
| . Legal maturity   | 31.12.2023  | 31.12.2023 | 31.07.2023   | 31.07.2023 |
| . Call option  | -   | -          | -  | -          |
| . Expected duration  | -   | -          | -  | -          |
| . Rate   | -   | -          | -  | -          |
| . Subordinated level   | -   | SUB A      | -  | SUB A      |
| . Reference Position (€ million)                                 | 51  | 7          | 24   | 4          |
| . Reference Position at the end of accounting period (€ million) | -   | 2          | -  | 1          |

**Note:**

(\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art. 258-259 of Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

| NAME:  | BOND ITALIA 5 INV  |            | BOND ITALIA 5 MIX  |            |
|--|--|------------|--|------------|
| Type of securitisation:  | Tranched Cover   |            | Tranched Cover   |            |
| Originator:  | UniCredit S.p.A.   |            | UniCredit S.p.A.   |            |
| Issuer:  | UniCredit S.p.A.   |            | UniCredit S.p.A.   |            |
| Servicer:  | UniCredit S.p.A.   |            | UniCredit S.p.A.   |            |
| Arranger:  | UniCredit S.p.A.   |            | UniCredit S.p.A.   |            |
| Target transaction:  | Credit risk hedging  |            | Credit risk hedging  |            |
| Type of asset:   | Unsecured loans - maturity between 24 and 60 months - to small and medium enterprises    |            | Unsecured loans - maturity between 18 and 60 months - to small and medium enterprises    |            |
| Quality of Asset:  | Performing   |            | Performing   |            |
| Closing date:  | 16.06.2017   |            | 16.06.2017   |            |
| Nominal Value of reference portfolio (€ million):                | 72   |            | 297  |            |
| Issued guarantees by the Bank:                                   | -  |            | -  |            |
| Issued guarantees by third parties:                              | Financial guarantee to partially hedge the junior risk in the form of personal guarantee |            | Financial guarantee to partially hedge the junior risk in the form of personal guarantee |            |
| Bank Lines of Credit:  | -  |            | -  |            |
| Third Parties Lines of Credit:                                   | -  |            | -  |            |
| Other Credit Enhancements:                                       | -  |            | -  |            |
| Other relevant information:                                      | -  |            | -  |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*)                                |            | No rating agency, use of Supervisory SEC-IRBA Approach(*)                                |            |
| Amount and Conditions of tranching:                              |  |            |  |            |
| . ISIN   | -  | -          | -  | -          |
| . Type of security   | Senior   | Junior     | Senior   | Mezzanine  |
| . Class  | A  | B          | A  | B          |
| . Rating   | -  | -          | -  | -          |
| . Issue date   | 16.06.2017   | 16.06.2017 | 16.06.2017   | 16.06.2017 |
| . Legal maturity   | 31.12.2023   | 31.12.2023 | 31.12.2025   | 31.12.2025 |
| . Call option  | -  | -          | -  | -          |
| . Expected duration  | -  | -          | -  | -          |
| . Rate   | -  | -          | -  | -          |
| . Subordinated level   | -  | SUB A      | -  | SUB A      |
| . Reference Position (€ million)                                 | 67   | 5          | 278  | 19         |
| . Reference Position at the end of accounting period (€ million) | 2  | 3          | 0  | 9          |

**Note:**  
 (\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art. 258-259 of Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

| NAME:  | BOND ITALIA4 MISTO   |            | ARTS MIDCAP5  |            |
|--|--|------------|---|------------|
| Type of securitisation:  | Tranché Cover  |            | Tranché Cover   |            |
| Originator:  | UniCredit S.p.A.   |            | UniCredit S.p.A.  |            |
| Issuer:  | UniCredit S.p.A.   |            | UniCredit S.p.A.  |            |
| Servicer:  | UniCredit S.p.A.   |            | UniCredit S.p.A.  |            |
| Arranger:  | UniCredit Bank A.G.  |            | UniCredit Bank A.G.                                       |            |
| Target transaction:  | Credit risk hedging  |            | Credit risk hedging                                       |            |
| Type of asset:   | unsecured loans - maturity between 18 and 60 months - to small and medium enterprises    |            | Loans to Mid - Corporates                                 |            |
| Quality of Asset:  | Performing   |            | Performing  |            |
| Closing date:  | 07.12.2016   |            | 02.12.2016  |            |
| Nominal Value of reference portfolio (€ million):                | 300  |            | 2,463   |            |
| Issued guarantees by the Bank:                                   | -  |            | -   |            |
| Issued guarantees by third parties:                              | Financial guarantee to partially hedge the junior risk in the form of personal guarantee |            | Junior risk cash collateralised                           |            |
| Bank Lines of Credit:  | -  |            | -   |            |
| Third Parties Lines of Credit:                                   | -  |            | -   |            |
| Other Credit Enhancements:                                       | -  |            | -   |            |
| Other relevant information:                                      | -  |            | -   |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*)                                |            | No rating agency, use of Supervisory SEC-IRBA Approach(*) |            |
| Amount and Conditions of tranching:                              |  |            |   |            |
| . ISIN   | -  | -          | -   | -          |
| . Type of security   | Senior   | Junior     | Senior  | Junior     |
| . Class  | A  | B          | A   | B          |
| . Rating   | -  | -          | -   | -          |
| . Issue date   | 07.12.2016   | 07.12.2016 | 02.12.2016  | 02.12.2016 |
| . Legal maturity   | 31.12.2023   | 31.12.2023 | 31.12.2046  | 31.12.2046 |
| . Call option  | -  | -          | Clean-up call, Regulatory Call, Time call                 |            |
| . Expected duration (years)                                      | -  | -          | -   | -          |
| . Rate   | -  | -          | -   | -          |
| . Subordinated level   | -  | SUB A      | -   | SUB A      |
| . Reference Position (€ million)                                 | 281  | 19         | 2,340   | 123        |
| . Reference Position at the end of accounting period (€ million) | -  | 4          | 332   | 76         |

**Note:**

(\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art. 258-259 of Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

| NAME:  | ARTS MIDCAP4  |            | AGRIBOND  |            |
|--|---|------------|---|------------|
| Type of securitisation:  | Tranched Cover  |            | Tranched Cover  |            |
| Originator:  | UniCredit S.p.A.  |            | UniCredit S.p.A.  |            |
| Issuer:  | UniCredit S.p.A.  |            | UniCredit S.p.A.  |            |
| Servicer:  | UniCredit S.p.A.  |            | UniCredit S.p.A.  |            |
| Arranger:  | UniCredit Bank A.G.                                       |            | UniCredit S.p.A.  |            |
| Target transaction:  | Credit risk hedging                                       |            | Credit risk hedging   |            |
| Type of asset:   | Loans to Small and Mid Corporates                         |            | Unsecured loans - maturity 72 months - to small and medium enterprises pertaining to the agriculture sector |            |
| Quality of Asset:  | Performing  |            | Performing  |            |
| Closing date:  | 21.06.2016  |            | 30.06.2015  |            |
| Nominal Value of reference portfolio (€ million):                | 2,259   |            | 172   |            |
| Issued guarantees by the Bank:                                   | -   |            | -   |            |
| Issued guarantees by third parties:                              | Junior risk cash collateralised                           |            | Financial guarantee to partially hedge the junior risk in the form of personal guarantee                    |            |
| Bank Lines of Credit:  | -   |            | -   |            |
| Third Parties Lines of Credit:                                   | -   |            | -   |            |
| Other Credit Enhancements:                                       | -   |            | -   |            |
| Other relevant information:                                      | -   |            | -   |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*) |            | No rating agency, use of Supervisory SEC-IRBA Approach(*)   |            |
| Amount and Conditions of tranching:                              |   |            |   |            |
| . ISIN   | -   | -          | -   | -          |
| . Type of security   | Senior  | Junior     | Senior  | Junior     |
| . Class  | A   | B          | A   | B          |
| . Rating   | -   | -          | -   | -          |
| . Issue date   | 21.06.2016  | 21.06.2016 | 30.06.2015  | 30.06.2015 |
| . Legal maturity   | 31.01.2036  | 31.01.2036 | 31.12.2023  | 31.12.2023 |
| . Call option  | Clean-up call, Regulatory Call, Time call                 |            | Clean-up call   |            |
| . Expected duration (years)                                      | -   | -          | -   | -          |
| . Rate   | -   | -          | -   | -          |
| . Subordinated level   | -   | SUB A      | -   | SUB A      |
| . Reference Position (€ million)                                 | 2,146   | 113        | 161   | 11         |
| . Reference Position at the end of accounting period (€ million) | 302   | 65         | 0   | 4          |

**Note:**  
 (\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art. 258-259 of Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

| NAME:  | BOND ITALIA 3 INVESTIMENTI   |            | BOND ITALIA3 MISTO   |            |
|--|--|------------|--|------------|
| Type of securitisation:  | Tranched Cover   |            | Tranched Cover   |            |
| Originator:  | UniCredit S.p.A.   |            | UniCredit S.p.A.   |            |
| Issuer:  | UniCredit S.p.A.   |            | UniCredit S.p.A.   |            |
| Servicer:  | UniCredit S.p.A.   |            | UniCredit S.p.A.   |            |
| Arranger:  | UniCredit S.p.A.   |            | UniCredit Bank A.G.  |            |
| Target transaction:  | Credit risk hedging  |            | Credit risk hedging  |            |
| Type of asset:   | unsecured loans - maturity between 24 and 60 months - to small and medium enterprises    |            | unsecured loans - maturity between 18 and 60 months - to small and medium enterprises    |            |
| Quality of Asset:  | Performing   |            | Performing   |            |
| Closing date:  | 14.05.2016   |            | 14.05.2016   |            |
| Nominal Value of reference portfolio (€ million):                | 99   |            | 166  |            |
| Issued guarantees by the Bank:                                   | -  |            | -  |            |
| Issued guarantees by third parties:                              | Financial guarantee to partially hedge the junior risk in the form of personal guarantee |            | Financial guarantee to partially hedge the junior risk in the form of personal guarantee |            |
| Bank Lines of Credit:  | -  |            | -  |            |
| Third Parties Lines of Credit:                                   | -  |            | -  |            |
| Other Credit Enhancements:                                       | -  |            | -  |            |
| Other relevant information:                                      | -  |            | -  |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*)                                |            | No rating agency, use of Supervisory SEC-IRBA Approach(*)                                |            |
| Amount and Conditions of tranching:                              |  |            |  |            |
| . ISIN   | -  | -          | -  | -          |
| . Type of security   | Senior   | Junior     | Senior   | Junior     |
| . Class  | A  | B          | A  | B          |
| . Rating   | -  | -          | -  | -          |
| . Issue date   | 14.05.2016   | 14.05.2016 | 14.05.2016   | 14.05.2016 |
| . Legal maturity   | 28.02.2026   | 28.02.2026 | 31.05.2026   | 31.05.2026 |
| . Call option  | -  | -          | -  | -          |
| . Expected duration (years)                                      | -  | -          | -  | -          |
| . Rate   | -  | -          | -  | -          |
| . Subordinated level   | -  | SUB A      | -  | SUB A      |
| . Reference Position (€ million)                                 | 92   | 7          | 156  | 10         |
| . Reference Position at the end of accounting period (€ million) | -  | 1          | -  | 1          |

**Note:**

(\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art. 258-259 of Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

| NAME:  | BOND ITALIA4 INVESTIMENTI  |            | BOND ITALIA1 MISTO   |            |
|--|--|------------|--|------------|
| Type of securitisation:  | Tranched Cover   |            | Tranched Cover   |            |
| Originator:  | UniCredit S.p.A.   |            | UniCredit S.p.A.   |            |
| Issuer:  | UniCredit S.p.A.   |            | UniCredit S.p.A.   |            |
| Servicer:  | UniCredit S.p.A.   |            | UniCredit S.p.A.   |            |
| Arranger:  | UniCredit S.p.A.   |            | UniCredit S.p.A.   |            |
| Target transaction:  | Credit risk hedging  |            | Credit risk hedging  |            |
| Type of asset:   | unsecured loans - maturity between 24 and 60 months - to small and medium enterprises    |            | Unsecured loans - maturity between 18 and 60 months - to small and medium enterprises    |            |
| Quality of Asset:  | Performing   |            | Performing   |            |
| Closing date:  | 07.12.2016   |            | 30.06.2015   |            |
| Nominal Value of reference portfolio (€ million):                | 100  |            | 296  |            |
| Issued guarantees by the Bank:                                   | -  |            | -  |            |
| Issued guarantees by third parties:                              | Financial guarantee to partially hedge the junior risk in the form of personal guarantee |            | Financial guarantee to partially hedge the junior risk in the form of personal guarantee |            |
| Bank Lines of Credit:  | -  |            | -  |            |
| Third Parties Lines of Credit:                                   | -  |            | -  |            |
| Other Credit Enhancements:                                       | -  |            | -  |            |
| Other relevant information:                                      | -  |            | -  |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*)                                |            | No rating agency, use of Supervisory SEC-IRBA Approach(*)                                |            |
| Amount and Conditions of tranching:                              |  |            |  |            |
| . ISIN   | -  | -          | -  | -          |
| . Type of security   | Senior   | Junior     | Senior   | Junior     |
| . Class  | A  | B          | A  | B          |
| . Rating   | -  | -          | -  | -          |
| . Issue date   | 07.12.2016   | 07.12.2016 | 30.06.2015   | 30.06.2015 |
| . Legal maturity   | 30.06.2024   | 30.06.2024 | 28.02.2023   | 28.02.2023 |
| . Call option  | -  | -          | -  | -          |
| . Expected duration (years)                                      | -  | -          | -  | -          |
| . Rate   | -  | -          | -  | -          |
| . Subordinated level   | -  | SUB A      | -  | SUB A      |
| . Reference Position (€ million)                                 | 92   | 8          | 277  | 19         |
| . Reference Position at the end of accounting period (€ million) | 4  | 5          | -  | 0          |

**Note:**  
 (\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art. 258-259 of Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

| NAME:  | BOND ITALIA2 MISTO   |            | BOND ITALIA2 INVESTIMENTI  |            |
|--|--|------------|--|------------|
| Type of securitisation:  | Tranched Cover   |            | Tranched Cover   |            |
| Originator:  | UniCredit S.p.A.   |            | UniCredit S.p.A.   |            |
| Issuer:  | UniCredit S.p.A.   |            | UniCredit S.p.A.   |            |
| Service:   | UniCredit S.p.A.   |            | UniCredit S.p.A.   |            |
| Arranger:  | UniCredit S.p.A.   |            | UniCredit S.p.A.   |            |
| Target transaction:  | Credit risk hedging  |            | Credit risk hedging  |            |
| Type of asset:   | Unsecured loans - maturity between 18 and 60 months - to small and medium enterprises    |            | Unsecured loans - maturity between 24 and 60 months - to small and medium enterprises    |            |
| Quality of Asset:  | Performing   |            | Performing   |            |
| Closing date:  | 31.12.2015   |            | 31.12.2015   |            |
| Nominal Value of reference portfolio (€ million):                | 300  |            | 100  |            |
| Issued guarantees by the Bank:                                   | -  |            | -  |            |
| Issued guarantees by third parties:                              | Financial guarantee to partially hedge the junior risk in the form of personal guarantee |            | Financial guarantee to partially hedge the junior risk in the form of personal guarantee |            |
| Bank Lines of Credit:  | -  |            | -  |            |
| Third Parties Lines of Credit:                                   | -  |            | -  |            |
| Other Credit Enhancements:                                       | -  |            | -  |            |
| Other relevant information:                                      | -  |            | -  |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*)                                |            | No rating agency, use of Supervisory SEC-IRBA Approach(*)                                |            |
| Amount and Conditions of tranching:                              |  |            |  |            |
| . ISIN   | -  | -          | -  | -          |
| . Type of security   | Senior   | Junior     | Senior   | Junior     |
| . Class  | A  | B          | A  | B          |
| . Rating   | -  | -          | -  | -          |
| . Issue date   | 31.12.2015   | 31.12.2015 | 31.12.2015   | 31.12.2015 |
| . Legal maturity   | 31.12.2023   | 31.12.2023 | 31.05.2023   | 31.05.2023 |
| . Call option  | -  | -          | -  | -          |
| . Expected duration  | -  | -          | -  | -          |
| . Rate   | -  | -          | -  | -          |
| . Subordinated level   | -  | SUB A      | -  | SUB A      |
| . Reference Position (€ million)                                 | 281  | 19         | 92   | 8          |
| . Reference Position at the end of accounting period (€ million) | -  | 0          | -  | 0          |

**Note:**

(\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art. 258-259 of Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

|  |  |            |
|--|--|------------|
| <b>NAME:</b>   | <b>ARTS MIDCAP3</b>  |            |
| Type of securitisation:  | Tranched Cover   |            |
| Originator:  | UniCredit S.p.A.   |            |
| Issuer:  | UniCredit S.p.A.   |            |
| Servicer:  | UniCredit S.p.A.   |            |
| Arranger:  | UniCredit Bank A.G.  |            |
| Target transaction:  | Credit risk hedging  |            |
| Type of asset:   | Loans to Mid - Corporates  |            |
| Quality of Asset:  | Performing   |            |
| Closing date:  | 21.11.2015   |            |
| Nominal Value of reference portfolio (€ million):                | 4,367  |            |
| Issued guarantees by the Bank:                                   | -  |            |
| Issued guarantees by third parties:                              | Junior risk cash collateralised; financial guarantee to hedge the mezzanine risk in the form of personal guarantee |            |
| Bank Lines of Credit:  | -  |            |
| Third Parties Lines of Credit:                                   | -  |            |
| Other Credit Enhancements:                                       | -  |            |
| Other relevant information:                                      | -  |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*)  |            |
| Amount and Conditions of tranching:                              |  |            |
| . ISIN   | Senior   | Mezzanine  |
| . Type of security   | A  | B          |
| . Class  | -  | -          |
| . Rating   | -  | -          |
| . Issue date   | 21.11.2015   | 21.11.2015 |
| . Legal maturity   | 31.12.2030   | 31.12.2030 |
| . Call option  | Clean-up call, Regulatory call   |            |
| . Expected duration  | -  | -          |
| . Rate   | -  | -          |
| . Subordinated level   | -  | SUB A      |
| . Reference Position (€ million)                                 | 4,105  | 44         |
| . Reference Position at the end of accounting period (€ million) | 165  | 44         |
| . ISIN   | -  |            |
| . Type of security   | Junior   |            |
| . Class  | C  |            |
| . Rating   | -  |            |
| . Issue date   | 21.11.2015   |            |
| . Legal maturity   | 31.12.2030   |            |
| . Call option  | Clean-up call, regulatory call   |            |
| . Expected duration  | -  |            |
| . Rate   | -  |            |
| . Subordinated level   | SUB A-B  |            |
| . Reference Position (€ million)                                 | 218  |            |
| . Reference Position at the end of accounting period (€ million) | 151  |            |

**Note:**  
 (\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art. 258-259 of Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.



## Annex 3 - Securitisations - qualitative tables

| NAME:  | BOND ITALIA1 INVESTIMENTI  |            |
|--|--|------------|
| Type of securitisation:  | Tranched Cover   |            |
| Originator:  | UniCredit S.p.A.   |            |
| Issuer:  | UniCredit S.p.A.   |            |
| Servicer:  | UniCredit S.p.A.   |            |
| Arranger:  | UniCredit S.p.A.   |            |
| Target transaction:  | Credit risk hedging  |            |
| Type of asset:   | Unsecured loans - maturity between 24 and 60 months - to small and medium enterprises    |            |
| Quality of Asset:  | Performing   |            |
| Closing date:  | 30.06.2015   |            |
| Nominal Value of reference portfolio (€ million):                | 94   |            |
| Issued guarantees by the Bank:                                   | -  |            |
| Issued guarantees by third parties:                              | Financial guarantee to partially hedge the junior risk in the form of personal guarantee |            |
| Bank Lines of Credit:  | -  |            |
| Third Parties Lines of Credit:                                   | -  |            |
| Other Credit Enhancements:                                       | -  |            |
| Other relevant information:                                      | -  |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*)                                |            |
| Amount and Conditions of tranching:                              |  |            |
| . ISIN   | -  | -          |
| . Type of security   | Senior   | Junior     |
| . Class  | A  | B          |
| . Rating   | -  | -          |
| . Issue date   | 30.06.2015   | 30.06.2015 |
| . Legal maturity   | 28.02.2025   | 28.02.2025 |
| . Call option  | -  | -          |
| . Expected duration  | -  | -          |
| . Rate   | -  | -          |
| . Subordinated level   | -  | SUB A      |
| . Reference Position (€ million)                                 | 87   | 7          |
| . Reference Position at the end of accounting period (€ million) | -  | 1          |

**Note:**

(\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art. 258-259 of Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

## ORIGINATOR: UniCredit Leasing S.p.A.

|   |   |
|---|---|
| STRATEGIES, PROCESSES AND GOALS:  | UniCredit Leasing S.p.A., through the transfer of its credit exposures to an SPV pursuant to 130 Law on securitization, has set itself the objective of reducing the stock of Non Performing Exposures of the Non Core perimeter, in line with the Group's strategy of a complete rundown of this perimeter.  |
| INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS:                       | The performance of securitisations is subject to continuous monitoring by the company, with specific focus on the recovery performance and the evolution of the Gross Book Value (GBV) of the underlying portfolio and on the progressive repayment of the principal and payment of interest of the ABS securities issued by the SPV, based on the information provided by the servicer (also through specific periodic reports foreseen in the transaction documentation). |
| ORGANISATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT: | The execution of the securitization transactions of non performing exposures is approved by the Board, based on the prior positive opinion of the proper committees within the company. Credit reviews of the transactions are scheduled on an annual basis and discussed in specific committees with the participation of top management, during which updates are given on the progress of transactions as a whole.   |
| HEDGING POLICIES:   | None  |
| OPERATING RESULTS:  | Every six months, or more frequently if necessary, information relating to the performance of securitisations (with specific focus on the evolution of the Gross Book Value of the transferred portfolio, the recovery performances and the redemption of ABS securities) is made available to the various company functions for the performance of their respective roles on monitoring and representation in the financial statements.                                    |

## Annex 3 - Securitisations - qualitative tables

## Transactions from previous years

|   |  |                           |
|---|--|---------------------------|
| NAME:   | RELAIS 2020  |                           |
| Type of securitisation:                                       | Traditional  |                           |
| Originator:   | UniCredit Leasing S.p.A.   |                           |
| Issuer:   | Relais Spv S.r.l.  |                           |
| Servicer:   | Do Value S.p.A.  |                           |
| Arranger:   | UniCredit Bank AG (UniCredit Markets & Investment Banking)   |                           |
| Target transaction:   | Run down of non-core portfolio   |                           |
| Type of asset:  | Mainly real estate contracts   |                           |
| Quality of Asset:   | Bad exposures  |                           |
| Closing date:   | 01.12.2020   |                           |
| Nominal Value of reference portfolio (€ million):             | 1,533  |                           |
| Net amount of preexisting write-down/write-backs (€ million): | 574  |                           |
| Disposal Profit & Loss realised (€ million)*):                | -7   |                           |
| Portfolio disposal price (€ million):                         | 567  |                           |
| Issued guarantees by the Bank:                                | -  |                           |
| Issued guarantees by third parties:                           | -  |                           |
| Bank Lines of Credit:   | €51.85 millions - grant by UniCredit Bank AG   |                           |
| Third Parties Lines of Credit:                                | -  |                           |
| Other Credit Enhancements:                                    | -  |                           |
| Other relevant information:                                   | UniCredit Leasing S.p.A. has originally underwritten the whole of notes issued by Relais Spv. Subsequently 95% of junior and mezzanine notes was sold to Do Value S.p.A. |                           |
| Rating Agencies:  | Moody's/Scope  |                           |
| Amount of CDS or other risk transferred (€ million):          | -  |                           |
| Amount and Condition of tranching:                            |  |                           |
| . ISIN  | IT0005429128   | IT0005429144              |
| . Type of security  | Senior   | Mezzanine                 |
| . Class   | A  | B                         |
| . Rating  | Baa2   Baa2  | -                         |
| . Quotation   | -  | -                         |
| . Issue date  | 11.12.2020   | 11.12.2020                |
| . Legal maturity  | 31.07.2040   | 31.07.2040                |
| . Call option   | -  |                           |
| . Expected duration (years)                                   | 3.0  | 6.4                       |
| . Rate  | Euribor 6M + Spread 1.50%  | Euribor 6M + Spread 9.50% |
| . Subordination level   | -  | sub A                     |
| . Nominal Value Issued (€ million)                            | 466  | 91                        |
| . Nominal value at the end of accounting period (€ million)   | 354  | 91                        |
| . ISIN  | IT0005429151   |                           |
| . Type of security  | Junior   |                           |
| . Class   | J  |                           |
| . Rating  | -  |                           |
| . Quotation   | -  |                           |
| . Issue date  | 11.12.2020   |                           |
| . Legal maturity  | 31.07.2040   |                           |
| . Call option   | -  |                           |
| . Expected duration (years)                                   | 7.4  |                           |
| . Rate  | variable   |                           |
| . Subordination level   | sub A-B  |                           |
| . Nominal Value Issued (€ million)                            | 10   |                           |
| . Nominal value at the end of accounting period (€ million)   | 10   |                           |

## Note:

(\*) Amount gross of initial transaction's costs.

## Annex 3 - Securitisations - qualitative tables

### ORIGINATOR: UniCredit Bank AG

#### New transactions 2022

|   |  |
|---|--|
| STRATEGIES, PROCESSES AND GOALS:  | The main reason for the Bank's securitisation program "Tucherpark 2022" is the reduction of RWA.   |
| INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS:                       | The portfolio is monitored by the servicing department on an ongoing basis and it is illustrated in the form of quarterly report (investor report), which provides a breakdown of the status of loans. |
| ORGANISATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT: | The BoD of the Bank approves the synthetic transaction and any other related decision and they are informed on the expected performances and on those in the final balance.                            |
| HEDGING POLICIES:   | No hedging activities  |
| OPERATING RESULTS:  | The results achieved up to the present are broadly in line with expectations.  |

|  |  |            |
|--|--|------------|
| <b>NAME:</b>   | <b>Tucherpark 2022</b>   |            |
| Type of securitisation:  | Synthetic  |            |
| Originator:  | UniCredit Bank AG  |            |
| Issuer:  | -  |            |
| Servicer:  | UniCredit Bank AG  |            |
| Arranger:  | UniCredit Bank AG (UniCredit Markets & Investment Banking)   |            |
| Target transaction:  | RWA relief   |            |
| Type of asset:   | Large Corporate and SME corporate loans  |            |
| Quality of Asset:  | Performing   |            |
| Closing date:  | 14.12.2022   |            |
| Nominal Value of disposal portfolio (€ million):                 | 1,949  |            |
| Guarantees issued by the Bank:                                   | -  |            |
| Guarantees issued by Third Parties:                              | 100% of junior tranche   |            |
| Bank Lines of Credit:  | -  |            |
| Third Parties Lines of Credit :                                  | -  |            |
| Other Credit Enhancements :                                      | -  |            |
| Other relevant information:                                      | Tucherpark 2022 has been established under the programme of EIF and EIB under the Pan-European Guarantee Fund in response to COVID-19 for support of and providing new finance for SME's. The financial guarantee providing credit protection will be fronted by EIF and backed by a back-to-back arrangement by EIB in favour of EIF, supported by EGF resources. |            |
| Rating Agencies:   | -  |            |
| Amount of CDS or other supersenior risk transferred (€ million): | -  |            |
| Amount and Condition of tranching:                               |  |            |
| . ISIN   | -  | -          |
| . Type of security   | Senior   | Junior     |
| . Class  | -  | -          |
| . Rating   | -  | -          |
| . Issue date   | 14.12.2022   | 14.12.2022 |
| . Legal maturity   | 30.06.2035   | 30.06.2035 |
| . Call option  | Time Call & Clean-Up Call  |            |
| . Expected duration (years)                                      | 5  | 5          |
| . Rate   | -  | 8.00%      |
| . Subordinated level   | -  | sub A      |
| . Reference Position (€ million)                                 | 1,803  | 146        |
| . Reference Position at the end of accounting period (€ million) | 1,803  | 146        |
| . Risk holder  | UniCredit Bank AG  | EIF        |

## Annex 3 - Securitisations - qualitative tables

continued: from previous page

| NAME:   |              |
|---|--------------|
| <b>Distribution of securitised assets by area (€ million):</b>                            |              |
| Italy - Northwest   | -            |
| Italy - Northeast   | -            |
| Italy - Central   | -            |
| Italy - South and Islands   | -            |
| Other European Countries - E.U. countries   | 1,949        |
| Other European Countries - non-E.U. countries   | -            |
| America   | -            |
| Rest of the World   | -            |
| <b>Total</b>  | <b>1,949</b> |
| <b>Distribution of securitised assets by business sector of the borrower (€ million):</b> |              |
| Governments   | -            |
| Other public-sector entities  | -            |
| Banks   | -            |
| Financial Companies   | -            |
| Insurance Companies   | -            |
| Non-financial Companies   | 1,949        |
| Other entities  | -            |
| <b>Total</b>  | <b>1,949</b> |

**Note:**

(\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art. 258-259 of Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

|   |  |
|---|--|
| STRATEGIES, PROCESSES AND GOALS:  | The main reason for the Bank's securitisation programs is the Funding for True Sale Transactions.  |
| INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS:                       | Each portfolio is monitored by the servicing department on an ongoing basis and it is illustrated in the form of quarterly report (investor report), which provides a breakdown of the status of loans.  |
| ORGANISATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT: | The BoD of the Bank approves each new transaction and any other related decision and is informed on the expected performances and on those in the final balance. The bank's annual report contains information on the bank's own ABS transactions. |
| HEDGING POLICIES:   | No hedging activities  |
| OPERATING RESULTS:  | The results achieved up to the present are broadly in line with expectations; payments received from the portfolio ensured punctual and full payment to security holders and other parties to the transaction.                                     |

| NAME:   | ROSENKAVALIER 2022   |                    |
|---|--|--------------------|
| Type of securitisation:                                       | Traditional  |                    |
| Originator:   | UniCredit Bank AG  |                    |
| Issuer:   | Rosenkavalier 2022 UG                                      |                    |
| Servicer:   | UniCredit Bank AG  |                    |
| Arranger:   | UniCredit Bank AG (UniCredit Markets & Investment Banking) |                    |
| Target transaction:   | Liquidity  |                    |
| Type of asset:  | Large Corporate and SME corporate loans                    |                    |
| Quality of Asset:   | Performing   |                    |
| Closing date:   | 18.11.2022   |                    |
| Nominal Value of reference portfolio (€ million):             | 3,000  |                    |
| Net amount of preexisting write-down/write-backs (€ million): | -  |                    |
| Disposal Profit & Loss realised (€ million) <sup>(1)</sup> :  | -  |                    |
| Portfolio disposal price (€ million):                         | 3,000  |                    |
| Issued guarantees by the Bank:                                | -  |                    |
| Issued guarantees by third parties:                           | -  |                    |
| Bank Lines of Credit:   | -  |                    |
| Third Parties Lines of Credit:                                | -  |                    |
| Other Credit Enhancements:                                    | -  |                    |
| Other relevant information:                                   | Transaction executed to create ECB collateral              |                    |
| Rating Agencies:  | Moody's/DBRS   |                    |
| Amount of CDS or other risk transferred (€ million):          | -  |                    |
| Amount and Condition of tranching:                            |  |                    |
| . ISIN  | DE000A30V2F3   | DE000A30V2G1       |
| . Type of security  | Senior   | Junior             |
| . Class   | A  | B                  |
| . Rating  | A(high)/A2   | -                  |
| . Quotation   | Munich   | Munich             |
| . Issue date  | 18.11.2022   | 18.11.2022         |
| . Legal maturity  | 30.05.2028   | 30.05.2028         |
| . Call option   | Any Payment Date   |                    |
| . Expected duration (years)                                   | 30.05.2028   | 30.05.2028         |
| . Rate  | Fixed Coupon 0.25%   | Fixed Coupon 1.00% |
| . Subordination level   | -  | sub A              |
| . Nominal Value Issued (€ million)                            | 2,505  | 495                |
| . Nominal value at the end of accounting period (€ million)   | 2,505  | 495                |
| . Security subscribers  | UniCredit Bank AG  | UniCredit Bank AG  |

## Annex 3 - Securitisations - qualitative tables

continued: ROSENKAVALIER 2022

| NAME:   |              |  |
|---|--------------|--|
| <b>Distribution of securitised assets by area (€ million):</b>                            |              |  |
| Italy - Northwest   | -            |  |
| Italy - Northeast   | -            |  |
| Italy - Central   | -            |  |
| Italy - South and Islands   | -            |  |
| Other European Countries - E.U. countries   | 3,000        |  |
| Other European Countries - non-E.U. countries   | -            |  |
| America   | -            |  |
| Rest of the World   | -            |  |
| <b>Total</b>  | <b>3,000</b> |  |
| <b>Distribution of securitised assets by business sector of the borrower (€ million):</b> |              |  |
| Governments   | -            |  |
| Other public-sector entities  | -            |  |
| Banks   | -            |  |
| Financial Companies   | -            |  |
| Insurance Companies   | -            |  |
| Non-financial Companies   | 3,000        |  |
| Other entities  | -            |  |
| <b>Total</b>  | <b>3,000</b> |  |

Note:

(\*) Amount gross of initial transaction's costs.

## Annex 3 - Securitisations - qualitative tables

### Transaction from previous years

| NAME:   | ROSENKAVALIER 2020   |                    |
|---|--|--------------------|
| Type of securitisation:                                       | Traditional  |                    |
| Originator:   | UniCredit Bank AG  |                    |
| Issuer:   | Rosenkavalier 2020 UG                                      |                    |
| Servicer:   | UniCredit Bank AG  |                    |
| Arranger:   | UniCredit Bank AG (UniCredit Markets & Investment Banking) |                    |
| Target transaction:   | Liquidity  |                    |
| Type of asset:  | Consumer Loans   |                    |
| Quality of Asset:   | Performing   |                    |
| Closing date:   | 30.09.2020   |                    |
| Nominal Value of reference portfolio (€ million):             | 800  |                    |
| Net amount of preexisting write-down/write-backs (€ million): | -  |                    |
| Disposal Profit & Loss realised (€ million) <sup>(*)</sup> :  | -  |                    |
| Portfolio disposal price (€ million):                         | 800  |                    |
| Issued guarantees by the Bank:                                | -  |                    |
| Issued guarantees by third parties:                           | -  |                    |
| Bank Lines of Credit:   | -  |                    |
| Third Parties Lines of Credit:                                | -  |                    |
| Other Credit Enhancements:                                    | -  |                    |
| Other relevant information:                                   | Transaction executed to create ECB collateral              |                    |
| Rating Agencies:  | Moody's/DBRS   |                    |
| Amount of CDS or other risk transferred (€ million):          | -  |                    |
| Amount and Condition of tranching:                            |  |                    |
| . ISIN  | DE000A289ES3   | DE000A289ET1       |
| . Type of security  | Senior   | Junior             |
| . Class   | A  | B                  |
| . Rating  | Aa1/A  | -                  |
| . Quotation   | Munich   | Munich             |
| . Issue date  | 30.09.2020   | 30.09.2020         |
| . Legal maturity  | 30.09.2035   | 30.09.2035         |
| . Call option   | Any Payment Date   |                    |
| . Expected duration (years)                                   | 30.09.2035   | 30.09.2035         |
| . Rate  | Fixed Coupon 0.2%  | Fixed Coupon 1.25% |
| . Subordination level   | -  | sub A              |
| . Nominal Value Issued (€ million)                            | 632  | 168                |
| . Nominal value at the end of accounting period (€ million)   | 632  | 168                |

**Note:**

(\*) Amount gross of initial transaction's costs.



## Annex 3 - Securitisations - qualitative tables

|  |  |                    |
|--|--|--------------------|
| <b>NAME:</b>   | <b>ROSENKAVALIER 2015</b>                                  |                    |
| Type of securitisation:  | Traditional  |                    |
| Originator:  | UniCredit Bank AG  |                    |
| Issuer:  | Rosenkavalier 2015 UG                                      |                    |
| Servicer:  | UniCredit Bank AG  |                    |
| Arranger:  | UniCredit Bank AG (UniCredit Markets & Investment Banking) |                    |
| Target transaction:  | Liquidity  |                    |
| Type of asset:   | Large Corporate and SME corporate loans                    |                    |
| Quality of Asset:  | Performing   |                    |
| Closing date:  | 18.12.2015 (restructured on 30.11.2021)                    |                    |
| Nominal Value of disposal portfolio (€ million):                 | 3,800  |                    |
| Net amount of preexisting write-down/write-backs (€ million):    | -  |                    |
| Disposal Profit & Loss realised (€ million):                     | -  |                    |
| Portfolio disposal price (€ million):                            | 3,800  |                    |
| Guarantees issued by the Bank:                                   | -  |                    |
| Guarantees issued by Third Parties:                              | -  |                    |
| Bank Lines of Credit:  | -  |                    |
| Third Parties Lines of Credit:                                   | -  |                    |
| Other Credit Enhancements:                                       | -  |                    |
| Other relevant information:                                      | Transaction executed to create ECB collateral              |                    |
| Rating Agencies:   | Moody's/DBRS   |                    |
| Amount of CDS or other supersenior risk transferred (€ million): | -  |                    |
| Amount and Condition of tranching:                               |  |                    |
| . ISIN   | DE000A1687E2   | DE000A1687F9       |
| . Type of security   | Senior   | Junior             |
| . Class  | A  | B                  |
| . Rating   | Aa2/A  | -                  |
| . Quotation  | Munich   | Munich             |
| . Issue date   | 18.12.2015   | 18.12.2015         |
| . Legal maturity   | 31.08.2045   | 31.08.2045         |
| . Call option  | Any payment date   |                    |
| . Rate   | Fixed Coupon 0.35%   | Fixed Coupon 3.25% |
| . Subordinated level   | -  | sub A              |
| . Nominal value issued (€ million)                               | 2,375  | 1,425              |
| . Nominal value at the end of accounting period (€ million)      | 2,375  | 1,425              |

## Annex 3 - Securitisations - qualitative tables

|  |  |                   |
|--|--|-------------------|
| <b>NAME:</b>   | <b>ROSENKAVALIER 2008</b>                                  |                   |
| Type of securitisation:  | Traditional  |                   |
| Originator:  | UniCredit Bank AG  |                   |
| Issuer:  | Rosenkavalier 2008 GmbH                                    |                   |
| Servicer:  | UniCredit Bank AG  |                   |
| Arranger:  | UniCredit Bank AG (UniCredit Markets & Investment Banking) |                   |
| Target transaction:  | Liquidity  |                   |
| Type of asset:   | Mortgage loans   |                   |
| Quality of Asset:  | Performing   |                   |
| Closing date:  | 12.12.2008   |                   |
| Nominal Value of disposal portfolio at the end of the accounting period (€ million): | 3,140  |                   |
| Net amount of preexisting write-down/write-backs :                                   | 11,946   |                   |
| Disposal Profit & Loss realized :  | -  |                   |
| Portfolio disposal price:  | 11,946   |                   |
| Guarantees issued by the Bank:   | -  |                   |
| Guarantees issued by Third Parties:  | -  |                   |
| Bank Lines of Credit:  | -  |                   |
| Third Parties Lines of Credit:   | -  |                   |
| Other Credit Enhancements:   | -  |                   |
| Other relevant information:  | Transaction executed to create ECB collateral              |                   |
| Rating Agencies:   | FITCH/Moody's  |                   |
| Amount of CDS or other supersenior risk transferred (€ million):                     | -  |                   |
| Amount and Condition of tranching:   |  |                   |
| . ISIN   | DE000A0AEDB2   | DE000A0AEDC0      |
| . Type of security   | Senior   | Junior            |
| . Class  | A  | B                 |
| . Rating   | A+/A2  | -                 |
| . Quotation  | Munich   | Munich            |
| . Issue date   | 12.12.2058   | 12.12.2058        |
| . Legal maturity   | 31.10.2058   | 31.10.2058        |
| . Call option  | Any Payment Date   |                   |
| . Rate   | Fixed Coupon 0.55%   | Fixed Coupon 3.5% |
| . Subordinated level   | -  | SUB A             |
| . Nominal value issued (€ million)   | 9,653  | 2,293             |
| . Nominal value at the end of accounting period (€ million)                          | 2,624  | 576               |

## Annex 3 - Securitisations - qualitative tables

ORIGINATOR: UniCredit Leasing (Austria) GmbH

Transactions from previous years

| NAME:  | SUCCESS 2015                             |              |
|--|--|--------------|
| Type of securitisation:  | Traditional                              |              |
| Originator:  | UniCredit Leasing (Austria) GMBH         |              |
| Issuer:  | Success 2015 B.V.                        |              |
| Servicer:  | UniCredit Leasing (Austria) GMBH         |              |
| Arranger:  | UniCredit Bank AG                        |              |
| Target transaction:  | Funding                                  |              |
| Type of asset:   | Leasing Assets (Vehicles and Equipments) |              |
| Quality of Asset:  | Performing                               |              |
| Closing date:  | 09.11.2015                               |              |
| Nominal Value of disposal portfolio (€ million):                 | 325                                      |              |
| Net amount of preexting write-down/write-backs (€ million):      | -  |              |
| Disposal Profit & Loss realised (€ million):                     | -  |              |
| Portfolio disposal price (€ million):                            | 325                                      |              |
| Guarantees issued by the Bank:                                   | -  |              |
| Guarantees issued by Third Parties:                              | -  |              |
| Bank Lines of Credit:  | -  |              |
| Third Parties Lines of Credit:                                   | -  |              |
| Other Credit Enhancements:                                       | Subordinated Loan €4.6 million           |              |
| Other relevant information:                                      | -  |              |
| Rating Agencies:   | Fitch & DBRS                             |              |
| Amount of CDS or other supersenior risk transferred (€ million): | -  |              |
| Amount and Condition of tranching:                               |  |              |
| . ISIN   | XS1317727698                             | XS1317727938 |
| . Type of security   | Senior                                   | Junior       |
| . Class  | A  | B            |
| . Rating   | AAA                                      | -            |
| . Quotation  | Listed Luxembourg Stock Exchange         | -            |
| . Issue date   | 09.11.2015                               | 09.11.2015   |
| . Legal maturity   | 31.10.2029                               | 31.10.2029   |
| . Call option  | 10% clean up call                        |              |
| . Expected duration (years)                                      | 6  | 6            |
| . Rate   | EUR3M + 0.47%                            | EUR3M + 2%   |
| . Subordinated level   | -  | SUB A        |
| . Nominal value issued (€ million)                               | 231                                      | 94           |
| . Nominal value at the end of accounting period (€ million)      | -  | 11           |

## Annex 3 - Securitisations - qualitative tables

### ORIGINATOR: UniCredit Bulbank AD

|   |   |
|---|---|
| STRATEGIES, PROCESSES AND GOALS:  | The main purpose of structuring synthetic securitizations is the relief of Regulatory Capital.  |
| INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS:                       | Each securitised portfolio is monitored by the Strategic Risk Department on an ongoing basis and disclosed in the form of quarterly reports (Investor Report), providing a breakdown of the status of the underlying loans.   |
| ORGANISATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT: | Management Board approves each new transaction and any other related decisions and is informed about expected and actual performances of already existing transactions. The bank's annual report features information about all originated synthetic securitizations. |
| HEDGING POLICIES:   | None  |
| OPERATING RESULTS:  | The performances of synthetic securitizations are monitored on a semi-annual basis with dedicated reports addressed to Bank's management.   |

### New transactions 2022

|  |   |            |
|--|---|------------|
| <b>NAME:</b>   | <b>Bulbank Synthetic 2022</b>   |            |
| Type of securitisation:  | Synthetic   |            |
| Originator:  | UniCredit Bulbank AD  |            |
| Issuer:  | UniCredit Bulbank AD  |            |
| Servicer:  | UniCredit Bulbank AD  |            |
| Arranger:  | UniCredit Bank AG   |            |
| Target transaction:  | Risk transfer and capital relief  |            |
| Type of asset:   | SME AND CORPORATE LOANS   |            |
| Quality of Asset:  | Performing  |            |
| Closing date:  | 30.11.2022  |            |
| Nominal Value of disposal portfolio (€ million):                 | 999   |            |
| Guarantees issued by the Bank:                                   | -   |            |
| Guarantees issued by Third Parties:                              | Financial guarantee issued by EIF   |            |
| Bank Lines of Credit:  | -   |            |
| Third Parties Lines of Credit :                                  | -   |            |
| Other Credit Enhancements :                                      | -   |            |
| Other relevant information:                                      | <p>The structure of the transaction encompasses a senior and a junior tranche, the latter being fully covered by an unfunded Financial Guarantee provided by the EIF (being a 0% risk-weighted entity, no cash or collateral is required under the Financial Guarantee). As of closing date Junior tranche is 9% and Senior is 91% of the underlying portfolio.</p> <p>For the purposes of the Regulatory Requirements, the Bank is the Originator of the Reference Portfolio. As such, the Bank will retain, on an unhedged and unguaranteed basis, an exposure to each loan in the Reference Portfolio which will be at all times at least 5% of the notional amount of the Initial portfolio and which will not benefit from any of the Guarantee (the "Retained Exposure Amount") in compliance with Art. 6(3)(a) of Regulation (EU) 2017/2402.</p> |            |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*)   |            |
| Amount of CDS or other supesenior risk transferred (€ million):  | -   |            |
| Amount and Condition of tranching:                               |   |            |
| . ISIN   | -   | -          |
| . Type of security   | Senior  | Junior     |
| . Class  | A   | B          |
| . Rating   | -   | -          |
| . Issue date   | 30.11.2022  | 30.11.2022 |
| . Legal maturity   | 25.09.2032  | 25.09.2032 |
| . Call option  | Clean-Up Call; Time Call; Regulatory Change; Significant Risk Transfer Failure; Tax Event.  |            |
| . Expected duration (years)                                      | -   | -          |
| . Rate   | -   | -          |
| . Subordinated level   | -   | Sub A      |
| . Reference Position (€ million)                                 | 909   | 90         |
| . Reference Position at the end of accounting period (€ million) | 869   | 86         |
| . Risk holder  | UniCredit Bulbank AD  | EIF        |

## Annex 3 - Securitisations - qualitative tables

continued: from previous page

| NAME:   |            |
|---|------------|
| <b>Distribution of securitised assets by area (€ million):</b>                            |            |
| Italy - Northwest   | -          |
| Italy - Northeast   | -          |
| Italy - Central   | -          |
| Italy - South and Islands   | -          |
| Other European Countries - E.U. countries   | 999        |
| Other European Countries - non-E.U. countries   | -          |
| America   | -          |
| Rest of the World   | -          |
| <b>Total</b>  | <b>999</b> |
| <b>Distribution of securitised assets by business sector of the borrower (€ million):</b> |            |
| Governments   | -          |
| Other public-sector entities  | -          |
| Banks   | -          |
| Financial Companies   | -          |
| Insurance Companies   | -          |
| Non-financial Companies   | 999        |
| Other entities  | -          |
| <b>Total</b>  | <b>999</b> |

**Note:**

(\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art. 258-259 of Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

## Annex 3 - Securitisations - qualitative tables

### Transactions from previous periods

| NAME   | EIF JEREMIE   |        |
|--|---|--------|
| Type of securitisation:  | Synthetic - First loss Portfolio Guarantees   |        |
| Originator:  | UniCredit Bulbank AD  |        |
| Issuer:  | European Investment Fund (EIF)  |        |
| Servicer:  | UniCredit Bulbank AD  |        |
| Arranger:  | UniCredit Bulbank AD  |        |
| Target transaction:  | Risk transfer and capital relief  |        |
| Type of asset:   | Highly diversified and granular pool of UniCredit Bulbank's SME loans   |        |
| Quality of Asset:  | Performing  |        |
| Closing date:  | 15.08.2011  |        |
| Nominal Value of reference portfolio (€ million):                | 1   |        |
| Guarantees issued by the Bank:                                   | -   |        |
| Guarantees issued by Third Parties:                              | First loss cash collateral EIF  |        |
| Bank Lines of Credit:  | -   |        |
| Third Parties Lines of Credit:                                   | -   |        |
| Other Credit Enhancements:                                       | -   |        |
| Other relevant information:                                      | - The agreed portfolio maximum volume is equal to €85 million.<br>- The guarantee covers 80% of each outstanding loan up to a total amount equal to 25% of the portfolio volume |        |
| Rating Agencies:   | No rating agency, use of Supervisory SEC-IRBA Approach(*)   |        |
| Amount of CDS or other risk transferred (€ million):             | -   |        |
| Amount and Condition of tranching:                               |   |        |
| . ISIN   | -   | -      |
| . Type of security   | Senior  | Junior |
| . Class  | A   | B      |
| . Reference Position at the end of accounting period (€ million) | -   | 0      |

**Note:**  
 (\*) Synthetic securitisations carried out using the SEC-IRBA approach as required by Art. 258-259 of Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

# Annex 4 - Sales of financial assets to investment funds, receiving as consideration units issued by the same funds – qualitative tables

**ORIGINATOR: UniCredit S.p.A.**

## Transactions from previous years

|                                   |   |
|-----------------------------------|---|
| GOALS - STRATEGIES - PROCESSES:   | UniCredit S.p.A., by selling its loans to the fund, aims to facilitate companies classified as "unlikely to pay" to improve their strategic positioning in their relevant industrial sector.  |
| ROLE:                             | Once the loans have been sold to the fund and UniCredit S.p.A. become a holder of Fund's units, the bank no longer has a role in managing the debtor, remaining a financial investor with no possibility of governance and management interference.                             |
| RISKS RELATED TO THE TRANSACTION: | UniCredit S.p.A. has all the risks arising from the performance of the fund's units and therefore from the management of the assets performed by the asset manager.   |
| MONITORING SYSTEMS:               | UniCredit S.p.A. monitors the manager's performance through quarterly management reports and participation in supervisory committees (Advisory Board) without voting mechanisms and therefore without the possibility of management or administrative interference in the fund. |

| NAME OF THE TRANSACTION                                       | EFESTO  |  |  |
|---|---|--|--|
| Type of transaction:  | Sale of financial assets to Investment Fund with underwriting of units issued by the same Fund  |  |  |
| Originator:   | UniCredit S.p.A.  |  |  |
| Investment Fund underwritten:                                 | EFESTO  |  |  |
| Target transaction:   | The objective of the transaction is to optimize access to the capital market for borrowers (medium-sized companies, in financial difficulties, but with solid industrial fundamentals) sold from UniCredit to the fund, leveraging on an industrial and strategic partner as Italfondriario (now DoNext). |  |  |
| Type of asset:  | Corporate loans   | Corporate loans  | Corporate loans  |
| Quality of Asset:   | Unlikely to pay   | Unlikely to pay  | Unlikely to pay  |
| Closing date:   | 27.10.2020  | 27.03.2021   | 09.12.2021   |
| Nominal Value of reference portfolio (million):               | 188   | 25   | 6  |
| Net amount of preexisting write-down/write-backs (€ million): | 92  | 6  | 4  |
| Disposal Profit & Loss realised (€ million):                  | (1)   | 3  | -  |
| Portfolio disposal price (million):                           | 91  | 9  | 4  |
| Issued guarantees by the Bank:                                | -   | -  | -  |
| Issued guarantees by third parties:                           | -   | -  | -  |
| Bank Lines of Credit:   | -   | -  | -  |
| Third Parties Lines of Credit:                                | -   | -  | -  |
| Other Credit Enhancements:                                    | -   | -  | -  |
| Other relevant information:                                   | The assets sold have been derecognised from the balance sheet.  | The assets sold have been derecognised from the balance sheet. | The assets sold have been derecognised from the balance sheet. |
| Units of Investment Fund underwritten                         |   |  |  |
| . Units subscriber  | UniCredit S.p.A.  | UniCredit S.p.A.   | UniCredit S.p.A.   |
| . ISIN  | IT0005419509  | IT0005419509   | IT0005419509   |
| . No. of units at the subscription                            | 90,561,794  | 9,305,715  | 4,962,649  |
| . Book Value at the subscription (million)                    | 91  | 9  | 4  |
| . No. of units at the end of accounting period                | 90,561,794  | 9,305,715  | 4,962,649  |
| . Book value at the end of accounting period (million)        | 76  | 8  | 4  |

## Annex 4 - Sales of financial assets to investment funds, receiving as consideration units issued by the same funds – qualitative tables

| NAME OF THE TRANSACTION                                       | RSCT  |  |  |  |
|---|---|--|--|--|
| Type of transaction:  | Sale of financial assets to Investment Fund with underwriting of units issued by the same Fund  |  |  |  |
| Originator:   | UniCredit S.p.A.  |  |  |  |
| Investment Fund underwritten:                                 | RSCT  |  |  |  |
| Target transaction:   | The objective of the transaction is to optimize access to the capital market for borrowers (medium-sized companies, in financial difficulties, but with solid industrial fundamentals) sold from UniCredit to the fund, leveraging on an industrial and strategic partner as Pillarstone. |  |  |  |
| Type of asset:  | Corporate loans   | Corporate loans  | Corporate loans  | Corporate loans  |
| Quality of Asset:   | Unlikely to pay   | Unlikely to pay  | Unlikely to pay  | Unlikely to pay  |
| Closing date:   | 13.05.2020  | 09.06.2020   | 21.01.2021   | 29.06.2021   |
| Nominal Value of reference portfolio (million):               | 110   | 105  | 12   | 1  |
| Net amount of preexisting write-down/write-backs (€ million): | 49  | 2  | 5  | -  |
| Disposal Profit & Loss realised (€ million):                  | (2)   | 13   | -  | -  |
| Portfolio disposal price (million):                           | 47  | 15   | 5  | 0  |
| Issued guarantees by the Bank:                                | -   | -  | -  | -  |
| Issued guarantees by third parties:                           | -   | -  | -  | -  |
| Bank Lines of Credit:   | -   | -  | -  | -  |
| Third Parties Lines of Credit:                                | -   | -  | -  | -  |
| Other Credit Enhancements:                                    | -   | -  | -  | -  |
| Other relevant information:                                   | The assets sold have been derecognised from the balance sheet.  | The assets sold have been derecognised from the balance sheet. | The assets sold have been derecognised from the balance sheet. | The assets sold have been derecognised from the balance sheet. |
| Units of Investment Fund underwritten                         |   |  |  |  |
| . Units subscriber  | UniCredit S.p.A.  | UniCredit S.p.A.   | UniCredit S.p.A.   | UniCredit S.p.A.   |
| . ISIN  | IT0005407975  | IT0005407975   | IT0005407975   | IT0005407975   |
| . No. of units at the subscription                            | 46,870,925  | 14,500,000   | 4,992,704  | 181,268  |
| . Book Value at the subscription (million)                    | 47  | 15   | 5  | 0  |
| . No. of units at the end of accounting period                | 46,870,925  | 14,500,000   | 4,992,704  | 181,268  |
| . Book value at the end of accounting period (million)        | 44  | 14   | 5  | 0  |



## Annex 4 - Sales of financial assets to investment funds, receiving as consideration units issued by the same funds – qualitative tables

| NAME OF THE TRANSACTION                                     | DEA CAPITAL CORPORATE CREDIT RECOVERY II  |  |  |  |  |
|---|---|--|--|--|--|
| Type of transaction:  | Sale of financial assets to Investment Fund with underwriting of units issued by the same Fund  |  |  |  |  |
| Originator:   | UniCredit S.p.A.  |  |  |  |  |
| Investment Fund underwritten:                               | Dea Capital Corporate Credit Recovery II  |  |  |  |  |
| Target transaction:   | The objective of the transaction is to optimize access to the capital market for borrowers (medium-sized companies, in financial difficulties, but with solid industrial fundamentals) sold from UniCredit to the fund, leveraging on an industrial and strategic partner as Dea Capital. |  |  |  |  |
| Type of asset:  | Corporate loans   | Corporate loans  | Corporate loans  | Corporate loans  | Corporate loans  |
| Quality of Asset:   | Unlikely to pay   | Unlikely to pay  | Unlikely to pay  | Unlikely to pay  | Unlikely to pay  |
| Closing date:   | 31.01.2018  | 19.12.2019   | 07.08.2020   | 23.03.2021   | 12.04.2021   |
| Nominal Value of reference portfolio (€ million):           | 88  | 66   | 66   | 30   | 7  |
| Net amount of preexisting writedown/writebacks (€ million): | 49  | 22   | 15   | 20   | 2  |
| Disposal Profit & Loss realised (€ million):                | 6   | 11   | 12   | -  | 3  |
| Portfolio disposal price (€ million):                       | 55  | 33   | 27   | 20   | 5  |
| Issued guarantees by the Bank:                              | -   | -  | -  | -  | -  |
| Issued guarantees by third parties:                         | -   | -  | -  | -  | -  |
| Bank Lines of Credit:                                       | -   | -  | -  | -  | -  |
| Third Parties Lines of Credit:                              | -   | -  | -  | -  | -  |
| Other Credit Enhancements:                                  | -   | -  | -  | -  | -  |
| Other relevant information:                                 | The assets sold have been derecognised from the balance sheet.  | The assets sold have been derecognised from the balance sheet. | The assets sold have been derecognised from the balance sheet. | The assets sold have been derecognised from the balance sheet. | The assets sold have been derecognised from the balance sheet. |
| Units of Investment Fund underwritten                       |   |  |  |  |  |
| . Units subscriber  | UniCredit S.p.A.  | UniCredit S.p.A.   | UniCredit S.p.A.   | UniCredit S.p.A.   | UniCredit S.p.A.   |
| . ISIN  | IT0005276057  | IT0005276057   | IT0005276057   | IT0005276057   | IT0005276057   |
| . N°. of units at the subscription                          | 1,122.221   | 815.752  | 815.752  | 574.669  | 155.021  |
| . Book Value at the subscription (€ million)                | 55  | 33   | 27   | 20   | 5  |
| . N°. of units at the end of accounting period              | 1,122.221   | 815.752  | 698.786  | 574.669  | 155.021  |
| . Book value at the end of accounting period (€ million)    | 27  | 19   | 17   | 14   | 4  |

## Annex 4 - Sales of financial assets to investment funds, receiving as consideration units issued by the same funds – qualitative tables

| NAME OF THE TRANSACTION                                     | DEA CAPITAL CORPORATE CREDIT RECOVERY I   |  |
|---|---|--|
| Type of transaction:  | Sale of financial assets to Investment Fund with underwriting of units issued by the same Fund  |  |
| Originator:   | UniCredit S.p.A.  |  |
| Investment Fund underwritten:                               | Dea Capital Corporate Credit Recovery I   |  |
| Target transaction:   | The objective of the transaction is to optimize access to the capital market for borrowers (medium-sized companies, in financial difficulties, but with solid industrial fundamentals) sold from UniCredit to the fund, leveraging on an industrial and strategic partner as Dea Capital. |  |
| Type of asset:  | Corporate loans   | Corporate loans  |
| Quality of Asset:   | Unlikely to pay   | Unlikely to pay  |
| Closing date:   | 31.05.2016  | 04.07.2019   |
| Nominal Value of reference portfolio (€ million):           | 90  | 4  |
| Net amount of preexisting writedown/writebacks (€ million): | 53  | 2  |
| Disposal Profit & Loss realised (€ million):                | 23  | 2  |
| Portfolio disposal price (€ million):                       | 76  | 4  |
| Issued guarantees by the Bank:                              | -   | -  |
| Issued guarantees by third parties:                         | -   | -  |
| Bank Lines of Credit:                                       | -   | -  |
| Third Parties Lines of Credit:                              | -   | -  |
| Other Credit Enhancements:                                  | -   | -  |
| Other relevant information:                                 | The assets sold have been derecognised from the balance sheet. The disposal price also includes the portion of equity instruments transferred (18%).  | The assets sold have been derecognised from the balance sheet. |
| Units of Investment Fund underwritten                       |   |  |
| . Units subscriber  | UniCredit S.p.A.  | UniCredit S.p.A.   |
| . ISIN  | IT0005126062  | IT0005126062   |
| . N°. of units at the subscription                          | 1,593.698   | 144.672  |
| . Book Value at the subscription (€ million)                | 76  | 4  |
| . N°. of units at the end of accounting period              | 1,593.698   | 144.672  |
| . Book value at the end of accounting period (€ million)    | 25  | 2  |

## Annex 4 - Sales of financial assets to investment funds, receiving as consideration units issued by the same funds – qualitative tables

| NAME OF THE TRANSACTION                                     | F.I.NAV   |  |  |  |
|---|---|--|--|--|
|   | Type of transaction:  | Sale of financial assets to Investment Fund with underwriting of units issued by the same Fund |  |  |
| Originator:   | UniCredit S.p.A.  |  |  |  |
| Investment Fund underwritten:                               | F.I.NAV   |  |  |  |
| Target transaction:   | The objective of the transaction is to optimize access to the capital market for debtors sold by UniCredit to the fund, leveraging on an industrial and strategic partner such as FINAV and on the sector expertise of Pillarstone and the Private Equity Fund KKR. |  |  |  |
| Type of asset:  | Shipping loans  | Shipping loans   | Shipping loans   | Shipping loans   |
| Quality of Asset:   | Unlikely to pay   | Unlikely to pay  | Unlikely to pay  | Unlikely to pay  |
| Closing date:   | 19.02.2019  | 11.07.2019   | 02.08.2019   | 18.02.2020   |
| Nominal Value of reference portfolio (million):             | 183\$ ; 3€  | 15\$; 6€   | 36€  | 42\$   |
| Net amount of preexisting writedown/writebacks (€ million): | 114   | 8  | 12   | 31   |
| Disposal Profit & Loss realised (€ million):                | (1)   | 7  | 1  | 3  |
| Portfolio disposal price (million):                         | 131\$   | 17\$   | 14\$   | 38\$   |
| Issued guarantees by the Bank:                              | -   | -  | -  | -  |
| Issued guarantees by third parties:                         | -   | -  | -  | -  |
| Bank Lines of Credit:                                       | -   | -  | -  | -  |
| Third Parties Lines of Credit:                              | -   | -  | -  | -  |
| Other Credit Enhancements:                                  | -   | -  | -  | -  |
| Other relevant information:                                 | The assets sold have been derecognised from the balance sheet.  | The assets sold have been derecognised from the balance sheet.                                 | The assets sold have been derecognised from the balance sheet. | The assets sold have been derecognised from the balance sheet. |
| Units of Investment Fund underwritten                       |   |  |  |  |
| . Units subscriber  | UniCredit S.p.A.  | UniCredit S.p.A.   | UniCredit S.p.A.   | UniCredit S.p.A.   |
| . ISIN  | IT0005359754  | IT0005359754   | IT0005359754   | IT0005359754   |
| . N°. of units at the subscription                          | 130,932,648   | 17,367,908   | 14,150,677   | 38,277,000   |
| . Book Value at the subscription (million)                  | 131\$   | 17\$   | 14\$   | 38\$   |
| . N°. of units at the end of accounting period              | 130,932,648   | 17,367,908   | 14,150,677   | 38,277,623   |
| . Book value at the end of accounting period (million)      | 96  | 13   | 10   | 28   |

## Annex 4 - Sales of financial assets to investment funds, receiving as consideration units issued by the same funds – qualitative tables

**ORIGINATOR: UniCredit Leasing S.p.A.**

|                                   |   |
|-----------------------------------|---|
| GOALS - STRATEGIES - PROCESSES:   | UniCredit Leasing S.p.A., through the sale of debtors to the fund, aims to reduce the stock of non-performing exposures of the Non Core perimeter, consistently with the Group's strategy of full rundown of this perimeter.  |
| ROLE:                             | UniCredit Leasing S.p.A., once the loans have been sold to the fund and UniCredit Leasing S.p.A. become a holder of Fund's units, has no longer a role in managing the debtor, remaining a financial investor with no possibility of governance and management interference.            |
| RISKS RELATED TO THE TRANSACTION: | UniCredit Leasing S.p.A. has all the risks arising from the units of the fund and therefore from the performances of the Asset Manager.   |
| MONITORING SYSTEMS:               | UniCredit Leasing S.p.A. monitors the manager's performance through quarterly management reports and participation in supervisory committees (Advisory Board) without voting mechanisms and therefore without the possibility of management or administrative interference in the fund. |

## Annex 4 - Sales of financial assets to investment funds, receiving as consideration units issued by the same funds – qualitative tables

## New transactions 2022

| NAME OF THE TRANSACTION  | RSCT FUND COMPARTO CREDITI - IQ EQ FUND MANAGEMENT   |
|--|--|
| Type of transaction:   | Sale of financial assets to Investment Fund with underwriting of units issued by the same Fund |
| Originator:  | UniCredit Leasing S.p.A.   |
| Investment Fund underwritten:  | RSCT FUND COMPARTO CREDITI - IQ EQ FUND MANAGEMENT   |
| Target transaction:  | NPL Reduction  |
| Type of asset:   | Nr. 1 leasing transaction  |
| Quality of Asset:  | Unlikely to pay  |
| Closing date:  | 13.07.2022   |
| Nominal Value of reference portfolio (million):  | 25   |
| Net amount of preexisting writedown/writebacks (€ million):                                  | 4  |
| Disposal Profit & Loss realised (€ million):   | -  |
| Portfolio disposal price (million):  | 4  |
| Issued guarantees by the Bank:   | -  |
| Issued guarantees by third parties:  | -  |
| Bank Lines of Credit:  | -  |
| Third Parties Lines of Credit:   | -  |
| Other Credit Enhancements:   | -  |
| Other relevant information:  | -  |
| Units of Investment Fund underwritten  |  |
| . Units subscriber   | UniCredit Leasing S.p.A.   |
| . ISIN   | IT0005407975   |
| . N° of units at the subscription  | 4106776  |
| . Book Value at the subscription (million)   | 4  |
| . N° of units at the end of accounting period  | 4106776  |
| . Book value at the end of accounting period (million)                                       | 4  |
| <b>Distribution of financial assets sold by area (€ million):</b>                            |  |
| Italy - Northwest  | -  |
| Italy - Northeast  | -  |
| Italy - Central  | 4  |
| Italy - South and Islands  | -  |
| Other European Countries - E.U. countries  | -  |
| Other European Countries - non-E.U. countries  | -  |
| America  | -  |
| Rest of the World  | -  |
| <b>Total</b>   | <b>4</b>   |
| <b>Distribution of financial assets sold by business sector of the borrower (€ million):</b> |  |
| Governments  | -  |
| Other public-sector entities   | -  |
| Banks  | -  |
| Financial Companies  | -  |
| Insurance Companies  | -  |
| Non-financial Companies  | 4  |
| Other entities   | -  |
| <b>Total</b>   | <b>4</b>   |

## Annex 4 - Sales of financial assets to investment funds, receiving as consideration units issued by the same funds – qualitative tables

### Transactions from previous years

| NAME OF THE TRANSACTION                                       | BACK2BONIS - PRELIOS   |
|---|--|
| Type of transaction:  | Sale of financial assets to Investment Fund with underwriting of units issued by the same Fund |
| Originator:   | UniCredit Leasing S.p.A.   |
| Investment Fund underwritten:                                 | BACK2BONIS - PRELIOS SGR S.p.A.  |
| Target transaction:   | Reduction NPL  |
| Type of asset:  | No. 1 real estate leasing contract   |
| Quality of Asset:   | Unlikely to pay  |
| Closing date:   | 04.12.2020   |
| Nominal Value of reference portfolio (million):               | 20   |
| Net amount of preexisting write-down/write-backs (€ million): | 5  |
| Disposal Profit & Loss realised (€ million):                  | -  |
| Portfolio disposal price (million):                           | 8  |
| Issued guarantees by the Bank:                                | -  |
| Issued guarantees by third parties:                           | -  |
| Bank Lines of Credit:   | -  |
| Third Parties Lines of Credit:                                | -  |
| Other Credit Enhancements:                                    | -  |
| Other relevant information:                                   | -  |
| Units of Investment Fund underwritten                         |  |
| . Units subscriber  | UniCredit Leasing S.p.A.   |
| . ISIN  | IT0005396327   |
| . No. of units at the subscription                            | 16.764   |
| . Book Value at the subscription (million)                    | 5  |
| . No. of units at the end of accounting period                | 16.764   |
| . Book value at the end of accounting period (million)        | 4  |









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2022

Company Report and Accounts  
of UniCredit S.p.A.



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# Introduction and highlights

## Introduction to Report on operations of UniCredit S.p.A.

This Report on operations illustrates the performance of UniCredit S.p.A. ("Company") and the related amounts and results. It includes financial information such as Highlights, Reclassified accounts and their quarterly figures as well as a comment on the Results of the year.

The information in this report is supported, in order to provide further information about the performance achieved by the Company, by some alternative performance indicators ("API") such as: Cost/Income ratio, Net bad loans to customers/Loans to customers, Net Non-Performing loans to customers/Loans to customers, Return On Assets (ROA), Cost of risk.

Although some of this information, including certain APIs, is neither extracted nor directly referred to with Company Financial Statements, the Report on operations, the Annexes and the Glossary provide explanatory descriptions of the contents and, in case, the calculation methods used, in accordance with European Securities and Markets Authority Guidelines (ESMA/2015/1415) of 5 October 2015.

In particular in Annex 1 is included the reconciliation between the reclassified accounts and the mandatory reporting schedule, as required by Consob Notice No.6064293 of 28 July 2006.

For other information required by Law and regulations, refer to the Consolidated report on operations or to the Notes to the accounts of financial statements of UniCredit S.p.A. as better specified below.

Refer to Consolidated report on operations for information relating to:

- Share information and UniCredit share;
- Macroeconomic situation, banking and financial markets;
- qualitative disclosure of Principles of value creation and disciplined capital allocation, Capital ratios for information relating to transitional capital requirements and buffers for UniCredit group and Capital strengthening;
- references of UniCredit official website where can be found Report on corporate governance and ownership structure, Report on remuneration and Non-financial information;
- Research and development projects;
- Group activities development operations and other corporate transactions;
- Organisational model;
- Certifications and other communications;
- Subsequent events;
- Outlook.

The amounts related to year 2021 Reclassified income statement and balance sheet differ from the ones published at that time. For further details about the reasons of these restatement, refer to following paragraphs relating to the reconciliation principles followed for the reclassified income statement and balance sheet.

For information relating to related-party relations and transactions refer to the Notes to the accounts, Part H - Related party transactions.

For a complete description of risks and uncertainties that the bank has to face in the current market situation refer the Notes to the accounts, Part E - Information on risks and related hedging policies.

# Introduction and highlights

## Highlights, alternative performance indicators and other measures

### Income statement

|                                 | YEAR         |               | % CHANGE       |
|---------------------------------|--------------|---------------|----------------|
|                                 | 2022         | 2021          |                |
| Revenue                         | 9,915        | 9,549         | + 3.8%         |
| of which:                       |              |               |                |
| - Net interest                  | 3,829        | 3,171         | + 20.8%        |
| - Dividends                     | 1,404        | 848           | + 65.6%        |
| - Fees                          | 4,157        | 4,188         | - 0.7%         |
| Operating costs                 | (5,168)      | (5,311)       | - 2.7%         |
| Gross operating profit (loss)   | 4,747        | 4,238         | + 12.0%        |
| Loan Loss Provisions (LLPs)     | (1,055)      | (978)         | + 7.9%         |
| Net operating profit (loss)     | 3,692        | 3,260         | + 13.3%        |
| Profit (Loss) before tax        | 3,138        | 9,417         | - 66.7%        |
| <b>Stated net profit (loss)</b> | <b>3,107</b> | <b>10,334</b> | <b>- 69.9%</b> |

(€ million)

The figures in this table refer to the reclassified income statement. The amounts related to year 2021 differ from the ones published at that time. For further details refer to "Reconciliation principles followed for the reclassified income statement". The Annex 1 includes the reconciliation between the reclassified accounts and the mandatory reporting schedule.

### Balance sheet

|  | AMOUNTS AS AT |               | % CHANGE      |
|--|---------------|---------------|---------------|
|  | 31.12.2022    | 31.12.2021    |               |
| Total assets                                       | 436,198       | 462,437       | - 5.7%        |
| Financial assets held for trading                  | 18,785        | 13,939        | + 34.8%       |
| Loans and receivables with customers               | 191,959       | 190,877       | + 0.6%        |
| Financial liabilities held for trading             | 20,719        | 13,636        | + 51.9%       |
| Deposits from customers and debt securities issued | 264,385       | 282,346       | - 6.4%        |
| of which:  |               |               |               |
| - deposits from customers                          | 217,322       | 224,622       | - 3.2%        |
| - debt securities issued                           | 47,063        | 57,724        | - 18.5%       |
| <b>Shareholders' equity</b>                        | <b>57,362</b> | <b>59,251</b> | <b>- 3.2%</b> |

(€ million)

The figures in this table refer to the reclassified balance sheet. The amounts related to year 2021 differ from the ones published at that time. For further details refer to "Reconciliation principles followed for the reclassified balance sheet". The Annex 1 includes the reconciliation between the reclassified accounts and the mandatory reporting schedule.

## Introduction and highlights

## Profitability ratios

|                                   | YEAR  |       | CHANGE  |
|-----------------------------------|-------|-------|---------|
|                                   | 2022  | 2021  |         |
| EPS <sup>(*)</sup> (€)            | 1.465 | 4.652 | (3.187) |
| Cost/Income ratio <sup>(**)</sup> | 52.1% | 55.6% | - 3.5%  |
| ROA <sup>(***)</sup>              | 0.7%  | 2.2%  | - 1.5%  |

## Notes:

(\*) Earnings per share. For further details refer to Part C - Section 22.

(\*\*) Ratio between operating expenses and operating income.

(\*\*\*) Return on assets calculated as the ratio between Net profit (loss) and Total assets pursuant to Art.90 of CRD IV.

The amounts related to year 2021 differ from the ones published at that time. For further details refer to "Reconciliation principles followed for the reclassified income statement" and to "Reconciliation principles followed for the reclassified balance sheet".

## Risk ratios

|  | AS AT      |            | % CHANGE ON |
|--|------------|------------|-------------|
|  | 31.12.2022 | 31.12.2021 |             |
| Net bad loans to customers/Loans to customers            | 0.1%       | 0.3%       | - 0.2%      |
| Net non-performing loans to customers/Loans to customers | 1.3%       | 2.0%       | - 0.7%      |

For further details refer to table "Loans to customers - Credit quality" reported in paragraph "Credit quality" in this Report on operations.

The amounts related to year 2021 differ from the ones published at that time. For further details refer to "Reconciliation principles followed for the reclassified balance sheet".

## Staff and branches

|                                    | AS AT      |            | CHANGE |
|------------------------------------|------------|------------|--------|
|                                    | 31.12.2022 | 31.12.2021 |        |
| Number of employees <sup>(*)</sup> | 37,302     | 32,262     | +5,040 |
| Number of branches <sup>(**)</sup> | 2,323      | 2,385      | -62    |
| of which:                          |            |            |        |
| - Italy                            | 2,312      | 2,378      | -66    |
| - Other countries                  | 11         | 7          | +4     |

## Notes:

(\*) "Full time equivalent" data (FTE) number of employees counted for the rate of presence.

(\*\*) Retail branches only.

## Transitional capital ratios

| DESCRIPTION                        | AS AT      |            | CHANGE   |
|------------------------------------|------------|------------|----------|
|                                    | 12.31.2022 | 12.31.2021 |          |
| Total Own Funds                    | 58,501     | 62,158     | (3,657)  |
| Total RWEA                         | 173,029    | 187,327    | (14,298) |
| Common Equity Tier 1 Capital ratio | 25.70%     | 25.76%     | -0.06%   |
| Total Capital ratio                | 33.81%     | 33.18%     | 0.63%    |

## Notes:

• Transitional own funds and capital ratios including all transitional adjustments according to the yearly applicable percentages.

• It should be noted that UniCredit S.p.A. decided to not apply the IFRS9 transitional approach as reported in article 473a of the Regulation 575/2013/EU (CRR).

For more details refer to paragraph "Capital and value management - Capital ratios" of this Report on operations.

# Reclassified company accounts

## Reconciliation principles followed for the reclassified balance sheet

The main reclassifications, whose amounts are provided analytically in the tables enclosed with this report, involve:

- the inclusion in “Loans to banks” of item “Financial assets at amortised cost: a) loans and advances to banks”, net of debt securities and lease assets in accordance with IFRS16 accounting standard reclassified in “Other financial assets”, and of loans related to item “Financial assets at fair value through profit or loss: c) other financial assets mandatorily at fair value”;
- the inclusion in “Loans to customers” of item “Financial assets at amortised cost: b) Loans and advances to customers”, net of debt securities and of IFRS16 leasing assets reclassified in “Other financial assets”, and of loans related to item “Financial assets at fair value through profit or loss: c) other financial assets mandatorily at fair value”;
- the aggregation as “Other financial assets” of items (i) “Financial assets at fair value through profit or loss: b) financial assets designated at fair value and c) other financial assets mandatorily at fair value”, net of loans reclassified in “Loans to banks and to customers”, of (ii) “Financial assets at fair value through other comprehensive income”, of (iii) “Equity investments”, besides reclassifications of (iv) debt securities from item “Financial assets at amortised cost: a) loans and advances to banks and b) loans and advances to customers” and of (v) IFRS16 leasing assets from item “Financial assets at amortised cost: a) loans and advances to banks and b) loans and advances to customers”;
- the inclusion in “Other financial liabilities” of leasing liabilities pursuant to accounting standard IFRS16 relating to item “Financial liabilities at amortised cost: a) deposits from banks and b) deposits from customers”;
- grouping under “Hedging instruments”, both assets and liabilities, of items “Hedging derivatives” and “Changes in fair value of portfolio hedged items” in the assets and “Value adjustment of hedged financial liabilities” in the liabilities;
- the inclusion of items “Provision for employee severance pay” and “Provisions for risks and charges” under “Other liabilities”.

Figures of Reclassified balance sheet relating to the last quarter 2021 and the first quarter 2022 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.

Figures of Reclassified balance sheet relating to 2021 and the quarter of 2022 have been restated as a result of the merger operations that took place in 2022 with the following companies: UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A.

## Reclassified company accounts

## Reclassified balance sheet

(€ million)

| ASSETS   | AMOUNTS AS AT  |                | CHANGE          |               |
|--|----------------|----------------|-----------------|---------------|
|  | 31.12.2022     | 31.12.2021     | AMOUNT          | %             |
| Cash and cash balances   | 54,713         | 72,995         | (18,282)        | - 25.0%       |
| Financial assets held for trading                                  | 18,785         | 13,939         | 4,846           | + 34.8%       |
| Loans to banks   | 17,008         | 26,711         | (9,703)         | - 36.3%       |
| Loans to customers   | 191,959        | 190,877        | 1,082           | + 0.6%        |
| Other financial assets   | 120,940        | 129,430        | (8,490)         | - 6.6%        |
| Hedging instruments  | 9,780          | 5,720          | 4,060           | + 71.0%       |
| Property, plant and equipment                                      | 3,911          | 4,155          | (244)           | - 5.9%        |
| Goodwill   | -              | -              | -               | -             |
| Other intangible assets  | 1,641          | 1,582          | 59              | + 3.7%        |
| Tax assets   | 10,597         | 11,276         | (679)           | - 6.0%        |
| Non-current assets and disposal groups classified as held for sale | 233            | 1,539          | (1,306)         | - 84.9%       |
| Other assets   | 6,631          | 4,213          | 2,418           | + 57.4%       |
| <b>Total assets</b>  | <b>436,198</b> | <b>462,437</b> | <b>(26,239)</b> | <b>- 5.7%</b> |

(€ million)

| LIABILITIES AND SHAREHOLDERS' EQUITY                                | AMOUNTS AS AT  |                | CHANGE          |               |
|---|----------------|----------------|-----------------|---------------|
|   | 31.12.2022     | 31.12.2021     | AMOUNT          | %             |
| Deposits from banks   | 74,606         | 86,258         | (11,652)        | - 13.5%       |
| Deposits from customers   | 217,322        | 224,622        | (7,300)         | - 3.2%        |
| Debt securities issued  | 47,063         | 57,724         | (10,661)        | - 18.5%       |
| Financial liabilities held for trading                              | 20,719         | 13,636         | 7,083           | + 51.9%       |
| Other financial liabilities   | 6,367          | 5,251          | 1,116           | + 21.3%       |
| Hedging instruments   | 3,489          | 5,503          | (2,014)         | - 36.6%       |
| Tax liabilities   | 19             | 31             | (12)            | - 38.7%       |
| Liabilities included in disposal groups classified as held for sale | -              | -              | -               | -             |
| Other liabilities   | 9,251          | 10,161         | (910)           | - 9.0%        |
| Shareholders' equity:   | 57,362         | 59,251         | (1,889)         | - 3.2%        |
| - capital and reserves  | 54,255         | 48,917         | 5,338           | + 10.9%       |
| - stated net profit (loss)  | 3,107          | 10,334         | (7,227)         | - 69.9%       |
| <b>Total liabilities and shareholders' equity</b>                   | <b>436,198</b> | <b>462,437</b> | <b>(26,239)</b> | <b>- 5.7%</b> |

## Reclassified company accounts

## Reclassified balance sheet - Quarterly figures

(€ million)

| ASSETS   | AMOUNTS AS AT  |                |                |                | AMOUNTS AS AT  |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | 31.12.2022     | 30.09.2022     | 30.06.2022     | 31.03.2022     | 31.12.2021     | 30.09.2021     | 30.06.2021     | 31.03.2021     |
| Cash and cash balances   | 54,713         | 74,442         | 62,171         | 68,588         | 72,995         | 79,829         | 79,310         | 66,419         |
| Financial assets held for trading                                  | 18,785         | 20,904         | 19,388         | 15,127         | 13,939         | 11,535         | 12,416         | 12,535         |
| Loans to banks   | 17,008         | 17,926         | 29,302         | 29,001         | 26,711         | 29,033         | 30,677         | 32,863         |
| Loans to customers   | 191,959        | 194,525        | 197,759        | 197,447        | 190,877        | 194,206        | 193,085        | 196,836        |
| Other financial assets   | 120,940        | 122,886        | 126,554        | 126,030        | 129,430        | 118,678        | 117,925        | 116,738        |
| Hedging instruments  | 9,780          | 11,362         | 8,347          | 5,971          | 5,720          | 6,544          | 6,990          | 7,349          |
| Property, plant and equipment                                      | 3,911          | 3,957          | 4,043          | 4,095          | 4,155          | 4,194          | 4,255          | 4,344          |
| Goodwill   | -              | -              | -              | -              | -              | -              | -              | -              |
| Other intangible assets  | 1,641          | 1,602          | 1,566          | 1,556          | 1,582          | 1,609          | 1,590          | 1,550          |
| Tax assets   | 10,597         | 10,457         | 10,497         | 10,956         | 11,276         | 10,244         | 10,383         | 10,583         |
| Non-current assets and disposal groups classified as held for sale | 233            | 229            | 50             | 1,329          | 1,539          | 126            | 115            | 196            |
| Other assets   | 6,631          | 7,927          | 5,247          | 4,126          | 4,213          | 3,883          | 4,323          | 3,601          |
| <b>Total assets</b>  | <b>436,198</b> | <b>466,217</b> | <b>464,924</b> | <b>464,226</b> | <b>462,437</b> | <b>459,881</b> | <b>461,069</b> | <b>453,014</b> |

(€ million)

| LIABILITIES AND SHAREHOLDERS' EQUITY                                | AMOUNTS AS AT  |                |                |                | AMOUNTS AS AT  |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | 31.12.2022     | 30.09.2022     | 30.06.2022     | 31.03.2022     | 31.12.2021     | 30.09.2021     | 30.06.2021     | 31.03.2021     |
| Deposits from banks   | 74,606         | 91,477         | 88,244         | 93,967         | 86,258         | 90,274         | 91,837         | 96,026         |
| Deposits from customers   | 217,322        | 224,666        | 228,069        | 222,469        | 224,622        | 224,981        | 225,030        | 214,570        |
| Debt securities issued  | 47,063         | 48,736         | 48,712         | 52,071         | 57,724         | 58,522         | 56,370         | 56,738         |
| Financial liabilities held for trading                              | 20,719         | 21,331         | 17,254         | 16,236         | 13,636         | 10,193         | 9,138          | 9,807          |
| Other financial liabilities   | 6,367          | 5,818          | 5,559          | 5,284          | 5,251          | 5,445          | 5,524          | 5,704          |
| Hedging instruments   | 3,489          | 4,213          | 3,440          | 3,289          | 5,503          | 6,411          | 7,249          | 7,641          |
| Tax liabilities   | 19             | 142            | 130            | 133            | 31             | 55             | 44             | 31             |
| Liabilities included in disposal groups classified as held for sale | -              | -              | -              | -              | -              | -              | -              | -              |
| Other liabilities   | 9,251          | 13,143         | 16,247         | 12,485         | 10,161         | 13,070         | 15,119         | 12,263         |
| Shareholders' equity:   | 57,362         | 56,691         | 57,269         | 58,292         | 59,251         | 50,930         | 50,758         | 50,234         |
| - capital and reserves  | 54,255         | 55,363         | 56,134         | 58,877         | 48,917         | 49,150         | 49,356         | 49,861         |
| - stated net profit (loss)  | 3,107          | 1,328          | 1,135          | - 585          | 10,334         | 1,780          | 1,402          | 373            |
| <b>Total liabilities and shareholders' equity</b>                   | <b>436,198</b> | <b>466,217</b> | <b>464,924</b> | <b>464,226</b> | <b>462,437</b> | <b>459,881</b> | <b>461,069</b> | <b>453,014</b> |

# Reclassified company accounts

## Reconciliation principles followed for the reclassified income statement

The main reclassifications, whose amounts are provided analytically in the tables enclosed with this report, involve:

- the inclusion in “Dividends” of “Profit (Loss) of equity investments valued at equity” and the exclusion of (i) “Dividends from held for trading equity instruments” and (ii) “Dividends on equity investments, shares and equity instruments mandatorily at fair value” which are included in “Trading income”;
- the inclusion in the “Other expenses/income” of “Other operating expenses/income”, excluding “Recovery of expenses” which is classified under its own item, the exclusion of the costs for “Net value adjustments/write-backs on leasehold improvements” classified among “Other administrative expenses”, the inclusion of result of industrial companies and of gains/losses on disposal and repurchase of financial assets at amortised cost represented by performing loans;
- presentation of “Other expenses/income”, “HR costs”, “Non HR costs”, “Amortisations and depreciations” and “Other charges and provisions” net of any “Integration costs” relating to the reorganisation operations, classified as a separate item;
- the exclusion from the “Non HR costs” of the Contributions to the Resolution Funds (SRF), the Deposit Guarantee Schemes (DGS), the Bank Levy and the Guarantee fees for DTA reclassified in item “Other charges and provisions”;
- the exclusion from “Amortisations and depreciations” of impairment/writebacks related to (i) inventories assets (IAS2) obtained from recovery procedures of NPE (ii) rights of use of land and buildings used in the business (classified in item “Net income from investments”) and (iii) tangible in operating lease assets (classified in item “Other expenses/income”);
- in “Loan Loss Provisions”, the inclusion of net losses/recoveries on financial assets at amortised cost and at fair value through other comprehensive income net of debt securities, of the gains (losses) on disposal and repurchase of financial assets at amortised cost net of debt securities and of performing loans, of the “Net provisions for risks and charges” related to commitments and financial guarantees given;
- the inclusion in “Net income from investments” of net losses/recoveries on financial assets at amortised cost and at fair value through other comprehensive income - debt securities, of gains (losses) on tangible and intangible assets measured at fair value as well as gains (losses) of equity investments and on disposal on investments, including impacts from revaluation arising from IFRS5 non-current assets and disposal groups related to equity investment consolidated line by line and at net equity method not presented to item “Profit (Loss) of discontinued operations”;
- the inclusion among “Trading income” (i) of the net gains (losses) on trading, (ii) of the net gains (losses) on hedge accounting, (iii) of the net gains/losses on other financial assets/liabilities at fair value through profit or loss, (iv) of the gains/losses on disposal or repurchase of financial assets at fair value through other comprehensive income, (v) of gains/losses on disposal and repurchase of financial assets at amortised cost represented by debt securities, (vi) of gains/losses on disposal and repurchase of financial liabilities at amortised cost and (vii) of the interest income and expenses deriving from Trading Book instruments, excluded the economical hedging or funding banking book positions;
- the inclusion in the “Fees” of commissions of the Structuring and mandate fees on certificates, and the connected derivatives, issued by the Group.

Figures of Reclassified 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 UniCredit Leasing S.p.A. 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.

Figures of Reclassified income statement relating to 2021 and the quarter of 2022 have been restated as a result of the merger operations that took place in 2022 with the following companies: UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A.

Starting from first quarter 2022 the losses recognised on derivatives assets and arising from inability of the counterparty to fulfill 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.

## Reclassified company accounts

## Reclassified income statement

(€ million)

|  | YEAR           |                | CHANGE         |                |
|--|----------------|----------------|----------------|----------------|
|  | 2022           | 2021           | P&L            | %              |
| Net interest                             | 3,829          | 3,171          | 658            | + 20.8%        |
| Dividends                                | 1,404          | 848            | 556            | + 65.6%        |
| Fees                                     | 4,157          | 4,188          | (31)           | - 0.7%         |
| Trading income                           | 54             | 529            | (475)          | - 89.8%        |
| Other expenses/income                    | 471            | 813            | (342)          | - 42.1%        |
| <b>Revenue</b>                           | <b>9,915</b>   | <b>9,549</b>   | <b>366</b>     | <b>+ 3.8%</b>  |
| HR costs                                 | (3,048)        | (3,063)        | 15             | - 0.5%         |
| Non HR costs                             | (1,844)        | (1,997)        | 153            | - 7.7%         |
| Recovery of expenses                     | 458            | 495            | (37)           | - 7.5%         |
| Amortisation and depreciation            | (734)          | (746)          | 12             | - 1.6%         |
| <b>Operating costs</b>                   | <b>(5,168)</b> | <b>(5,311)</b> | <b>143</b>     | <b>- 2.7%</b>  |
| <b>GROSS OPERATING PROFIT (LOSS)</b>     | <b>4,747</b>   | <b>4,238</b>   | <b>509</b>     | <b>+ 12.0%</b> |
| Loan Loss Provisions (LLPs)              | (1,055)        | (978)          | (77)           | + 7.9%         |
| <b>NET OPERATING PROFIT (LOSS)</b>       | <b>3,692</b>   | <b>3,260</b>   | <b>432</b>     | <b>+ 13.3%</b> |
| Other charges and provisions             | (440)          | (677)          | 237            | - 35.0%        |
| <i>of which: Systemic charges</i>        | (526)          | (538)          | 12             | - 2.2%         |
| Integration costs                        | (249)          | (415)          | 166            | - 40.0%        |
| Net income from investments              | 135            | 7,249          | (7,114)        | - 98.1%        |
| <b>PROFIT (LOSS) BEFORE TAX</b>          | <b>3,138</b>   | <b>9,417</b>   | <b>(6,279)</b> | <b>- 66.7%</b> |
| Income taxes                             | (31)           | 917            | (948)          | n.m.           |
| Profit (Loss) of discontinued operations | -              | -              | -              | -              |
| <b>NET PROFIT (LOSS) FOR THE PERIOD</b>  | <b>3,107</b>   | <b>10,334</b>  | <b>(7,227)</b> | <b>- 69.9%</b> |
| Goodwill impairment                      | -              | -              | -              | -              |
| <b>STATED NET PROFIT (LOSS)</b>          | <b>3,107</b>   | <b>10,334</b>  | <b>(7,227)</b> | <b>- 69.9%</b> |



## Reclassified company accounts

## Reclassified income statement - Quarterly figures

(€ million)

|  | 2022           |                |                |                | 2021           |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | Q4             | Q3             | Q2             | Q1             | Q4             | Q3             | Q2             | Q1             |
| Net interest                             | 1,394          | 841            | 845            | 749            | 858            | 768            | 765            | 780            |
| Dividends                                | (70)           | -              | 1,252          | 222            | 151            | (1)            | 658            | 40             |
| Fees                                     | 971            | 981            | 1,076          | 1,129          | 1,050          | 1,019          | 1,056          | 1,063          |
| Trading income                           | 225            | (29)           | (237)          | 95             | 2              | 177            | 173            | 177            |
| Other expenses/income                    | 189            | 7              | 103            | 172            | 241            | 169            | 168            | 235            |
| <b>Revenue</b>                           | <b>2,709</b>   | <b>1,800</b>   | <b>3,039</b>   | <b>2,367</b>   | <b>2,302</b>   | <b>2,132</b>   | <b>2,820</b>   | <b>2,295</b>   |
| HR costs                                 | (810)          | (740)          | (743)          | (755)          | (782)          | (761)          | (763)          | (757)          |
| Non HR costs                             | (458)          | (477)          | (454)          | (455)          | (509)          | (500)          | (516)          | (472)          |
| Recovery of expenses                     | 122            | 111            | 110            | 115            | 135            | 121            | 123            | 116            |
| Amortisation and depreciation            | (175)          | (182)          | (190)          | (187)          | (186)          | (189)          | (189)          | (182)          |
| <b>Operating costs</b>                   | <b>(1,321)</b> | <b>(1,288)</b> | <b>(1,277)</b> | <b>(1,282)</b> | <b>(1,342)</b> | <b>(1,329)</b> | <b>(1,345)</b> | <b>(1,295)</b> |
| <b>GROSS OPERATING PROFIT (LOSS)</b>     | <b>1,388</b>   | <b>512</b>     | <b>1,762</b>   | <b>1,085</b>   | <b>960</b>     | <b>803</b>     | <b>1,475</b>   | <b>1,000</b>   |
| Loan Loss Provisions (LLPs)              | (26)           | (54)           | 183            | (1,158)        | (420)          | (181)          | (261)          | (116)          |
| <b>NET OPERATING PROFIT (LOSS)</b>       | <b>1,362</b>   | <b>458</b>     | <b>1,945</b>   | <b>(73)</b>    | <b>540</b>     | <b>622</b>     | <b>1,214</b>   | <b>884</b>     |
| Other charges and provisions             | (41)           | (232)          | 104            | (271)          | (139)          | (153)          | (136)          | (249)          |
| <i>of which: Systemic charges</i>        | <i>(19)</i>    | <i>(216)</i>   | <i>(24)</i>    | <i>(267)</i>   | <i>(47)</i>    | <i>(169)</i>   | <i>(92)</i>    | <i>(230)</i>   |
| Integration costs                        | (243)          | (8)            | 4              | (2)            | (408)          | (1)            | (7)            | 1              |
| Net income from investments              | 328            | 17             | (78)           | (132)          | 7,354          | 26             | (7)            | (124)          |
| <b>PROFIT (LOSS) BEFORE TAX</b>          | <b>1,406</b>   | <b>235</b>     | <b>1,975</b>   | <b>(478)</b>   | <b>7,347</b>   | <b>494</b>     | <b>1,064</b>   | <b>512</b>     |
| Income taxes                             | 373            | (42)           | (255)          | (107)          | 1,207          | (116)          | (35)           | (139)          |
| Profit (Loss) of discontinued operations | -              | -              | -              | -              | -              | -              | -              | -              |
| <b>NET PROFIT (LOSS) FOR THE PERIOD</b>  | <b>1,779</b>   | <b>193</b>     | <b>1,720</b>   | <b>(585)</b>   | <b>8,554</b>   | <b>378</b>     | <b>1,029</b>   | <b>373</b>     |
| Goodwill impairment                      | -              | -              | -              | -              | -              | -              | -              | -              |
| <b>STATED NET PROFIT (LOSS)</b>          | <b>1,779</b>   | <b>193</b>     | <b>1,720</b>   | <b>(585)</b>   | <b>8,554</b>   | <b>378</b>     | <b>1,029</b>   | <b>373</b>     |

# Results of the year

## Main results and performance for the period

### The income statement

#### Breakdown of Net operating profit (loss)

Net operating profit (loss) on 31 December 2022 totalled €3,692 million, up €432 million compared to the previous year. Net of Russia (whose contribution is -€834 million), Net operating profit (loss) on 31 December 2022 totalled €4,526 million, in a decisive increase (+€1,315 million, +41.0%) compared to the previous year.

Gross operating profit (loss) totalled €4,747 million (+€509 million year on year, +12.0%) and Net write-downs of loans and provisions for guarantees and commitments amounted to -€1,055 million (in slight worsening versus December 2021 of +€77 million, excluding Russia increasing of €592 million).

The annual increase in the Gross operating profit (loss) compared to December 2021 is mainly attributable to the increase of Revenues (+€366 million) and reduction in Operating costs (+€143 million).

#### Net operating profit (loss)

|  | YEAR         |              | CHANGE       |                |
|--|--------------|--------------|--------------|----------------|
|  | 2022         | 2021         | P&L          | %              |
| <b>REVENUE</b>   | <b>9,915</b> | <b>9,549</b> | <b>+ 366</b> | <b>+ 3.8%</b>  |
| Operating costs  | (5,168)      | (5,311)      | + 143        | - 2.7%         |
| <b>GROSS OPERATING PROFIT (LOSS)</b>                                   | <b>4,747</b> | <b>4,238</b> | <b>+ 509</b> | <b>+ 12.0%</b> |
| Net write-downs of loans and provisions for guarantees and commitments | (1,055)      | (978)        | - 77         | + 7.9%         |
| <b>NET OPERATING PROFIT (LOSS)</b>                                     | <b>3,692</b> | <b>3,260</b> | <b>+ 432</b> | <b>+ 13.3%</b> |

(€ million)

#### Revenue

At 31 December 2022 Revenues totalled €9,915 million, up €366 million (+3.8%) on the previous year. The increase was mainly attributable to the increase of Net Interest (+€658million) and Dividends (+€556 million), partially offset by the decrease in Trading income (-€475 million) and Other expenses/income (-€342million).

Net interest at December 2022 amounted to €3,829 million, up 20.8% (€658 million) compared to the previous year. Russia contributed to Net Interest for €45 million (-€4 million versus 2021).

Net of Russia, Net Interest amounted to €3,784 million with an increase of €662 million compared to previous year. This growth was supported by the trend in market rates, whose increase brought a benefit, mainly in the second half of the year.

To be reported moreover the positive impact on Net Interest of the year produced by TLTRO, in particular connected to the accounting loan *derecognition*, following the revision of the conditions applied by the European Central Bank communicated on 27 October 2022 consequent to the changed market conditions

For additional details reference is made to the Section 4-Other aspects, TLTRO, Notes to the accounts. Part A- Accounting section.

The average customer loans interest rates recorded overall an increase versus 2021. The growth, more evident in second half, was related mainly to short term loans, household mortgages and loans to enterprises, for which increase in the second half was also influenced by the maturity of state guarantees loans provided by Covid-19 measures.

Average interest rates on deposits began to show a slight increase in the last quarter, in particular for corporate customers, starting to accrue interest expense for the Bank.

The particular trend in market interest rates, which went from negative to positive in 2022, led to the elimination of the liquidity fee ("Excess Liquidity Fee") deposited mainly by Corporate and Large Corporate customers and the simultaneous repricing of deposits from the second half.

During the year, the Bank executed its medium/long term Financial Plan adopting the usual approach of using a variety structures/currencies/maturities to avoid concentration risk and to benefit a large degree of name recognition with Investors.

For additional details reference is made to the paragraph "Other information on Group activities" of Consolidated annual report.

Dividends recorded in 2022 totalled €1,404 million, up €556 million (+65.6%) compared to previous year. This trend is mainly explained by the restrictions on the distribution of dividends imposed in 2021 on banks in the CEE area (mainly Zagrebacka Banka d.d., UniCredit Bulbank AD, UniCredit Bank Hungary Zrt) due to the Covid-19 pandemic.

# Results of the year

Fees at 31 December 2022 amounted to €4,157 million, down to €31 million (-0,7%) compared to the previous year. Excluding Russia, Fees amounted to €4,149 million, down to €33 million (-0,8%) compared to the previous year. The decrease was mainly due to asset management, custody and administration services (-€155 million), mostly as a result of the decline in mutual funds, strongly penalized by market volatility and only partially offset by the increase in the trading and placements securities (+€58 million), driven by higher sales of products with increased capital security. Current accounts, loans and credit commitments grew (+52 million), collection and payment services (+33 million) driven by higher volumes activities, currency negotiation and service transactions with foreign countries (+ 37 million).

Trading income at December 2022 (+€54 million) was essentially attributable to the gains from investment portfolio (+€397 million), hedging activity in derivatives with customers (+€136 million), to the effects of the revaluation of the issuance of Additional Tier1 of UniCredit Bank AG (-€379 million) and UniCredit Bank Austria (-140 million), to the effects of the revaluation of the hedging derivative related to the issuance in USD of Additional Tier1 instruments (+26 million) and Certificates and their derivatives (+€11 million).

In addition, effects realized and unrealized related to equity investments in Visa Inc (+€2 million) and Yapi Ve Kredi Bankasi A.S. (-€14 million) and effects unrealized related to Webuild S.p.A. (-€31 million) were recorded.

In 2022, gains related to XVA - Credit, Funding and Debt Value Adjustment, amounting to +€115 million, were more than offset by losses from relative hedging activity (-€134 million).

Overall, Trading income decreased by -€475 million compared to the previous year.

The mainly changes in comparison with 2021 are attributable to the following:

- -€442 million deriving from the unrealized effects related to the issuance of Additional Tier1 of UniCredit Bank AG;
- -€156 million deriving from the unrealized effects related to the issuance of Additional Tier1 of UniCredit Bank Austria AG;
- -€69 million due to the effects of the evaluation of Webuild;
- -€22 million due to gains related to XVA - Credit, Funding and Debt Value Adjustment and its relative hedging activity;
- +€220 million related to gains from investment portfolio (including 2021 UCI Ireland merger effects).

Other expenses/income at December 2022 amounted to €471 million, decreasing by -€342 compared to the previous year. Excluding Russia, Other expenses/income amounted to €682 million, decreasing by -€130 million compared to the previous year. The main impacts in 2022 are attributable for €758 million to income for services, ICT projects and software provided to other Group companies and to updating the overall terms of the outsourcing agreement with Nexi Payment S.p.A., for -€43 million to charges for clients Incentives, and for -€57 million to compensation for early interruption of the insurance policies contract.

## Operating costs

Operating costs at December 2022 amounted to -€5,168 million, decreasing of -€143 million (-2,7%) compared to the previous year. HR costs, amounted to -€3,048 million, decreased compared to 2021 of about €15 million (-0,5%), mainly due to the effect of staff structure reduction. Full Time Equivalent (FTE) evolution stands at 35,858 at 31 December 2022 and showed a decrease of about 1,200 FTE year-on-year thanks to multiyear personnel exit plan linked with "UniCredit Unlocked".

Non HR costs in 2022 recorded -€1,844million, down €153 million (-7,7%) compared to 2021. The decrease was concentrated on costs related to external consulting (-40 million) and to credit recovery activity (-€41 million) mainly attributable to the progressive reduction in the stock of problematic loans.

Recovery of expenses, amounting to €458 million, are decreasing (-€37 million and -7,5% compared to the previous year) mainly for lower expenses related to recovery on credit recovery and to stamp duties.

Amortization and depreciation amounted to -€734 million, decreasing (-1,5%) compared to the previous year also connected with rationalization of real estate assets.

# Results of the year

## Loan Loss Provisions (“LLPs”)

At December 2022 Loan Loss Provisions (LLPs) sum up to -€1.055 million, up €77 million (+7,9%) in respect of previous year. Net of Russia, LLPs amounted to €-379 million, in reduction of €592 million compared to the previous year.

This trend was mainly affected by conflict between Russia and Ukraine which resulted in loan loss provisions in 2022 of -€676 million in Russia, while the other segments recorded an amount equal to -€379million in reduction versus previous year of 592 million.

With reference to Russia, the total amount derives from the following actions:

- in the first quarter 2022 €1.004 million of LLPs mainly driven by the interventions put in place to face the crisis:
- (i) updating of the macroeconomic scenario on the basis of internal projections prepared by UniCredit Research, which in mid-March 2022 saw a significant reduction in GDP in 2022 and 2023 combined with an increase in interest rates in 2022 (ii) classification of credit exposures in Stage 2, combined with the effect induced by downgrade of the Russian sovereign rating and (iii) application to Cross Border exposures of an average coverage of about 30%;
- following 2022 quarters, recoveries of €328 million deriving from recoveries on certain debtors and from the positive impact of some operations related to the decrease of the exposure with Russian counterparties, which more than offset the further update of the macroeconomic scenario as part of the ordinary process in order to adapt the related LLPs the updated economic projections.

With regard to the other segments, the amount of LLPs in 2022 amounted to 379 million and were mainly determined by the combined effect of the following events: (i) the introduction of management overlays in the calculation of the expected credit loss, at the light of the persistent uncertainty linked to the overall geopolitical situation, in particular related to energy-intensive sectors and to Corporate and Individuals, most impacted by the growth of inflation and interest rate, (ii) release of the residual overlays connected to the Covid-19 pandemic event, in consideration of the progressive weakening of the economic impacts connected to this event, (iii) IFRS9 macroeconomics scenarios update, (iv) by the favorable dynamics of problem loan portfolios mainly linked to recoveries and low default flows.

Cost of Risk in 2022 was 54 basis points. Excluding Russia, Cost of Risk was 20 basis point, in reduction versus 50 basis points of 2021.

For more details on the actions taken to address the current macroeconomic scenario both with reference to direct risks to Russian exposures and indirect risks, please refer to Section 4- Other aspects, Notes to the accounts, Part A- Accounting policies, A.1 General.

For more details on measurement methods for expected losses reference is made to the paragraph 2.3 Measurement methods for expected losses, Notes to the consolidated account, Part E - Information on risks and on hedging policies, Section 2 - Risks on the prudential consolidate perimeter, 2.1 Credit Risk - Qualitative information.

## Net profit (loss)

In the table below, the data showing the transition to Stated Net profit (loss) for illustrative purposes.

### Net profit (loss)

(€ million)

|  | YEAR         |               | CHANGE         |                |
|--|--------------|---------------|----------------|----------------|
|  | 2022         | 2021          | P&L            | %              |
| <b>NET OPERATING PROFIT (LOSS)</b>       | <b>3,692</b> | <b>3,260</b>  | <b>+ 432</b>   | <b>+ 13.3%</b> |
| Other charges and provisions             | (440)        | (677)         | + 237          | - 35.0%        |
| Integration costs                        | (249)        | (415)         | + 166          | - 40.0%        |
| Net income from investments              | 135          | 7,249         | - 7,114        | - 98.1%        |
| <b>PROFIT (LOSS) BEFORE TAX</b>          | <b>3,138</b> | <b>9,417</b>  | <b>- 6,279</b> | <b>- 66.7%</b> |
| Income taxes                             | (31)         | 917           | - 948          | n.m.           |
| Profit (Loss) of discontinued operations | -            | -             | -              | -              |
| <b>NET PROFIT (LOSS) FOR THE PERIOD</b>  | <b>3,107</b> | <b>10,334</b> | <b>- 7,227</b> | <b>- 69.9%</b> |
| Goodwill impairment                      | -            | -             | -              | -              |
| <b>STATED NET PROFIT (LOSS)</b>          | <b>3,107</b> | <b>10,334</b> | <b>- 7,227</b> | <b>- 69.9%</b> |

# Results of the year

## Other charges and provisions

Other charges and provisions, amounting to -€440 million, down compared to -€677 million in 2021, considered the Deposit Guarantee Scheme (DGS) ordinary and additional contribution to Fondo Interbancario di Tutela dei Depositi - "FITD" (-€185 million), the contribution to the Single Resolution Fund (-€242 million) and other provisions and release for litigations, lawsuits, disputes, incidents and claims in which the Bank is passive subject.

## Integration costs

Integration costs, mainly related to severance costs connected to the new Strategic Plan "UniCredit Unlocked", amounted to -€249 million, down €166 million (-40%) compared to 2021, where in addition to restructuring plan were also included write off of ICT asset no longer productive.

## Net income from investments

Net income from investments was €135 million, down compared to €7,249 million in 2021 when also following the implementation in the valuation models of the financial projections underlying the new strategic plan "UniCredit Unlocked", write-backs on equity regarding UniCredit Bank AG (+€4,958 million) and UniCredit Bank Austria (+€2.972 million) were recorded.

In particular, in 2022 write-backs on equity regarding UniCredit Bank AG (+€1,568 million) and UniCredit Leasing S.p.A. (+€183 million) were recorded, partially offset by write-downs on equity related to UniCredit Bank Austria AG (-€988 million) and AO UniCredit Bank (-€939 million). In addition, gains related to CNP Vita Assicura S.p.A. were recorded, amounted to €313 million.

For further information on the methodology, results and base assumptions used in the impairment test of investments in subsidiaries refer to sections "Section 7 - Equity investments - Item 70", Notes to the accounts, Part B - Balance sheet - Assets.

## Taxes on income

Taxes on income for 2022 reports a negative amount of €31 million, with respect to the positive amount of €917 million in 2021, this amount is mainly composed by:

- IRES (current and deferred taxes) positive value of €105million. The amount of the current IRES is zero since the fiscal year 2022 generate a tax loss for a total of €165 million in terms of taxes, of which €89 million concerning Income statement and €76 million concerning Net equity. This tax loss, mainly determined by credit impairment and goodwill amount of the year, has been converted in a tax credit as per Art. 2 par. 56-bis of Law Decree 29 December 2010, No.225 and subsequent amendments. The handling of deferred tax assets and liabilities of the period amounts totally at €16 million, mainly determined by write-up of TLCF DTA, the recovery of temporary convertible DTA and provisions for risks and charges DTA;
- IRAP negative (current and deferred taxes) of €146 million, with current IRAP equal to €44 million (€42 million produced by tax cases from Income statement and €2 million produced by tax cases from Net equity);
- a provision of -€2 million related to the taxation on a transparent basis of controlled foreign companies (CFC);
- a provision of -€2 million related to the additional taxation IRES on dividend payed by Banca d'Italia;
- non-deductible withholding tax of -€1 million suffered in Italy and abroad;
- net amount of deferred tax assets and liabilities of -€5;
- tax accrual referred to foreign branches for an amount equal to -€25 million;
- tax credit deriving from the conversion of the "ACE" benefit into IRAP tax credit for €45 (of which €14 related to previous years).

For further details about taxes refer to the Notes to the accounts, Part B - Balance sheet - Assets, Section 10 - Tax assets and Tax liabilities and Part C - Income statement, Section 19 - Tax expense (income) related to profit or loss from continuing operations.

# Results of the year

## The balance sheet

### Loans to Customers

As at 31 December 2022, **loans to customers** totalled €191,959 million, an increase of €1,082 million (0.6%) compared to 31 December 2021.

#### Loans and advances to customers

|   | AMOUNTS AS AT  |                | CHANGE         |               |
|---|----------------|----------------|----------------|---------------|
|   | 31.12.2022     | 31.12.2021     | AMOUNT         | %             |
| Performing loans                                  | 167,266        | 170,516        | - 3,250        | - 1.9%        |
| Repos   | 22,119         | 16,580         | + 5,539        | + 33.4%       |
| Non-performing exposures                          | 2,574          | 3,781          | - 1,207        | - 31.9%       |
| <b>Total loans and receivables with customers</b> | <b>191,959</b> | <b>190,877</b> | <b>+ 1,082</b> | <b>+ 0.6%</b> |

(€ million)

More specifically:

- **performing loans** recorded a decrease of -€3,250 million (-1.9%);
- **reverse repos** recorded an increase of €5,539 million (+33.4%);
- **impaired assets** recorded a decrease of -€1,207 million (-31.9%).

**Performing loans** (€167,266 million at 31 December 2022) included €865 million due to Special Purpose Vehicles (SPVs), attributable mainly to liquidity which UniCredit S.p.A., following the downgrading from 2012 by the rating agencies involved in the transactions, had to transfer (based on the contractual documentation signed) to other banks, still considered "eligible", in favor of the SPVs granting loans as part of the transactions originated by UniCredit S.p.A. in relation to securitisations and covered bond issue programmes.

During 2022 the aforementioned receivables from Special Purpose Vehicle (S.P.V.) decreased by €42 million compared to 31 December 2021 related to the normal management of securitisation transactions.

**Reverse repos**, whose performance are strictly linked to liquidity management, amounted to €22,119 million at 31 December 2022 (€16,580 million at the end of 2021), and consisted almost entirely of transactions with Cassa di Compensazione e Garanzia, with Cassa Depositi e Prestiti and Poste Italiane S.p.A.

**Impaired loans** at the end of December 2022 amounted to €2,574 million and came to 1.3% of the total amount of loans to customers. They mainly referred to the business segment.

The decrease of -€1,207 million (-31.9% in comparison to €3,781 million at the end of December 2021) is mainly due to the intense activity of the Bank aimed to reduce impaired credit exposures operated through disposal operations.

### Credit quality

As at 31 December 2022, the gross book value (GBV) of the Non-Performing Exposures (NPE) amounts to €4,956 million, representing 2.5% of total GBV loans to customers (down from 4.4% at year-end 2021). The decrease is mainly due to sales operations carried out during the first half of the year both on loans classified as bad exposures and on loans classified as unlikely to pay.

The ratio of bad exposures loans (GBV) amounted to 0.4% of total loans to customers (1.1% at 31 December 2021) loans classified as unlikely to pay amounted to 1.9% of total loans (3.0% at 31 December 2021), while impaired past due exposures amounted to 0.23% of total loans (0.26% at 31 December 2021).

The coverage ratio of impaired loans (specific write-downs to face value) came to around 48.1%, down on the 56.4% figure recorded at 31 December 2021, in detail the coverage ratio is equal to 73.3% for bad exposures loans, 45.0% for loans classified as unlikely to pay and 25.8% for impaired past due exposures.

Performing loans, which amounted to €192,099 million at GBV (€189,436 million at 31 December 2021), were written down, at 31 December 2022, by a total of €2,714 million, with a coverage ratio of 1.41% (including written down in the Russian segment net of which the coverage ratio stands at 1.16%) (1.24% at 31 December 2021).

For additional information on this section refer to the paragraph 2.3 Methods for measuring expected losses, Notes to the consolidated account, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk - Qualitative information -.

## Results of the year

Therefore, overall, total Loans to customers at 31 December 2022 stood at €197,055 million, with value adjustments of €5,096 million taking the general level of coverage for Loans to Customers to 2.6% (3.7% at 31 December 2021).

The overall reduction in the coverage ratio is mainly due to the decrease in the incidence of non-performing loans on the total aggregate of Loans to customers, the effect of which was partly offset by the increase in adjustments made on the Russia segment.

For the management and recovery of problematic loans (non-performing and unlikely to pay), the Bank uses also the services offered by doValue S.p.A., a bank specialised in loan recovery (bad exposures loans and unlikely-to-pay loans) and Prelios Credit Servicing Spa, a company specializing in the management of unlikely to pay loans.

The summary table below provides additional details:

## Loans to customers - Asset quality

|  | (€ million)   |                 |                         |                      |                  |                |
|--|---------------|-----------------|-------------------------|----------------------|------------------|----------------|
|  | BAD EXPOSURES | UNLIKELY TO PAY | NON-PERFORMING PAST-DUE | TOTAL NON-PERFORMING | TOTAL PERFORMING | TOTAL LOANS    |
| <b>As at 31.12.2022<sup>(*)</sup></b>  |               |                 |                         |                      |                  |                |
| Gross exposure                         | 844           | 3,654           | 458                     | <b>4,956</b>         | 192,099          | <b>197,055</b> |
| <i>as a percentage of total loans</i>  | 0.43%         | 1.85%           | 0.23%                   | <b>2.51%</b>         | 97.49%           |                |
| Writedowns                             | 619           | 1,645           | 118                     | <b>2,382</b>         | 2,714            | <b>5,096</b>   |
| <i>as a percentage of face value</i>   | 73.34%        | 45.03%          | 25.77%                  | <b>48.07%</b>        | 1.41%            |                |
| Carrying value                         | 225           | 2,009           | 340                     | <b>2,574</b>         | 189,385          | <b>191,959</b> |
| <i>as a percentage of total loans</i>  | 0.12%         | 1.05%           | 0.18%                   | <b>1.34%</b>         | 98.66%           |                |
| <b>As at 31.12.2021<sup>(**)</sup></b> |               |                 |                         |                      |                  |                |
| Gross exposure                         | 2,221         | 5,943           | 513                     | <b>8,677</b>         | 189,436          | <b>198,113</b> |
| <i>as a percentage of total loans</i>  | 1.12%         | 3.00%           | 0.26%                   | <b>4.38%</b>         | 95.62%           |                |
| Writedowns                             | 1,739         | 2,966           | 191                     | <b>4,896</b>         | 2,340            | <b>7,236</b>   |
| <i>as a percentage of face value</i>   | 78.28%        | 49.91%          | 37.19%                  | <b>56.42%</b>        | 1.24%            |                |
| Carrying value                         | 482           | 2,977           | 322                     | <b>3,781</b>         | 187,096          | <b>190,877</b> |
| <i>as a percentage of total loans</i>  | 0.25%         | 1.56%           | 0.17%                   | <b>1.98%</b>         | 98.02%           |                |

## Note:

(\*) Total loans to customers exclude the receivables arising from subleases recognised due to the application of IFRS16.

(\*\*) The amounts differ from those reported in UniCredit S.p.A. Results as at 31 December 2021 due to the merge in UniCredit S.p.A. of UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A. effective for accounting purpose from 1 January 2022.

## Deposits from customers and debt securities in issue

Deposits from customers and debt securities in issue decrease in respect of 2021 for the combined effect of decrease attributable to operating units in Italy (-€7,882 million) and decrease due to operating units abroad (-€10,079 million).

## Deposits from customers and debt securities in issue

|   | AMOUNTS AS AT  |                | CHANGE          |               |
|---|----------------|----------------|-----------------|---------------|
|   | 31.12.2022     | 31.12.2021     | AMOUNT          | %             |
| Deposits from customers   | 217,322        | 224,622        | - 7,300         | - 3.2%        |
| Debt securities in issue  | 47,063         | 57,724         | - 10,661        | - 18.5%       |
| <b>Total deposits from customers and debt securities in issue</b> | <b>264,385</b> | <b>282,346</b> | <b>- 17,961</b> | <b>- 6.4%</b> |

Deposits from customers change due to:

- current accounts and demand deposits, decreased by €9,954 million;
- time deposits, increased by €1,095 million;
- repurchase agreements with customers, decreased by €3,793 million;
- other types of deposits, increased by €5,352 million, mainly driven by increased operativity in hot money transactions.

Debt securities in issue change mainly due to decrease attributable to operating units in Italy (-€942 million), driven by bond issues (-€934), certificates of deposit (-€4 million) and to "buoni fruttiferi" (-€4 million); certificates of deposit with operating units abroad decreased by €9,718 million, mainly due to closing of business in London branch.

## Results of the year

## Other financial assets

In 2022 financial investments showed a decrease mainly attributable to decrease in bonds.

## Other financial assets

(€ million)

|  | AMOUNTS AS AT  |                | CHANGE         |               |
|--|----------------|----------------|----------------|---------------|
|  | 31.12.2022     | 31.12.2021     | AMOUNT         | %             |
| Financial assets at fair value through profit or loss - Other financial assets designated at fair value  | 204            | 119            | + 85           | n.m.          |
| Financial assets at fair value through profit or loss - Other financial assets mandatorily at fair value | 4,322          | 5,856          | - 1,534        | - 26.2%       |
| Financial assets at fair value through other comprehensive income  | 26,921         | 36,464         | - 9,543        | - 26.2%       |
| Debt securities and loans at amortised cost  | 50,924         | 48,586         | + 2,338        | + 4.8%        |
| Equity investments   | 38,569         | 38,405         | + 164          | + 0.4%        |
| <b>Total other financial assets</b>  | <b>120,940</b> | <b>129,430</b> | <b>- 8,490</b> | <b>- 6.6%</b> |

More specifically:

- financial assets designated at fair value are composed by few government bonds;
- financial assets mandatory at fair value are mainly composed by units in investment funds (€1,567 million) and bonds (€2,579 million), whose changes in respect of December 2021 are mainly originated by the combination of buy/sell and maturities dynamic and fair value evaluation. Equity investments reduce by €695 million mainly due to La Villata S.p.A. and Yapi Ve Kredi Bankasi A.S. sales;
- financial assets at fair value through other comprehensive income included €25,879 million in debt (decreased by €9,377 million primarily due to government and bank bonds) and €1,042 million in equity interests that have undergone an annual decrease of €166 million, mainly attributable to:
  - reduction of Banca d'Italia quotes (-€179 million);
  - fair value changes, of which ABH Holding (€18 million);
- debt securities and loans at amortised cost mainly include (i) government and bank securities, increased due to purchases in the year and (ii) receivables for subleases deriving from the application of the IFRS16 standard;
- the value of equity investments (no more including UniCredit Services S.C.p.A., Cordusio SIM and Crivelli S.R.L., merged into UniCredit S.p.A. e CNP Vita Assicura S.p.A. that has been sold) include UniCredit Leasing S.p.A. after the decision not to proceed to its sale (fact that has conducted to its reclassification from assets held for sale) and increased mainly driven by the combined effects arising from:
  - the write-downs of the investment, of which: UniCredit Bank Austria AG (-€988 million), AO UniCredit Bank (-€939 million), Nuova Compagnia di Partecipazioni S.p.A. (-€4 million), UniCredit Turn Around Management Cee GmbH (-€2 million), Maccorp Italiana S.p.A. (-€2 million);
  - the write-up of the investment, of which: UniCredit Bank AG (€1,568 million), UniCredit Leasing S.p.A. (€183 million), CNP UniCredit Vita S.p.A. (€6 million), UniCredit International Luxembourg S.A. (€3 million);
  - inclusion of UniCredit Services GmbH (€50 million) and Value Transformation Services S.p.A. (€3 million) as a consequence of UniCredit Services S.C.p.A. merge.



# Results of the year

## Interbank position

The Bank recorded, under its financial activities, a net interbank position at the end of 2022 of assets (€17,008 million) and liabilities (€74,606 million) equal to -€57,598 million. Compared with the corresponding figures at the end of 2021 (net equal to -€59,547 million), the balance showed a slight decrease in the net liabilities of €1,949 million due to the combined effect of the higher reduction of Deposits from banks (-€11,652 million) than the one of Loans and receivables with banks (-€9,703 million).

In this regard, the Deposits from banks dynamics includes the decrease in the participation to TLTRO, from a nominal of €56,420 million at the end of 2021 to a nominal of €48,420 million at the end of 2022, following the prepayment of €8,000 million finalized in December 2022.

### Interbank position

|                                  | AMOUNTS AS AT   |                 | CHANGE         |               |
|----------------------------------|-----------------|-----------------|----------------|---------------|
|                                  | 31.12.2022      | 31.12.2021      | AMOUNT         | %             |
| Loans and receivables with banks | 17,008          | 26,711          | - 9,703        | - 36.3%       |
| Deposits from banks              | 74,606          | 86,258          | - 11,652       | - 13.5%       |
| <b>NET INTERBANK POSITION</b>    | <b>(57,598)</b> | <b>(59,547)</b> | <b>+ 1,949</b> | <b>- 3.3%</b> |

(€ million)

# Results of the year

## Capital and Value Management

### Principles of value creation and disciplined capital allocation

Reference is made to the paragraph “Principles of value creation and disciplined capital allocation” of the Consolidated financial statements of UniCredit group, Consolidated report on operations, Results of the year, Capital and Value Management, which is herewith quoted entirely.

### Capital ratios

#### Transitional Own Funds and capital ratios

| DESCRIPTION                               | AS AT         |               |
|---|---------------|---------------|
|   | 12.31.2022    | 12.31.2021    |
|   | (€ million)   |               |
| Common Equity Tier 1 Capital              | 44,470        | 48,249        |
| Tier 1 Capital                            | 50,539        | 54,954        |
| Total Own Funds                           | 58,501        | 62,158        |
| Total RWEA                                | 173,029       | 187,327       |
| <b>Common Equity Tier 1 Capital ratio</b> | <b>25.70%</b> | <b>25.76%</b> |
| <b>Tier 1 Capital ratio</b>               | <b>29.21%</b> | <b>29.34%</b> |
| <b>Total Capital ratio</b>                | <b>33.81%</b> | <b>33.18%</b> |

#### Notes:

- Transitional own funds and capital ratios including all transitional adjustments according to the yearly applicable percentages.
- UniCredit S.p.A. has decided to not apply the IFRS9 transitional approach as reported in article 473a of the Regulation 575/2013/EU (CRR).

The negative change with respect to 31 December 2020 equal to €3,779 million on Common Equity Tier 1 Capital mainly reflects: (i) the negative effect of the deduction for €2,580 million connected to the “Share Buy-Back Programme 2021”; (ii) the higher deduction for €1,188 million on software assets due to the merge of UniCredit Services into UniCredit S.p.A.; (iii) the higher deduction for €636 million on deferred tax assets that rely on future profitability and do not arise from temporary differences, resulting from the Deferred Tax Assets sustainability test related to tax losses carry forward (TLCF) carried out in the fourth quarter 2022; partially offset by (iv) the profit of 2022 (equal to €3,107 million), net of dividends (equal to €1,932, that include also €25 million of social, cultural and charity initiatives), computed for €1,175 million.

With reference to the Total Own Funds, the negative change with respect to 31 December 2021, equal to €3,657 million, in addition to the effects on Common Equity Tier 1 Capital, reflects positive effects for €122 million mainly due to: (i) the positive impact for €758 million related to the disposal of the residual 18% of the stake in Yapı ve Kredi Bankası A.S. that implies the reclassification of the counterparty as “not significant financial sector entity”, therefore the subordinated instruments issued by Yapı ve Kredi Bankası A.S. and held by UniCredit S.p.A. are not directly deducted anymore from the Own Funds, but are reclassified among the instruments issued by not significant financial sector entity, whose total amount does not exceed the 10% regulatory threshold of the CET1; (ii) the negative effect on Additional Tier 1 Capital due to the early redemption of the Capital instrument XS1539597499 (computable amount equal to €495 million); (iii) the negative effect on Tier 2 Capital due to the maturity of the instrument XS0849517650 (computable amount €247 million) and (iv) other positive impacts for €0.1 billion mainly driven by combined effects of exchange rates and regulatory amortization of Capital instruments.

- The individual net profit as of 31 December 2022 is equal to €3,107 million.
- The dividend policy communicated with the plan “UniCredit Unlocked” envisages, from 2022, a 35% cash pay-out ratio applied to the definition of Net Profit introduced with the plan. In this respect, Net Profit means Stated Net Profit (i.e. accounting net profit) adjusted for AT1, Cashes coupon and impacts from DTAs from tax loss carry forward sustainability test.
- As per first quarter 2022 decision, considering the extraordinary nature of the geopolitical events, the 35% cash pay-out ratio is calculated on the Net Profit excluding Russia segment contribution. Being the latter equal to €5,447 million for 2022, the 35% corresponds to cash dividends of €1,907 million. In addition, €25 million has been destined to social, cultural and charity initiatives.
- Thus, considering the 2022 accrued Group foreseeable charges (€1,932 million, that include also the social, cultural and charity initiatives) to reduce the individual net profit (€3,107 million), a positive amount for €1,175 million is reported in the individual Own Funds.

## Results of the year

## Capital strengthening

Reference is made to the paragraph "Capital strengthening", of the Consolidated financial statements of UniCredit group, Consolidated report on operations, Results of the year, Capital and Value Management, which is herewith quoted entirely.

## Shareholders' equity

## Shareholders' equity

|                                   | AMOUNTS AS AT |               | CHANGE         |                |
|-----------------------------------|---------------|---------------|----------------|----------------|
|                                   | 31.12.2022    | 31.12.2021    | AMOUNT         | %              |
| Share capital                     | 21,220        | 21,133        | + 87           | + 0.4%         |
| Share premium                     | 2,516         | 5,446         | - 2,930        | - 53.8%        |
| Equity instruments                | 6,100         | 6,595         | - 495          | - 7.5%         |
| Reserves                          | 23,707        | 15,289        | + 8,418        | + 55.1%        |
| Revaluation reserves              | 712           | 653           | + 59           | + 9.0%         |
| Treasury shares                   | -             | (199)         | + 199          | - 100.0%       |
| <b>Total capital and reserves</b> | <b>54,255</b> | <b>48,917</b> | <b>+ 5,338</b> | <b>+ 10.9%</b> |
| Net profit (loss)                 | 3,107         | 10,334        | - 7,227        | - 69.9%        |
| <b>Total shareholders' equity</b> | <b>57,362</b> | <b>59,251</b> | <b>- 1,889</b> | <b>- 3.2%</b>  |

Shareholders' equity as of 31 December 2022 amounted to €57.362 million, with a decrease of €1.889 million compared to 31 December 2021, attributable to:

- -€1,170 million for distribution of dividends from profit reserves as approved by Shareholders' Meeting of 8 April 2022;
- -€4 million in favor of UniCredit Foundation for social, charity and cultural initiatives as approved by Shareholders' Meeting of 8 April 2022;
- -€495 million from the early redemption of the Additional Tier 1 (AT1) instruments issued in 2016, net of the related placement costs, exercising the redemption option in accordance with the relevant terms and conditions of the securities;
- -€303 million from the allocation to the reserves of the coupon paid to subscribers of Additional Tier 1 notes, net of related tax effects and transaction costs on redeemed issues;
- -€74 million from the allocation to the reserves of the cash-out connected to the usufruct contract signed with Mediobanca S.p.A. on UniCredit shares for the issuance of convertible securities denominated "Cashes";
- +€55 million from the adjustment to the reserve dedicated to Equity Settled Share Based Payments;
- -€8 million for allocation to equity of realised net gains and losses from disposal of financial assets and liabilities at fair value through other comprehensive income;
- -€4 million for the substitute tax from the application of the tax realignment of the properties used in business under IAS16 with impact on equity.
- -€452 million for the purchase of No.33,487,579 treasury shares to completion the "Second Buy-Back Program" launched in 2021 and concluded on 28 February 2022; the treasury shares purchased, together with the treasury shares purchased during 2021 (€199 million) were canceled without reduction of the share capital on 2 March 2022 for the overall amount of €651 million;
- -€2,580 million for the purchase of No.249,134,870 treasury shares for the execution of the First and Second Tranche of the "2021 Buy-Back Programme" and consequent cancellation of the treasury shares purchased without reducing the share capital;
- -€7 million for charges and fees connected with the execution of the buyback operations on treasury shares;
- -€13 million of net equity impact from business combinations under common control;
- +€3,107 million from the net result from the year;
- +€59 million to the net effect deriving from revaluation reserves, of which: -€214 million from financial assets at fair value through other comprehensive income; +€42 million from financial liabilities designated at fair value through profit or loss, due to changes in their creditworthiness; +€32 million from cash flow hedges; +€43 million from revaluation of real estate properties used in business with impact on equity and +€156 million from defined benefit plans.

# Results of the year

Note the following significant changes occurred in 2022 which, though reflected among the various components of shareholders' equity, did not change the overall amount thereof:

- the increase of €87 million in share capital following the resolution of the Board of Directors of 15 February 2022 executed through a withdrawal from the specifically constituted reserve, for the issue of the shares connected to the medium-term incentive plan for Group personnel.
- following the resolutions of the Shareholders' Meeting of 8 April 2022 occurred: (i) allocation of the 2021 net profit to the reserve connected to the medium term incentive plan for Group personnel (€65 million) and to the Statutory reserve (€9,127 million); ii) coverage of the negative reserves totaling €380 million, partly buy use of Share premium reserve to eliminate the negative components related to the payment of AT1 coupons (€350 million) and partly by use of the Statutory reserve to cover the negative reserve emerged from the cash-out related to the usufruct contract connected to the "Cashes" financial instruments (€30 million);
- in execution of the resolutions of the Shareholders' Meeting of 8 April 2022 and 14 September 2022 authorizing the purchase of treasury shares aimed at the remuneration of the shareholders, occurred: (i) the allocation of a portion of the Share Premium Reserve to set up the specific unavailable reserve for the purchase of treasury shares ("Buy-Back Programme 2021") for the maximum amount authorized (€2,580 million); the purchase transactions were executed in two tranches (First and Second Tranche) completed respectively on 14 July 2022 and 30 November 2022 with the purchase of a total of No.249,134,870 shares for a total consideration of €2,580 million recorded under the item Treasury shares; (ii) the unavailable reserve was consequently used to offset the negative item Treasury shares following the cancellation of the treasury shares in portfolio registered on 19 July 2022 and 14 December 2022.

## Shareholders

The share capital, subscribed and paid up, amounts to €21,220,169,840,48 divided into No.1,935,269,741 ordinary shares with no face value.

As at 31 December 2022, according to the analyses performed using data from the content of the Register of Shareholders:

- shareholders were approximately 259,000;
- resident shareholders held around 18.55% of the capital and foreign shareholders 81.45%;
- 90.66% of the share capital is held by legal entities, the remaining 9.34% by natural persons.

At the same date, on the basis of the communications pursuant to Art.120 of the Consolidated Law on Finance (TUF), the relevant direct or indirect investments in the share capital are listed below. The shareholders listed below hold more than 3% and they are not exempted from the reporting provided for by Art.119-bis of the CONSOB Regulation 11971/99.

### Principal UniCredit shareholders (\*)

| SHAREHOLDER      | ORDINARY SHARES | % OWNED    |
|------------------|-----------------|------------|
| BlackRock Group  | 114,907,383     | 5.938%(**) |
| Allianz SE Group | 69,622,203      | 3.598%     |

**Notes:**  
 (\*) The table shows the information notified by the shareholders pursuant to Art.120 TUF following the update disclosed on the Consob website on 2 November 2022. The percentages here indicated are calculated on the number of shares representing the share capital as of 31 December 2022, which takes into account the cancellation of treasury shares carried out on 14 December 2022. It should be noted that, in the cases provided for by the Issuers' Regulations, management companies and qualified entities that have acquired, as part of their management activities, shareholdings less than 5% are not required to make disclosures.

(\*\*) Non-discretionary asset management.

# Results of the year

## Treasury shares

The 2022-2024 Strategic Plan ("UniCredit Unlocked") presented to the market on 9 December 2021 set among the objectives a shareholders' distribution to be implemented in part through treasury share buyback programmes with the aim to ensure higher and progressively growing remuneration over the course of the plan.

In this context the Company's Shareholders' Meeting held on 8 April 2022 authorized the execution of a purchase program for UniCredit ordinary shares as a part of the distribution to the shareholders for the year 2021, executable in more tranches for a total maximum expenditure of €2,580 million. The Shareholders' Meeting at the same time approved in an extraordinary session the subsequent cancellation of treasury shares with no reduction of share capital but exclusively through a reduction in the number of existing shares and with a consequent increase in their accounting par value of the shares issued by the Company.

The first tranche of purchases of UniCredit ordinary shares (the "First Tranche of the 2021 Buy-Back Programme"), authorized by the ECB on 3 May 2022, was launched on 11 May 2022 and completed on 14 July 2022 with the purchase of No.162,185,721 shares for a total consideration equal to the maximum disbursement authorized (€1,580 million). The shares purchased with the first tranche of the buyback were cancelled on 19 July 2022, date of filing at the Company Register of the resolution of cancellation.

For the implementation of the second tranche of purchases ("Second Tranche of the 2021 Buy-Back Program"), considering the evolution of the price of UniCredit's share in the execution period, the Shareholders' Meeting on 14 September 2022 updated and integrated the previous authorization of 8 April 2022, to increase the maximum number of shares to be purchased with the residual amount available (1,000 million) on the maximum total expenditure authorised (2,580 million). The transaction, priorly authorized by the ECB on 30 August 2022, was launched on 21 September 2022 and concluded on 30 November 2022 with the purchase of No.86,949,149 shares for a total consideration equivalent to the residual maximum expenditure amount.

The shares purchased with the second tranche of the buyback were cancelled on 14 December 2022, date of filing at the Company Register of the resolution of cancellation.

It should also be noted that during the first quarter of 2022 the "Second Buy-Back Programme" launched in December 2021 with reference to the distribution for the year 2020 was completed with the purchase of No.33,487,579 UniCredit ordinary shares for a total consideration of €452 million equal to the residual availability on the maximum amount authorized by the Shareholders' Meeting of 15 April 2021 (€651 million). The total shares purchased under this program (No.48,536,221) were canceled on 2 March 2022, including the shares purchased and outstanding at year end 2021.

As of 31 December 2022, following the purchase and cancellation operations carried out during the year, there are no treasury shares in the portfolio.

# Company activities

## The commercial network

### Operating structure in Italy

During 2022, UniCredit domestic Retail Commercial Banking Network was subject to the closure of 73 branches.

The structure of the domestic network at 31 December 2022 consisted of a total of 2,312 branches, of which 1,986 belonging to Retail Commercial Banking Network.

On that date, following the initiatives described above and a small-scale branch re-organization and optimization resulting from the ongoing streamlining process of organizational units, the Italian distribution network was structured as follows.

#### Italian branch network

| REGION                  | NUMBER OF BRANCHES AT<br>31.12.2022 | % BREAKDOWN   |
|-------------------------|-------------------------------------|---------------|
| - Piedmont              | 237                                 | 10.3%         |
| - Valle d'Aosta         | 12                                  | 0.5%          |
| - Lombardy              | 277                                 | 12.0%         |
| - Liguria               | 45                                  | 1.9%          |
| - Trentino Alto Adige   | 36                                  | 1.6%          |
| - Veneto                | 285                                 | 12.3%         |
| - Friuli Venezia Giulia | 71                                  | 3.1%          |
| - Emilia Romagna        | 306                                 | 13.2%         |
| - Tuscany               | 100                                 | 4.3%          |
| - Umbria                | 55                                  | 2.4%          |
| - Marche                | 46                                  | 2.0%          |
| - Lazio                 | 295                                 | 12.8%         |
| - Abruzzo               | 24                                  | 1.0%          |
| - Molise                | 16                                  | 0.7%          |
| - Campania              | 118                                 | 5.1%          |
| - Puglia                | 89                                  | 3.8%          |
| - Basilicata            | 7                                   | 0.3%          |
| - Calabria              | 21                                  | 0.9%          |
| - Sicily                | 237                                 | 10.3%         |
| - Sardinia              | 35                                  | 1.5%          |
| <b>Total branches</b>   | <b>2,312</b>                        | <b>100.0%</b> |

# Company activities

## Branches and Representatives abroad

As at 31 December 2022 UniCredit S.p.A. is present abroad through eleven Branches, one Permanent Establishment and two Representative offices. Below the detail:

Foreing branches:

- PRC - Shanghai;
- Germany - Munich<sup>80</sup>;
- United Kindom - London<sup>80</sup>;
- United States - New York<sup>80</sup>;
- France - Paris;
- Spain - Madrid;
- Czech Republic - Prague<sup>81</sup>;
- Slovakia - Bratislava<sup>81</sup>;
- Romania - Bucarest<sup>81</sup>;
- Poland - Szczecin<sup>81</sup>;
- Hungary - Budapest<sup>81</sup>.

Foreing Permanent Establishment:

- Austria - Wien.

Foreing Representative offices:

- Belgium - Bruxelles;
- PRC - Beijing.

<sup>80</sup> Branch with banking license that starting from 1 October 2022 has onboarded also digital/operations activities following the merger by incorporation of UniCredit Services S.C.p.A. into UniCredit S.p.A.

<sup>81</sup> Branch that carries out only digital/operations activities, without banking license, included in the perimeter following the merger by incorporation of UniCredit Services S.C.p.A. into UniCredit S.p.A. finalized on 1 October 2022.

# Company activities

## Resources

### Personnel developments

At 31 December 2022, UniCredit S.p.A.'s headcount is No.37,302 compared to No.32,262 at 31 December 2021. The increase in resources is mainly due to the entry of about 5,500 employees from Unicredit Services S.c.p.a, including 3,500 from Central and Eastern Europe, which took place in October.

#### Category

|                                  | 31.12.2022    |                            | 31.12.2021    |                            | CHANGE       |              |
|----------------------------------|---------------|----------------------------|---------------|----------------------------|--------------|--------------|
|                                  | TOTAL         | OF WHICH:<br>OUTSIDE ITALY | TOTAL         | OF WHICH:<br>OUTSIDE ITALY | IN TOTAL     | PERCENT      |
| Senior Management                | 699           | 6                          | 655           | 4                          | 44           | 6.7%         |
| Management - 3rd and 4th grade   | 7,234         | 36                         | 6,584         | 31                         | 650          | 9.9%         |
| Management - 1st and 2nd grade   | 10,815        | 158                        | 10,038        | 2                          | 777          | 7.7%         |
| Other Staff                      | 18,554        | 3,340                      | 14,985        | -                          | 3,569        | 23.8%        |
| <b>Total</b>                     | <b>37,302</b> | <b>3,540</b>               | <b>32,262</b> | <b>37</b>                  | <b>5,040</b> | <b>15.6%</b> |
| <i>of which, Part-time staff</i> | 4,931         | 272                        | 4,755         | -                          | 176          | 3.7%         |

The composition of the workforce by seniority and by age bracket is shown in the following tables. With respect to educational level, 40% of UniCredit S.p.A. employees have university degrees (mostly in the areas of economics and banking, or law).

Women make up 49% of personnel.

#### Breakdown by seniority

|                     | 31.12.2022    |               | 31.12.2021    |              | CHANGE       |              |
|---------------------|---------------|---------------|---------------|--------------|--------------|--------------|
|                     | NUMBER        | PERCENT       | NUMBER        | PERCENT      | AMOUNT       | PERCENT      |
| Up to 10            | 8,160         | 21.9%         | 4,377         | 11.7%        | 3,783        | 86.4%        |
| From 11 to 20 years | 10,901        | 29.2%         | 11,481        | 30.8%        | (580)        | -5.1%        |
| From 21 to 30 years | 9,992         | 26.8%         | 9,071         | 24.3%        | 921          | 10.2%        |
| Over 30             | 8,249         | 22.1%         | 7,333         | 19.7%        | 916          | 12.5%        |
| <b>Total</b>        | <b>37,302</b> | <b>100.0%</b> | <b>32,262</b> | <b>86.5%</b> | <b>5,040</b> | <b>15.6%</b> |

#### Breakdown by age

|                     | 31.12.2022    |               | 31.12.2021    |               | CHANGE       |              |
|---------------------|---------------|---------------|---------------|---------------|--------------|--------------|
|                     | NUMBER        | PERCENT       | NUMBER        | PERCENT       | AMOUNT       | PERCENT      |
| Up to 30            | 3,092         | 8.3%          | 1,644         | 5.1%          | 1,448        | 88.1%        |
| From 31 to 40 years | 5,526         | 14.8%         | 3,971         | 12.3%         | 1,555        | 39.2%        |
| From 41 to 50 years | 12,562        | 33.7%         | 11,899        | 36.9%         | 663          | 5.6%         |
| Over 50             | 16,122        | 43.2%         | 14,748        | 45.7%         | 1,374        | 9.3%         |
| <b>Total</b>        | <b>37,302</b> | <b>100.0%</b> | <b>32,262</b> | <b>100.0%</b> | <b>5,040</b> | <b>15.6%</b> |

With regard to training, managerial growth, union relations, environment and occupational safety, refer to the Integrated Report. This document, published on the institutional website, describes how UniCredit creates sustainable value that has a positive impact on society by supporting the advancement of local communities, the competitiveness of enterprises and the well-being of individuals. The Integrated Report of UniCredit constitutes a Non-Financial Statement pursuant to articles 3 and 4 of Legislative Decree 254/2016.



## Other information

### Group activities development operations and other corporate transactions

With specific regard to events relating to the Parent Company UniCredit S.p.A., reference is made to the paragraph @Group activities development operations and other corporate transactions, of the Consolidated financial statements of UniCredit group, Consolidated report on operations, Other information, which is herewith quoted entirely.

### Conversion of Deferred tax assets (DTAs) into tax credits

The 2021 and 2022 financial year closed with a profit (€10,366 financial year 2021 and €3,107 financial year 2022) therefore, the conditions to carry out a new transformation of deferred tax assets, for IRES and IRAP, into tax credits are not verified.

### Certifications and other communications

Reference is made to the paragraph “Certifications and other communications”, of the Consolidated financial statements of UniCredit group, Consolidated report on operations of UniCredit group, Other information, which is herewith quoted entirely.  
For more information on related-party transactions refer to Notes to the accounts - Part H.

### Information on risks

For a complete description of the risks and uncertainties that the Bank must face under the current market conditions, refer to the appropriate section in the Company financial statements - Notes to the accounts - Part E - Information on risks and related hedging policies.

# Subsequent events and outlook

## Subsequent events<sup>82</sup>

With specific regard to events relating to the Parent Company UniCredit S.p.A., reference is made to the paragraph “Subsequent events”, of the Consolidated financial statements of UniCredit group, Consolidated report on operations of UniCredit group, Subsequent events and outlook, which is herewith quoted entirely.

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<sup>82</sup> Up to the date of approval by the Board of Directors' Meeting of 16 February 2023 which, on the same date, authorised the publication also in accordance with IAS10.

# Subsequent events and outlook

## Outlook

Reference is made to the paragraph “Outlook”, of the Consolidated financial statements of UniCredit group, Consolidated report on operations, Subsequent events and outlook, which is herewith quoted entirely.

Milan, 16 February 2023

CHAIRMAN  
PIETRO CARLO PADOAN



THE BOARD OF DIRECTORS

CEO  
ANDREA ORCEL





# Proposal to Shareholders' Meeting

For the proposals to Shareholders' Meeting refer to the specific Board of Directors' reports in relation to the allocation of the 2022 result.



## Company accounts

## Notes to company accounts

It should be noted that 2021 comparative figures have been recasted in order to reflect the impacts arising from the exit of the investment in UniCredit Leasing S.p.A. out of the non-current assets held for sale.

This impact referred to the reallocation to proper asset item and the recognition of a positive impact into profit 2021 for €55 million due to the reversal of impairment booked in the fourth quarter of 2021 following the classification into non-current assets held for sale (IFRS5).

## Balance sheet

| ASSETS  | AMOUNTS AS AT          |                        |
|---|------------------------|------------------------|
|   | 31.12.2022             | 31.12.2021             |
| 10. Cash and cash balances  | 54,713,168,717         | 72,829,812,085         |
| 20. Financial assets at fair value through profit or loss:              | 23,524,482,886         | 20,003,480,033         |
| a) financial assets held for trading                                    | 18,784,841,265         | 13,939,387,043         |
| b) financial assets designated at fair value                            | 203,687,509            | 118,761,840            |
| c) other financial assets mandatorily at fair value                     | 4,535,954,112          | 5,945,331,150          |
| 30. Financial assets at fair value through other comprehensive income   | 26,920,975,995         | 36,463,996,896         |
| 40. Financial assets at amortised cost:                                 | 259,676,819,203        | 267,821,515,912        |
| a) loans and advances to banks  | 31,255,616,224         | 37,374,176,488         |
| b) loans and advances to customers                                      | 228,421,202,979        | 230,447,339,424        |
| 50. Hedging derivatives   | 13,741,134,962         | 4,362,041,125          |
| 60. Changes in fair value of portfolio hedged items (+/-)               | (3,961,145,758)        | 1,357,769,084          |
| 70. Equity investments  | 38,568,942,111         | 38,728,521,990         |
| 80. Property, plant and equipment                                       | 3,910,680,246          | 3,806,448,590          |
| 90. Intangible assets   | 1,640,612,317          | 6,528,260              |
| <i>of which: goodwill</i>   | -                      | -                      |
| 100. Tax assets:  | 10,597,243,951         | 11,142,285,296         |
| a) current  | 1,088,507,228          | 1,678,879,343          |
| b) deferred   | 9,508,736,723          | 9,463,405,953          |
| 110. Non-current assets and disposal groups classified as held for sale | 233,394,511            | 1,538,830,762          |
| 120. Other assets   | 6,631,821,817          | 3,837,093,506          |
| <b>Total assets</b>   | <b>436,198,130,958</b> | <b>461,898,323,539</b> |

## Company accounts

| LIABILITIES AND SHAREHOLDERS' EQUITY                               | AMOUNTS AS AT          |                        |
|--|------------------------|------------------------|
|  | 31.12.2022             | 31.12.2021             |
| 10. Financial liabilities at amortised cost:                       | 339,995,694,666        | 370,017,093,491        |
| a) deposits from banks   | 74,612,712,906         | 86,265,278,414         |
| b) deposits from customers   | 218,319,668,873        | 226,028,294,617        |
| c) debt securities in issue  | 47,063,312,887         | 57,723,520,460         |
| 20. Financial liabilities held for trading                         | 20,719,156,949         | 13,635,976,184         |
| 30. Financial liabilities designated at fair value                 | 5,362,797,586          | 4,111,399,264          |
| 40. Hedging derivatives  | 16,227,353,444         | 4,843,498,108          |
| 50. Value adjustment of hedged financial liabilities (+/-)         | (12,738,518,536)       | 659,811,966            |
| 60. Tax liabilities:   | 18,651,635             | 12,677,251             |
| a) current   | 18,651,635             | 12,677,251             |
| b) deferred  | -                      | -                      |
| 70. Liabilities associated with assets classified as held for sale | -                      | -                      |
| 80. Other liabilities  | 6,937,739,205          | 6,942,693,418          |
| 90. Provision for employee severance pay                           | 361,265,405            | 491,354,326            |
| 100. Provisions for risks and charges:                             | 1,952,110,828          | 1,973,796,553          |
| a) commitments and guarantees given                                | 467,103,183            | 419,149,560            |
| b) post-retirement benefit obligations                             | 65,070,188             | 60,879,383             |
| c) other provisions for risks and charges                          | 1,419,937,457          | 1,493,767,610          |
| 110. Valuation reserves  | 711,984,612            | 793,718,204            |
| 120. Redeemable shares   | -                      | -                      |
| 130. Equity instruments  | 6,099,697,039          | 6,594,697,039          |
| 140. Reserves  | 23,706,970,948         | 15,130,046,727         |
| 150. Share premium   | 2,516,382,837          | 5,446,439,577          |
| 160. Share capital   | 21,220,169,840         | 21,133,469,082         |
| 170. Treasury shares (-)   | -                      | (199,465,013)          |
| 180. Profit (Loss) of the year (+/-)                               | 3,106,674,500          | 10,311,117,362         |
| <b>Total Liabilities and Shareholders' Equity</b>                  | <b>436,198,130,958</b> | <b>461,898,323,539</b> |



## Company accounts

## Income statement

| ITEMS   | YEAR                   |                        |
|---|------------------------|------------------------|
|   | 2022                   | 2021                   |
| 10. Interest income and similar revenues  | 5,547,434,040          | 4,406,800,247          |
| <i>of which: interest income calculated with the effective interest method</i>                        | 4,965,046,262          | 3,951,327,325          |
| 20. Interest expenses and similar charges   | (1,747,226,690)        | (1,244,296,294)        |
| <b>30. Net interest margin</b>  | <b>3,800,207,350</b>   | <b>3,162,503,953</b>   |
| 40. Fees and commissions income   | 4,752,511,721          | 4,636,607,064          |
| 50. Fees and commissions expenses   | (650,234,602)          | (543,975,156)          |
| <b>60. Net fees and commissions</b>   | <b>4,102,277,119</b>   | <b>4,092,631,908</b>   |
| 70. Dividend income and similar revenues  | 1,458,972,674          | 891,546,809            |
| 80. Net gains (losses) on trading   | (285,930,665)          | 385,136,776            |
| 90. Net gains (losses) on hedge accounting  | (17,776,543)           | (7,234,979)            |
| 100. Gains (Losses) on disposal and repurchase of:  | 290,459,278            | 155,021,630            |
| a) financial assets at amortised cost   | 12,999,947             | 72,577,153             |
| b) financial assets at fair value through other comprehensive income                                  | 203,189,734            | 93,132,487             |
| c) financial liabilities  | 74,269,597             | (10,688,010)           |
| 110. Net gains (losses) on other financial assets/liabilities at fair value through profit or loss:   | (78,999,619)           | (38,787,790)           |
| a) financial assets/liabilities designated at fair value  | 595,697,459            | (107,842,189)          |
| b) other financial assets mandatorily at fair value   | (674,697,078)          | 69,054,399             |
| <b>120. Operating income</b>  | <b>9,269,209,594</b>   | <b>8,640,818,307</b>   |
| 130. Net losses/recoveries on credit impairment relating to:  | (1,048,966,193)        | (989,728,559)          |
| a) financial assets at amortised cost   | (1,040,199,614)        | (975,307,250)          |
| b) financial assets at fair value through other comprehensive income                                  | (8,766,579)            | (14,421,309)           |
| 140. Gains/Losses from contractual changes with no cancellations                                      | 9,078,851              | (3,253,698)            |
| <b>150. Net profit from financial activities</b>  | <b>8,229,322,252</b>   | <b>7,647,836,050</b>   |
| 160. Administrative expenses:   | (5,614,305,865)        | (5,437,078,545)        |
| a) staff costs  | (3,262,987,251)        | (2,936,555,633)        |
| b) other administrative expenses  | (2,351,318,614)        | (2,500,522,912)        |
| 170. Net provisions for risks and charges:  | 40,698,697             | (118,169,212)          |
| a) commitments and financial guarantees given   | (47,956,584)           | 22,471,848             |
| b) other net provisions   | 88,655,281             | (140,641,060)          |
| 180. Net value adjustments/write-backs on property, plant and equipment                               | (388,595,537)          | (337,537,874)          |
| 190. Net value adjustments/write-backs on intangible assets   | (385,595,088)          | (3,102,213)            |
| 200. Other operating expenses/income  | 1,110,825,370          | 325,523,689            |
| <b>210. Operating costs</b>   | <b>(5,236,972,423)</b> | <b>(5,570,364,155)</b> |
| 220. Gains (Losses) of equity investments   | 137,595,471            | 7,308,801,910          |
| 230. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value | 8,111,826              | (8,593,112)            |
| 240. Goodwill impairment  | -                      | -                      |
| 250. Gains (Losses) on disposals on investments   | (55,370)               | (667,793)              |
| <b>260. Profit (Loss) before tax from continuing operations</b>                                       | <b>3,138,001,756</b>   | <b>9,377,012,900</b>   |
| 270. Tax expenses (income) for the year from continuing operations                                    | (31,327,256)           | 934,104,462            |
| <b>280. Profit (Loss) after tax from continuing operations</b>  | <b>3,106,674,500</b>   | <b>10,311,117,362</b>  |
| 290. Profit (Loss) after tax from discontinued operations   | -                      | -                      |
| <b>300. Profit (Loss) of the year</b>   | <b>3,106,674,500</b>   | <b>10,311,117,362</b>  |

## Company accounts

## Statement of other comprehensive income

| ITEMS  | YEAR                 |                       |
|--|----------------------|-----------------------|
|  | 2022                 | 2021                  |
| <b>10. Profit (Loss) of the year</b>   | <b>3,106,674,500</b> | <b>10,311,117,362</b> |
| <b>Other comprehensive income after tax not reclassified to profit or loss</b>                             | <b>261,586,125</b>   | <b>335,541,537</b>    |
| 20. Equity instruments designated at fair value through other comprehensive income                         | 28,307,156           | 90,993,107            |
| 30. Financial liabilities designated at fair value through profit or loss (own creditworthiness changes)   | 42,065,687           | 56,905,785            |
| 40. Hedge accounting of equity instruments designated at fair value through other comprehensive income     | -                    | -                     |
| 50. Property, plant and equipment  | 43,264,045           | 181,775,660           |
| 60. Intangible assets  | -                    | -                     |
| 70. Defined-benefit plans  | 148,351,877          | 7,425,121             |
| 80. Non-current assets and disposal groups classified as held for sale                                     | (402,640)            | (1,558,136)           |
| 90. Portion of valuation reserves from investments valued at equity method                                 | -                    | -                     |
| <b>Other comprehensive income after tax reclassified to profit or loss</b>                                 | <b>(212,187,422)</b> | <b>12,989,640</b>     |
| 100. Foreign investments hedging   | -                    | -                     |
| 110. Foreign exchange differences  | -                    | -                     |
| 120. Cash flow hedging   | 32,043,053           | 88,931,233            |
| 130. Hedging instruments (non-designated items)  | -                    | -                     |
| 140. Financial assets (different from equity instruments) at fair value through other comprehensive income | (244,230,475)        | (75,941,593)          |
| 150. Non-current assets and disposal groups classified as held for sale                                    | -                    | -                     |
| 160. Part of valuation reserves from investments valued at equity method                                   | -                    | -                     |
| <b>170. Total other comprehensive income after tax</b>   | <b>49,398,703</b>    | <b>348,531,177</b>    |
| <b>180. Other comprehensive income (Item 10+170)</b>   | <b>3,156,073,203</b> | <b>10,659,648,539</b> |

## Company accounts

## Statement of changes in the shareholders' equity as at 31 December 2022

|                            | BALANCE AS AT<br>31.12.2021 | CHANGE IN OPENING BALANCE | BALANCE AS AT<br>01.01.2022 | PREVIOUS YEAR PROFIT<br>(LOSS) ALLOCATION |                                 | CHANGES IN THE YEAR |                                   |                             |                                      |                              |                             |                                    | SHAREHOLDERS' EQUITY AS AT<br>31.12.2022 |                |
|----------------------------|-----------------------------|---------------------------|-----------------------------|---|---------------------------------|---------------------|-----------------------------------|-----------------------------|--------------------------------------|------------------------------|-----------------------------|------------------------------------|--|----------------|
|                            |                             |                           |                             | RESERVES                                  | DIVIDENDS AND OTHER ALLOCATIONS | CHANGES IN RESERVES | SHAREHOLDERS' EQUITY TRANSACTIONS |                             |                                      |                              |                             | OTHER COMPREHENSIVE INCOME<br>2022 |  |                |
|                            |                             |                           |                             |   |                                 |                     | ISSUE OF NEW SHARES               | PURCHASE OF TREASURY SHARES | DIVIDENDS EXTRAORDINARY DISTRIBUTION | CHANGE IN EQUITY INSTRUMENTS | TREASURY SHARES DERIVATIVES |                                    |  | STOCK OPTIONS  |
| Share capital:             | 21,133,469,082              | -                         | 21,133,469,082              | -   | -                               | -                   | 86,700,758                        | -                           | -                                    | -                            | -                           | -                                  | -  | 21,220,169,840 |
| - ordinary shares          | 21,133,469,082              | -                         | 21,133,469,082              | -   | -                               | -                   | 86,700,758                        | -                           | -                                    | -                            | -                           | -                                  | -  | 21,220,169,840 |
| - other shares             | -                           | -                         | -                           | -   | -                               | -                   | -                                 | -                           | -                                    | -                            | -                           | -                                  | -  | -              |
| Share premium              | 5,446,439,577               | -                         | 5,446,439,577               | -   | -                               | (2,930,056,740)     | -                                 | -                           | -                                    | -                            | -                           | -                                  | -  | 2,516,382,837  |
| Reserves:                  | 15,130,046,727              | -                         | 15,130,046,727              | 9,137,113,175                             | -                               | (528,738,993)       | (86,700,758)                      | -                           | -                                    | -                            | -                           | 55,250,797                         | -  | 23,706,970,948 |
| - from profits             | 9,424,119,219               | -                         | 9,424,119,219               | 9,137,113,175                             | -                               | 143,133,239         | (86,700,758)                      | -                           | -                                    | -                            | -                           | -                                  | -  | 18,617,664,875 |
| - other                    | 5,705,927,508               | -                         | 5,705,927,508               | -   | -                               | (671,872,232)       | -                                 | -                           | -                                    | -                            | -                           | 55,250,797                         | -  | 5,089,306,073  |
| Valuation reserves         | 793,718,204                 | -                         | 793,718,204                 | -   | -                               | (131,132,295)       | -                                 | -                           | -                                    | -                            | -                           | -                                  | 49,398,703                               | 711,984,612    |
| Equity instruments         | 6,594,697,039               | -                         | 6,594,697,039               | -   | -                               | -                   | -                                 | -                           | -                                    | (495,000,000)                | -                           | -                                  | -  | 6,099,697,039  |
| Treasury shares            | (199,465,013)               | -                         | (199,465,013)               | -   | -                               | -                   | 3,231,527,091                     | (3,032,062,078)             | -                                    | -                            | -                           | -                                  | -  | -              |
| Profit (Loss) for the year | 10,311,117,362              | -                         | 10,311,117,362              | (9,137,113,175)                           | (1,174,004,187)                 | -                   | -                                 | -                           | -                                    | -                            | -                           | -                                  | 3,106,674,500                            | 3,106,674,500  |
| Shareholders' equity       | 59,210,022,978              | -                         | 59,210,022,978              | -   | (1,174,004,187)                 | (3,589,928,028)     | 3,231,527,091                     | (3,032,062,078)             | -                                    | (495,000,000)                | -                           | 55,250,797                         | 3,156,073,203                            | 57,361,879,776 |

The changes in the year of the item "Treasury shares" refer to the purchases of UniCredit ordinary shares executed under the share buy-back programs and the subsequent cancellation of the shares purchased with no reduction in the nominal share capital; the positive change due to the cancellation of the treasury shares is conventionally reported in the column "issue of new shares".

The amounts disclosed in column "Stock Options" represent the effects of the delivery of shares connected with the ESOP Plans and other Group Executive Incentive Plans.

## Company accounts

## Statement of changes in the shareholders' equity as at 31 December 2021

|                            | BALANCE AS AT<br>31.12.2020 | CHANGE IN OPENING BALANCE | BALANCE AS AT<br>01.01.2021 | PREVIOUS YEAR<br>PROFIT (LOSS)<br>ALLOCATION |                                 | CHANGES IN THE YEAR |                                   |                             |                                      |                              |                             |               | OTHER COMPREHENSIVE INCOME<br>2021 | SHAREHOLDERS' EQUITY AS AT<br>31.12.2021 |
|----------------------------|-----------------------------|---------------------------|-----------------------------|--|---------------------------------|---------------------|-----------------------------------|-----------------------------|--------------------------------------|------------------------------|-----------------------------|---------------|------------------------------------|--|
|                            |                             |                           |                             | RESERVES                                     | DIVIDENDS AND OTHER ALLOCATIONS | CHANGES IN RESERVES | SHAREHOLDERS' EQUITY TRANSACTIONS |                             |                                      |                              |                             |               |                                    |  |
|                            |                             |                           |                             |  |                                 |                     | ISSUE OF NEW SHARES               | PURCHASE OF TREASURY SHARES | DIVIDENDS EXTRAORDINARY DISTRIBUTION | CHANGE IN EQUITY INSTRUMENTS | TREASURY SHARES DERIVATIVES | STOCK OPTIONS |                                    |  |
| Share capital:             | 21,059,536,950              | -                         | 21,059,536,950              | -  | -                               | -                   | 73,932,132                        | -                           | -                                    | -                            | -                           | -             | -                                  | 21,133,469,082                           |
| - ordinary shares          | 21,059,536,950              | -                         | 21,059,536,950              | -  | -                               | -                   | 73,932,132                        | -                           | -                                    | -                            | -                           | -             | -                                  | 21,133,469,082                           |
| - other shares             | -                           | -                         | -                           | -  | -                               | -                   | -                                 | -                           | -                                    | -                            | -                           | -             | -                                  | -  |
| Share premium              | 9,386,387,772               | -                         | 9,386,387,772               | (2,731,812,286)                              | -                               | (1,208,135,909)     | -                                 | -                           | -                                    | -                            | -                           | -             | -                                  | 5,446,439,577                            |
| Reserves:                  | 14,544,629,035              | -                         | 14,544,629,035              | -  | -                               | 860,069,879         | (73,932,132)                      | -                           | (268,064,401)                        | -                            | -                           | 67,344,346    | -                                  | 15,130,046,727                           |
| - from profits             | 9,663,322,672               | -                         | 9,663,322,672               | -  | -                               | 102,793,080         | (73,932,132)                      | -                           | (268,064,401)                        | -                            | -                           | -             | -                                  | 9,424,119,219                            |
| - other                    | 4,881,306,363               | -                         | 4,881,306,363               | -  | -                               | 757,276,799         | -                                 | -                           | -                                    | -                            | -                           | 67,344,346    | -                                  | 5,705,927,508                            |
| Valuation reserves         | 395,151,135                 | -                         | 395,151,135                 | -  | -                               | 50,035,892          | -                                 | -                           | -                                    | -                            | -                           | -             | 348,531,177                        | 793,718,204                              |
| Equity instruments         | 6,841,367,977               | -                         | 6,841,367,977               | -  | -                               | -                   | -                                 | -                           | -                                    | (246,670,938)                | -                           | -             | -                                  | 6,594,697,039                            |
| Treasury shares            | (2,440,001)                 | -                         | (2,440,001)                 | -  | -                               | -                   | 181,128,527                       | (378,153,539)               | -                                    | -                            | -                           | -             | -                                  | (199,465,013)                            |
| Profit (Loss) for the year | (2,731,812,286)             | -                         | (2,731,812,286)             | 2,731,812,286                                | -                               | -                   | -                                 | -                           | -                                    | -                            | -                           | -             | 10,311,117,362                     | 10,311,117,362                           |
| Shareholders' equity       | 49,492,820,582              | -                         | 49,492,820,582              | -  | -                               | (298,030,138)       | 181,128,527                       | (378,153,539)               | (268,064,401)                        | (246,670,938)                | -                           | 67,344,346    | 10,659,648,539                     | 59,210,022,978                           |

(€)

## Company accounts

## Cash flow statement (indirect method)

|  | YEAR                    |                        |
|--|-------------------------|------------------------|
|  | 2022                    | 2021                   |
| <b>A. OPERATING ACTIVITIES</b>   |                         |                        |
| <b>1. Operations:</b>  | <b>5,967,916,589</b>    | <b>3,630,051,609</b>   |
| - profit (loss) for the year (+/-)   | 3,106,674,500           | 10,311,117,362         |
| - gains/losses on financial assets held for trading and on other financial assets/liabilities at fair value through profit or loss (-/+) | 472,886,213             | (559,589,459)          |
| - gains (losses) on hedge accounting (-/+)   | 17,776,543              | 7,234,979              |
| - net impairment losses/writebacks on impairment for credit risk (+/-)   | 2,533,937,150           | 2,064,315,920          |
| - net value adjustments/write-backs on property, plant and equipment and intangible assets (+/-)   | 766,078,799             | 349,233,199            |
| - net provisions for risks and charges and other expenses/income (+/-)   | (354,384,501)           | 84,355,926             |
| - unpaid duties, taxes and tax credits (+/-)   | 14,585,474              | (943,037,396)          |
| - impairment/write-backs after tax on discontinued operations (+/-)  | -                       | -                      |
| - other adjustments (+/-)  | (589,637,589)           | (7,683,578,922)        |
| <b>2. Liquidity generated/absorbed by financial assets:</b>  | <b>8,342,559,333</b>    | <b>1,327,652,073</b>   |
| - financial assets held for trading  | 1,793,344,931           | (270,646,876)          |
| - financial assets designated at fair value  | (133,251,652)           | (16,213,945)           |
| - other financial assets mandatorily at fair value   | 714,337,928             | (1,559,424,256)        |
| - financial assets at fair value through other comprehensive income  | 9,261,567,024           | (6,372,999,587)        |
| - financial assets at amortised cost   | 6,920,800,267           | 10,127,043,719         |
| - other assets   | (10,214,239,165)        | (580,106,982)          |
| <b>3. Liquidity generated/absorbed by financial liabilities:</b>   | <b>(26,394,669,576)</b> | <b>4,951,625,636</b>   |
| - financial liabilities at amortised cost  | (30,143,730,421)        | (949,514,933)          |
| - financial liabilities held for trading   | 55,952,014              | 2,140,187,643          |
| - financial liabilities designated at fair value   | 1,973,044,589           | (770,771,919)          |
| - other liabilities  | 1,720,064,242           | 4,531,724,845          |
| <b>Net liquidity generated/absorbed by operating activities</b>  | <b>(12,084,193,654)</b> | <b>9,909,329,318</b>   |
| <b>B. INVESTMENT ACTIVITIES</b>  |                         |                        |
| <b>1. Liquidity generated by:</b>  | <b>1,940,419,620</b>    | <b>976,712,387</b>     |
| - sales of equity investments  | 502,192,416             | 92,834,592             |
| - collected dividends on equity investments  | 1,385,696,303           | 837,400,618            |
| - sales of property, plant and equipment   | 52,530,901              | 46,477,177             |
| - sales of intangible assets   | -                       | -                      |
| - sales of business units  | -                       | -                      |
| <b>2. Liquidity absorbed by:</b>   | <b>(2,748,668,309)</b>  | <b>(126,176,041)</b>   |
| - purchases of equity investments  | (379,680,467)           | (18,402,127)           |
| - purchases of property, plant and equipment   | (340,697,482)           | (104,856,654)          |
| - purchases of intangible assets   | (2,028,290,360)         | (2,917,260)            |
| - purchases of business units  | -                       | -                      |
| <b>Net liquidity generated/absorbed by investment activities</b>   | <b>(808,248,689)</b>    | <b>850,536,346</b>     |
| <b>C. FUNDING ACTIVITIES</b>   |                         |                        |
| - issue/purchase of treasury shares  | (3,043,415,534)         | (378,153,540)          |
| - issue/purchase of equity instruments   | (500,000,000)           | (256,110,946)          |
| - dividend distribution and other  | (1,658,649,444)         | (770,581,260)          |
| <b>Net liquidity generated/absorbed by funding activities</b>  | <b>(5,202,064,978)</b>  | <b>(1,404,845,746)</b> |
| <b>NET LIQUIDITY GENERATED/ABSORBED IN THE YEAR</b>  | <b>(18,094,507,321)</b> | <b>9,355,019,918</b>   |

Key:  
 (+) generated;  
 (-) absorbed.

## Company accounts

## Reconciliation

| ITEMS  | YEAR                  |                       |
|--|-----------------------|-----------------------|
|  | 2022                  | 2021                  |
| <b>Cash and cash balances at the beginning of the year</b> | <b>72,829,812,085</b> | <b>63,334,055,786</b> |
| Net liquidity generated/absorbed in the year               | (18,094,507,321)      | 9,355,019,918         |
| Cash and cash balances: foreign exchange effect            | (22,136,047)          | 140,736,381           |
| <b>Cash and cash balances at the end of the year</b>       | <b>54,713,168,717</b> | <b>72,829,812,085</b> |

The item "Cash and cash balances" refers to the definition according to Banca d'Italia (Circular No.262 of 22 December 2005 and subsequent amendments) and is mainly related to "Current accounts and Demand deposits with Central Banks" for €52 billion.

Corporate information

Chairman & CEO letters

2022 Timeline

Financial highlights & Strategy

People

ESG

Clients

Digital & Data

Consolidated Report

**Company Report**

Other





## Part A - Accounting policies

### A.1 - General

#### Section 1 - Statement of compliance with IFRS

These Company financial statements have been prepared in accordance with the IFRS issued by the International Accounting Standards Board (IASB), including the interpretation documents issued by the SIC and the IFRIC, and endorsed by the European Commission up to 31 December 2022, pursuant to EU Regulation No.1606/2002 which was incorporated into Italian legislation through Legislative Decree No.38 of 28 February 2005 (see Section 4 - Other matters).

These financial statements are an integral part of the Annual financial statements as required by Art.154-ter, par.1 of the Single Finance Act (Consolidated Law on Finance - "TUF", Legislative Decree No.58 of 24 February 1998).

In Circular No.262 of 22 December 2005 of Banca d'Italia (and subsequent amendments), with regard to the banks and financial institutions subject to supervision, Banca d'Italia has established the formats for the financial statements and Notes to the accounts used to prepare these Company financial statements.

## Part A - Accounting policies

### Section 2 - General Preparation Criteria

As mentioned above, these “Company financial statements as at 31 December 2022” have been prepared in accordance with the international accounting standards endorsed by the European Commission.

The following documents have been used to interpret and support the application of IAS/IFRS, even though they have not all been endorsed by the European Commission:

- The Conceptual Framework for Financial Reporting;
- Implementation Guidance, Basis for Conclusions, IFRICs and the documents prepared by either the IASB (including the IFRS Foundation communication of 27 March 2020 concerning “IFRS9 and Covid-19”) or the International Financial Reporting Interpretations Committee (IFRIC) supplementing the IFRS;
- Interpretative documents on the application of the IAS/IFRS in Italy prepared by the Organismo Italiano di Contabilità (the Italian Standard Setter; OIC) and Associazione Bancaria Italiana (Italian Banking Association, that is the trade association of Italian banks; ABI);
- Coordination Table between Banca d’Italia, Consob ed Ivass with regard to the application of IAS/IFRS, in particular the Document n.9, dated 5 January 2021, Accounting Treatment of tax credits connected with the “Cura Italia” and “Rilancio” Law Decrees purchased following the sale without recourse by the direct beneficiaries or previous buyers (“Trattamento contabile dei crediti d’imposta connessi con i Decreti Legge “Cura Italia” e “Rilancio” acquistati a seguito di cessione da parte dei beneficiari diretti o di precedenti acquirenti”);
- ESMA (European Securities and Markets Authority), European Banking Authority, European Central Bank and Consob documents on the application of specific IAS/IFRS provisions also with specific reference to the presentation of the effects arising from Covid-19 pandemic and geopolitical tensions and their effects on the evaluation processes. In particular, it shall be made reference to the ESMA statements dated 28 October 2020, 29 October 2021, 14 March 2022, 13 May 2022 and 28 October 2022, to the European Central Bank statement dated 4 December 2020, to the European Banking Authority statements dated 2 December 2020, and to Consob “Call for attention” dated 16 February 2021, 18 March 2022 and 19 May 2022. The content of such communications, when relevant, has been reported in “Section 4. Other matters” of Notes to the accounts, Part A - Accounting policies, A.1 - General, in the context of valuation choices performed by the Bank as of 31 December 2022.

The Company financial statements include the Balance sheet, the Income statement, the Statement of other comprehensive income, the Statement of changes in shareholders’ equity, the Cash flow statement (compiled using the “indirect method”) and the Notes to the accounts, together with the Report on operations and Annexes. The schemes and Notes of the “Company financial statements as at 31 December 2022” are in line with Banca d’Italia templates as prescribed by Circular 262 dated 22 December 2005 (and subsequent amendments) as well as 21 December 2021 communication on impacts of Covid-19 and measures to support the economy, and they present comparative figures, as at 31 December 2021. More specifically, 2021 comparative figures have been recasted, when relevant, in order to reflect the impacts arising from the “back in use” of a subsidiary previously classified as “Held for Sale”.

Unless otherwise specified, figures in the Company accounts are given in units of euro and the Notes to the accounts in millions of euros.

#### Risks and uncertainty relating to the use of estimates

Under the IFRS, management must make judgments, estimates and assumptions that affect the application of accounting principles and the amounts of assets/liabilities and income and expenses reported in the accounts, as well as the disclosure concerning contingent assets and liabilities.

Estimates and related assumptions are based on previous experience and on the available information framework with reference to the current and expected context and have been used to estimate the carrying values of assets and liabilities not readily available from other sources.

Estimates and assumptions are regularly reviewed. Any change resulting from these reviews is recognised in the period in which the review was carried out, provided the change only concerns that period. If the review concerns both current and future periods, it is recognised accordingly in both current and future periods.

In particular, estimated figures have been used for the recognition and measurement of some of the main items in the Company financial statements as at 31 December 2022, as required by the accounting policies, statements and regulations described above.

The current market environment continues to be affected by high levels of uncertainty for both the short and the medium-term outlook. The economic consequences stemming from the geopolitical tension are continuing to unfold and darken the outlook for the euro area economy, pushing up inflationary pressures. In this respect, according to ECB macroeconomic projections updated in December 2022<sup>83</sup>, the outlook for the euro area foresees weak growth, high and persistent inflation, high interest rates, and an appreciation of the euro. The negative economic repercussions are expected to be partially mitigated by the energy-related fiscal measures that will support economic growth in 2023, but this is offset by the withdrawal of previous Covid-19-related fiscal support. In addition, high levels of natural gas inventories and ongoing efforts to reduce demand and replace Russian gas with alternative sources imply that the euro area is expected to avoid the need for mandated energy-related production cuts over the projection horizon, although risks of energy supply disruptions remain elevated (for winter 2023-2024) with some negative economic impact. Over the medium term, as the energy market rebalances, it is expected that uncertainty will decline, and economic growth will rebound. Headline inflation is expected to remain extremely high in the short term and to decline steadily throughout 2023.

<sup>83</sup> ECB staff macroeconomic projections for the euro area, December 2022.

## Part A - Accounting policies

Additionally, ESMA issued a public statement ("European common enforcement priorities for 2022 Annual Financial Reports") indicating the most relevant areas for monitoring and assessing the application of the reporting requirements for 2022 Year End financial statements. In particular, ESMA observes the need to assess and reflect on financial statements the effects arising from the current macroeconomic environment (pandemic, inflation, higher interest rates, deterioration of business climate, geopolitical risks and uncertainties regarding future outlook) and reiterates the matters included in its previous Public Statements (i.e., October 2021 and June 2022) with reference to going concern, impairment of assets, estimation uncertainty, significant judgements, and presentation of financial statements.

In the context of persisting uncertainty explained above and considering the aforementioned ESMA communication, the Bank has defined different macro-economic scenarios, to be used for the purposes of the evaluation processes of 2022 financial statements. In particular, in addition to the "Baseline" scenario (so called "Mild Recession"), which reflects the expectations considered most likely concerning macro-economic trends, a Downturn Scenario (so called "Severe Recession") has been outlined, the latter reflecting a downward forecast of the macro-economic parameters and consequently in the expected profitability of the business; in light of the persistent level of uncertainty, no positive scenario was included in the approach (thus, the positive scenario was weighted at zero percent). These scenarios are used for the DTA sustainability test, for the measurement of equity investments in subsidiaries and for LLP calculation.

The paragraphs below provide a detailed description of the characteristics associated with the above scenarios.

### Features of the scenarios

- Baseline scenario:** it is the main reference scenario, underlying the budget for 2023, and the projections for 2024 and 2025. Such scenario assumes - in terms of macro-economic conditions - moderate Gross Domestic Product (i.e., GDP) growth compared with previous scenario, with a downside in 2023 mostly based on evolution of conflict and its direct consequences. Major headwinds to stronger growth continued to be high energy prices, weak global trade and persistent supply shortages, even if no major rationing of gas is expected to be needed. In particular, the baseline scenario embeds the following assumptions: (i) no material gas rationing in most of countries; country's counter actions (high storage level and gas savings) are assumed to be able to compensate a very low (also a shutdown, at a certain moment) gas supply from Russia; (ii) high inflation for the years 2022 -2024, in line with higher energy, food and commodity prices; (iii) ECB monetary policy expected to remain tight up to mid 2024; and (iv) Russia Sovereign Rating at CCC from the last quarter 2022 to 2025. In Italy and Germany, no growth is foreseen in 2023, followed by an increase in Real GDP growth rates in 2024 and 2025; for Central and Eastern Europe (incl. Austria and excluding Russia), the Real GDP is expected to increase in 2023 with a further additional spike in the following 2 years; for Russia a growth shock is assumed in 2023, while growth will resume in 2024 and 2025. With reference to FX rates, the Baseline scenario assumes the Russian ruble depreciation over time, mainly explained by: i) export volumes falling due to embargo; ii) import spending higher than in 2022 as import flows from new trade routes; iii) financial account of the Balance of Payments likely to be characterized by flight of foreign capital also considering the decision of several Multinational Corporations to exit from Russian market. Inflation in Eurozone will start to decrease in 2023 but remaining high on yearly average. Uncertainties/risks of higher inflation in the medium term persist, also considering that ECB expectations for 2024 and 2025 remain higher than medium/term inflation target of 2%. With reference to the interest rate, market futures are priced in a significant hawkish approach from ECB in the coming months. The 10Y BTP-Bund spread is not assumed to have a relevant pressure.
- Downturn scenario:** this scenario embeds stressed macro-economic conditions, considering the possible implications of further escalation in the geopolitical crisis, and higher inflation in 2023 stemming from intensified supply side disruption and higher energy costs, with erosion of real incomes, low consumptions and investments. In addition, the scenario assumes: (i) ECB rates lower than the Baseline scenario; inflation expected to decline in the medium-term, but higher than ECB target up to 2024 (i.e., 2%); (ii) Russia Sovereign Rating at CCC from the last quarter 2022 to 2025 (but with an increase in Probability of Default, compared to the Baseline scenario, from the last quarter 2023 to 2025). For Italy and Germany, GDP would contract in 2023 more than in Baseline scenario, due to a further escalation of the geopolitical crisis, and lower substitution capability of Gas supply with other sources, generating further disruptions in the supply chain. For Central and Eastern Europe (incl. Austria & excluding Russia), a growth shock is assumed in 2023, with a faster recovery in 2024 and 2025. For Russia, a more significant growth shock is assumed in 2023, while growth will gradually resume in 2024 and 2025. With reference to inflation, expected inflation is higher than in the baseline scenario for Eurozone. BTP credit spread is expected to experience a higher pressure compared to the baseline scenario.

## Part A - Accounting policies

The table below shows the most significant macro-economic data characterizing the "Baseline" and "Downturn" scenarios, to highlight the different assumptions underlying these scenarios.

| INTEREST RATES, INFLATION AND YIELD ENVIRONMENT, EoP% |   | 2022                    | 2023  | 2024 | 2025 |     |
|---|---|-------------------------|-------|------|------|-----|
| Mild Recession Scenario 2022 (Baseline)               | Euribor 3M (bps)                          | 213                     | 260   | 160  | 160  |     |
|   | Spread BTP - Bund (bps)                   | 213                     | 220   | 200  | 180  |     |
|   | <b>Real GDP growth y/y, %</b>             |                         |       |      |      |     |
|   | Italy                                     | 3.3                     | -     | 1.0  | 1.3  |     |
|   | Germany                                   | 1.4                     | (0.2) | 1.6  | 1.6  |     |
|   | CE & EE (excl. Russia)                    | 4.5                     | 0.5   | 2.7  | 2.9  |     |
|   | Russia                                    | (5.0)                   | (4.0) | 2.5  | 1.5  |     |
|   | <b>Inflation</b>                          |                         |       |      |      |     |
|   | Italy                                     | 8.1                     | 5.8   | 3.3  | 2.3  |     |
|   | Germany                                   | 8.0                     | 7.0   | 3.9  | 2.7  |     |
|   | CE & EE (excl. Russia)                    | 12.0                    | 9.3   | 4.7  | 3.0  |     |
|   | Russia                                    | 14.2                    | 7.7   | 5.5  | 4.3  |     |
|   | Severe Recession Scenario 2022 (Downturn) | Euribor 3M (bps)        | 213   | 160  | 135  | 135 |
|   |   | Spread BTP - Bund (bps) | 213   | 250  | 225  | 225 |
| <b>Real GDP growth y/y, %</b>                         |   |                         |       |      |      |     |
| Italy   |   | 1.8                     | (3.8) | 1.6  | 1.4  |     |
| Germany   |   | 0.5                     | (3.4) | 2.3  | 2.0  |     |
| CE & EE (excl. Russia)                                |   | 2.4                     | (3.8) | 3.2  | 3.0  |     |
| Russia  |   | (6.1)                   | (4.8) | 0.7  | 1.2  |     |
| <b>Inflation</b>                                      |   |                         |       |      |      |     |
| Italy   |   | 8.1                     | 7.4   | 3.7  | 2.1  |     |
| Germany   |   | 8.0                     | 9.4   | 4.1  | 2.7  |     |
| CE & EE (excl. Russia)                                |   | 12.0                    | 11.3  | 5.9  | 3.6  |     |
| Russia  |   | 14.2                    | 12.5  | 7.5  | 6.5  |     |

### Investments in subsidiaries and deferred tax assets

With reference to equity investments in subsidiaries and deferred tax assets, the measurement is significantly influenced by assumptions about future cash flows, which in turn incorporate assumptions on the evolution of the macro-economic scenario. As a result, for the measurement purposes, and with the aim to reflect the uncertainty, both the scenarios above outlined were considered, pursuant to requirements of ESMA public statement. In particular, the future cash flows were estimated by weighting the "Baseline" and the "Downturn" scenarios respectively for 60% and 40%.

Moreover, considering that, further to the cash flows, additional parameters are relevant in the calculation approach underlying the DTA sustainability test, the evaluation of (i) volatility of expected profits before tax, and (ii) the confidence level used in the MonteCarlo calculation, were reviewed taking into consideration the ESMA statements on recognition of deferred tax assets arising from the carry-forward of unused tax losses<sup>84</sup>.

For further information on the methodology, results and base assumptions used in the impairment test of investments in subsidiaries and deferred tax assets, refer respectively to sections "Section 7 - Equity investments - Item 70" and "Section 10 - Tax assets and tax liabilities - Item 100 (Assets) and Item 60 (Liabilities)" of the Notes to the accounts, Part B - Balance sheet - Assets.

The results of these evaluations might be subject to changes depending on the evolution of the geopolitical tension, the higher and more persistent inflation and, ultimately, on the degree of the economic recovery. Possible deviations of the actual economic recovery compared with the assumptions which form the basis of the evaluations might require a re-determination of the parameters used for valuation purposes, in particular with regard to the future cash flows, and the consequent change in the valuation.

<sup>84</sup> ESMA Public Statement. Consideration on recognition of deferred tax assets arising from the carry-forward of unused tax losses", issued on 15 July 2019.

## Part A - Accounting policies

### Measurement of Credit Exposures

With reference to the credit exposures as at 31 December 2022, the macroeconomic scenarios used for calculation of credit risk parameters (Probability of Default, Loss Given Default, Exposure at Default) were updated according to the Bank policies, on the basis of the scenarios highlighted above. In this regard, the forecast on interest rates was revised upward, in line with the announced monetary policy and market evolution. Specifically, the ECB Refinancing interest rate is assumed to further rise by 30 bps in 2023 (vs end-of-year levels of 250bps), and to gradually reduce afterwards in 2024 and 2025. The same assumptions are kept for the Downturn Scenario.

In light of the persistent level of uncertainty, the overall blended probability was worsened by eliminating the positive scenario (whose weighting was reduced from 5% to 0%), correspondently increasing the Baseline scenario from 55% to 60%; eventually, the Downturn scenario was kept at 40%. In this regard, it must be noted that the amount of loan loss provisions is determined by considering: (i) the classification (current and expected) of credit exposures as non-performing; (ii) the sale prices, for those non-performing exposure whose recovery is expected through sale to external counterparties; and (iii) credit parameters (Probability of Default, Loss Given Default and Exposure at Default) which, in accordance with IFRS9, incorporate, among the other factors, forward looking information and the expected evolution of the macro-economic scenario.

For additional information on the measurement of credit exposures refer to the paragraph "2.1 Credit risk" of the Notes to the consolidated accounts Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter.

As well as for other assets, also in this case the measurement is affected by the mentioned degree of uncertainty on the evolution of the geopolitical tension, the higher and more persistent inflation and, ultimately, the degree of economic recovery.

The evolution of these factors may, indeed, require, in future financial years, the classification of additional credit exposures as non-performing, thus determining the recognition of additional loan loss provisions related to both these exposures, as well as performing exposures, following the update in credit parameters. In addition, adjustments to the loan loss provisions might derive from the occurrence of a macro-economic scenario different from the one estimated for the calculation of the credit risk parameters, or by the prevalence on the market of non-performing exposures of prices different from those used in the measurement.

Eventually, the evolution of the real estate market could impact on the value of properties received as collateral and may require an adjustment to the loan loss provisions.

### Measurement of Real estate portfolio

Always with reference to the valuation of the non-financial assets, the valuation of the real estate portfolio has become relevant following the adoption, starting from 31 December 2019, of the fair value model (assets held for investment) and the revaluation model (assets used in the business). For these assets, on 31 December 2022, the fair value has been determined through external appraisals, following the Bank guidelines. In this context it is worth to note that, in the upcoming financial years, fair value of these assets might be different from the fair value observed as at 31 December 2022 as a result of the possible evolution of real estate market.

Further information are reported in the paragraph "Section 8 - Tangible assets - Item 80" of the Notes to the accounts, Part B - Balance sheet - Assets.

### Other measurements

The following additional Balance sheet items might be significantly affected in their evaluation by risks and uncertainties, even if not directly connected with the slow-down of the economic activity and the associated uncertainty level of the economic recovery:

- fair value of financial instruments not listed in active markets;
- severance pay (in Italy) and other employee's benefits (including defined benefit obligation);
- provisions for risks and charges.

While evaluations have been made on the basis of information deemed to be reasonable and supportable as at 31 December 2022, they might be subject to changes not foreseeable at the moment, as a result of the evolution in the parameters used for the evaluation.

Furthermore, the following factors, in addition to those illustrated above, might influence the future results of the Bank and cause outcomes materially different from those deriving from the valuations: (1) general economic and industrial conditions of the regions in which the Bank operates or holds significant investments; (2) exposure to various market risks (e.g. foreign exchange risk); (3) political instability in the areas in which the Bank operates or holds significant investments; (4) legislative, regulatory and tax changes, including regulatory capital and liquidity requirements, also taking into account increased regulation in response to the financial crisis. Other unknown and unforeseeable factors could determine material deviations between actual and expected results.

It is worth noting that since 2 March 2022 the ECB has stopped the quotation of EUR/RUB exchange rate for the preparation of the Company financial statements. Therefore, as of 31 December 2022, and in coherence with the nine months of the year, the Bank has applied an OTC foreign exchange rate provided by Electronic Broking Service<sup>85</sup> (EBS). Additional information is provided in "Section 5 - Other matters" of the Notes to the accounts, Part A - Accounting policies, A.1 General. In this regard it cannot be excluded that, once the ECB will restart listing RUB/EUR FX rate, these quotes might be different from EBS quotes thus requiring the recognition of an impact in Net Equity and in P&L.

<sup>85</sup> EBS is a wholesale electronic trading platform used to trade on the foreign exchange market (FX) with market-making banks. It is part of CME Group (Chicago Mercantile Exchange).

## Part A - Accounting policies

### Statement of going concern

In their joint Document No.4 of 3 March 2010, Banca d'Italia, Consob and ISVAP made some observations on the situation of the markets and businesses and requested that information essential for a better understanding of business trends and outlook be disclosed in financial reports. Also following such guideline, the present statement of going concern is released.

The Directors observed the increase in the geopolitical tension between Russian Federation and Ukraine during 2022 and the sanctions imposed by several countries to Russia which replied with countersanctions. Such events determined a relevant uncertainty in the macroeconomic outlook, in terms of GDP, inflation rates and interest rates. Furthermore, the Directors observed the evolution in Covid-19 pandemic and the on-going lifting of the containment restrictions put in place by governments since 2020.

The Directors assessed such circumstances, also evaluating the operations directly held in the Russian market through its subsidiary AO UniCredit Bank (Russia), and concluded, with reasonable certainty, that the Bank will be able to operate profitably in the foreseeable future; as a result, in accordance with the provisions of IAS1, the Company Financial Statements of UniCredit S.p.A. as at 31 December 2022 was prepared on a going concern basis.

Based upon the aforementioned evaluations, the main Group regulatory ratios have been taken into account at 31 December 2022, in terms of: (i) the actual figures as at 31 December 2022 (CET1 Ratio Transitional equal to 16.68%; TLAC Ratio equal to 26.90% in terms of RWA and 8.76% in terms of Leverage Exposure; Liquidity Coverage Ratio at 161% based on monthly average on 12 months; (ii) the related buffer versus the minimum requirements at the same reference date (CET1 Ratio Transitional: excess of 756 basis points; TLAC Ratio: excess of 527 basis points in terms of RWA and 172 in terms of Leverage Exposure; Liquidity Coverage Ratio: excess of more than 61 percentage points); (iii) the expected evolution of the same ratios during 2023 (in particular, in 2023, it is expected to maintain a significant margin above the capital requirements, consistently with the UniCredit Unlocked CET1 ratio target of 12.5-13 per cent).

Consistently with such evidence, the Directors have proposed to the Shareholders' meeting, which approved, the distribution of a remuneration, in part in cash and in part through shares buyback subject to the ECB's authorisation. In this regard, pursuant to the resolution passed by the Shareholders' Meeting on 8 April 2022, as updated and integrated pursuant to the shareholders' resolution of 14 September 2022, UniCredit announced (i) the completion on 14 July 2022 of the first tranche of the share buy-back programme communicated to the market on 10 May 2022 and initiated on 11 May 2022 following ECB Authorization, in this regard on 19 July 2022 UniCredit communicated the cancellation of No.162,185,721 treasury shares, without reduction of the share capital and (ii) the completion on 30 November 2022 of the second tranche of the share buy-back programme communicated to the market on 21 September 2022 and initiated on the same date, following ECB Authorization, in this regard on 14 December 2022 UniCredit communicated the cancellation of No.86,949,149 treasury shares, without reduction of the share capital. Finally, the Directors have also proposed to the shareholders' meeting, in 2023, the distribution of a remuneration, in part in cash and in part through shares buyback subject to the ECB's authorization.

The measurement criteria adopted are therefore consistent with this assumption and with the principles of accrual-based accounting, the relevance and materiality of accounting information, and the prevalence of economic substance over legal form. These criteria have not changed with respect to the previous year.

### Section 3 - Subsequent events

No material events have occurred after the balance sheet date that would make it necessary to change any of the information given in the Company financial statements as of 31 December 2022.

For a description of the significant events after year-end refer to the information below.

On 10 January 2023 UniCredit S.p.A. issued a fix-to-floater Senior Preferred Bond for €1 billion with 6 years maturity and a call after year 5, targeted to institutional investors.

The bond will have a one-time issuer call at year 5, as to maximize regulatory efficiency. Should the issuer not call the bond after 5 years, the coupons for the subsequent periods until maturity will reset to a floating rate equal to 3-months Euribor plus the initial spread of 190bps.

On 9 February 2023 UniCredit S.p.A. issued a fix-to-floater Senior Non-Preferred Bond for €1 billion with 6 years maturity and a call after year 5, targeted to institutional investors.

The bond will have a one-time issuer call at year 5, as to maximize regulatory efficiency. Should the issuer not call the bond after 5 years, the coupons for the subsequent periods until maturity will reset to a floating rate equal to 3-months Euribor plus the initial spread of 160bps, paid quarterly.

## Part A - Accounting policies

### Section 4 - Other matters

In 2022 the following standards, amendments or interpretations came into force:

- Amendments to IFRS3 Business Combinations; IAS16 Property, Plant and Equipment; IAS37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020\* (EU Regulation 2021/1080); whose adoption has not determined substantial effects on the amounts recognised in balance sheet or income statement.

As at 31 December 2022, the following documents have been endorsed by the European Commission:

- Amendments to IAS1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (EU Regulation 2022/357) applicable to reporting starting from 1 January 2023;
- Amendments to IAS8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (EU Regulation 2022/357) applicable to reporting starting from 1 January 2023;
- Amendments to IAS12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (EU Regulation 2022/1392) applicable to reporting starting from 1 January 2023;
- Amendments to IFRS17 Insurance contracts: Initial Application of IFRS17 and IFRS9 - Comparative Information (EU Regulation 2022/1491) applicable to reporting starting from 1 January 2023.

The Bank does not expect any significant impact due to the entry into force of the amendments to the accounting standards reported above.

As at 31 December 2022 the IASB issued the following accounting standards whose application is subject to completion of the endorsement process by the competent bodies of the European Commission, which is still ongoing:

- Amendments to IAS1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (January 2020 and July 2020 respectively) and Non-current Liabilities with Covenants (issued on 31 October 2022);
- Amendments to IFRS16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022).

#### Risks, uncertainties and impacts of Covid-19 pandemic

Reference is made to "Section 2 - General preparation criteria" for a description of risks and uncertainties relating to Covid-19 pandemic.

#### Contractual modifications and accounting derecognition (IFRS9)

In order to limit the effects of the restriction measures put in place to contain the Covid-19 pandemic, starting from the first half 2020, the Bank has granted to its customers debt moratoria measures. These measures have been granted both following the approval of specific laws by the government and as a result of specific initiatives of Bank so to complement government initiatives.

These moratoria measure generally allowed clients eligible for such kind of initiatives, to postpone the payment of instalments with the consequent increase in the maturity of the loan and the accrual of interests on the capital being postponed.

As at 31 December 2022 loans and advances subject to Covid-19 related forbearance moratoria measures (government ones or offered by the bank) are still present; in particular, the Budget law 2022 (law 234/2021, Art. 1, paragraph 62) has extended the moratorium on mortgages for private Individuals until 31 December 2022.

In accordance with ESMA's declaration<sup>86</sup> which clarified that it is unlikely that the contractual changes resulting from these moratoria can be considered as substantial, the Bank has not derecognised the related credit exposures<sup>87</sup>. A modification loss is consequently recognised in item "140. Gains/Losses from contractual changes with no cancellations" if the increase in future payments is not sufficient to remunerate the Bank for the postponement period also in light of local laws and regulations. As at 31 December 2022 the amount deriving from the modification loss recognised through Profit & Loss is not material (i.e. below €1 million).

<sup>86</sup> ESMA public statement: "Accounting implications of the Covid-19 outbreak on the calculation of expected credit losses in accordance with IFRS9" of 25 March 2020.

<sup>87</sup> According to IFRS9, the contractual modifications must be accounted for (i) if significant, through the derecognition, (ii) if not significant, through the recalculation of the gross exposure by discounting the contractual cash flows after the modification at the original effective interest rate. The standard does not provide any indication as to whether a change is significant or not. For further information on accounting principles used by the Bank on this matter, refer to Part A - Accounting policies, A.2 - Main items of the accounts.

## Part A - Accounting policies

### TLTRO

According to UniCredit group accounting policy, the TLTRO III liabilities are recognised as banking book funding instruments to be subsequently measured at amortised cost according to IFRS9.4.2.1. The prospect for the borrowing bank to be charged of a variable negative interest on “long term refinancing operations”, additional to the average Deposit Facility Rate (“DFR”) or Main Refinancing Operation (“MRO”) rate, is linked to the achievement of specific threshold on cumulative net lending (CNL) toward eligible counterparties<sup>88</sup>.

In particular, the contractual conditions related to the TLTROs instruments originally reflected the ECB monetary policy initiatives to prospectively reduce market “cost of funding” for banking institutions, by using “non-conventional” tools and reflected in money market operations.

As a result, accounting analysis rejected that such an interest would have been assimilated to either (i) a government grants (being ECB TLTRO a “limited access & banking specific” market by its own), or (ii) an embedded derivative.

Therefore, the contractual terms were interpreted as clause reflecting a one-coupon floating-rate<sup>89</sup> financial liability (the refinancing operation) and considered part of the calculation of the liability’s interests according to IFRS9.

Under the said accounting standard, the interests were calculated by using the “effective interest method”, that allocates interests over the application period of the “effective interest rate” (EIR). The latter is defined as the rate that discounts estimated future cash flows through the expected life of the financial instruments to the net carrying amount.

Accordingly, the changes in the “performance-related” remuneration occurred in the periods from June 2020 to June 2022 have been handled similarly to changes in market-index for floating-rate liabilities. Therefore, referencing EIR rules for “markets-driven” variable remunerations, changes in “market index” (e.g., base rate and spread) have been reflected by adjusting instruments’ carrying amount calculated by reference to the evolution of the “TLTRO index” and limited to the accrued portion till 22 November 2022<sup>90</sup>.

In March 2022<sup>91</sup>, the expected repayment of the TLTRO III.7 allotment (“TLTRO III.7”) was postponed from the first early-termination window (June 2022<sup>92</sup>) to the maximum contractual term (March 2024) and the effective interest rate has been increased from -0.9935% to -0.7075%<sup>93</sup>, coherently with (i) benchmark achievements for CNL in both special<sup>94</sup> & additional special<sup>95</sup> reference periods and (ii) outstanding MRO and DFR levels, leading to a negative impact for -€15 million.

During the third quarter 2022, the ECB increased the Deposit facility rates twice: in July 2022, the DFR was raised from -0.5% to 0%, while in September from 0% to 0.75%. As a result of the application of the accounting policy, the effective interest rate of the TLTRO III was retrospectively recalculated: for TLTRO III.4, the recalculation resulted in an EIR increase from -0.83% to -0.71% while for TLTRO III.7 the recalculation resulted in an EIR increase from -0.51% to -0.32% (overall weighted average EIR increases from -0.82% to -0.68%) leading to a negative impact for -€161 million.

On 27 October 2022 the Governing Council of the ECB decided to recalibrate the conditions of the third series of targeted longer-term refinancing operations (TLTRO III) as part of the monetary policy measures adopted to restore price stability over the medium term aimed to contribute to the normalisation of beneficial bank funding costs.

Indeed, the purpose of the TLTRO changed, from instruments designed to improve the functioning of the monetary policy transmission mechanism by stimulating bank lending to the real economy to regular funding to banks at markets interest rates<sup>96</sup>. In more details:

- the interest rate calculation based on Average DFR “origin to date” was maintained for the period from the settlement date of each respective TLTRO III operation until 22 November 2022;
- from 23 November 2022 on (i.e., until the maturity date or early repayment date of each respective TLTRO III operation), the interest rate is indexed to the average applicable key ECB interest rates over this period (i.e., the DFR, having UniCredit achieved the CNL threshold).

Against this backdrop, it was assessed whether the change in the TLTRO contractual conditions constitutes a substantial modification of the terms of the financial liability, which, according to IFRS9 par. 3.3.6, shall be accounted for as an extinguishment of the original financial liability and the recognition of a new one.

<sup>88</sup> Loans to non-financial corporations & Loans to households, excluding loans for house purchase.

<sup>89</sup> Either for the base rate (Average DFR or Average MRO) and the additional CLN benefit/spread (up to -50bps with a cap/maximum of -1% overall rate for a portion of the liability’s expected duration).

<sup>90</sup> Similarly, to other “market indexed” variable rate notes.

<sup>91</sup> As for the submission to Group Financial Risk Committee.

<sup>92</sup> As for deliberation taken in the internal committee.

<sup>93</sup> The -1% interest from CNL target achievements limited to the period 24 March 2021 - 23 June 2022.

<sup>94</sup> Special reference period means the period from 1 March 2020 to 31 March 2021.

<sup>95</sup> Additional Special reference period means the period from 1 October 2020 to 31 December 2021.

<sup>96</sup> Also indicated by the circumstance that three additional voluntary early repayment dates were introduced, the first coinciding with the start of the new interest rate calculation method on 23 November 2022.



## Part A - Accounting policies

In this assessment, it was considered that the contractual conditions of the liability were changed, by:

- delinking any anchor point with the “moving average” over the entire life of the instrument;
- transforming its nature into a “plain-vanilla” floating rate instrument at market conditions for periods beyond 23 November 2022; as a result, any decision to retain the position unchanged is managerially equivalent in having reimbursed the former positions to issue the new ones;
- contextually introducing new dates for early redemptions at par with no penalties<sup>97</sup>.

Consequently, the contractual changes were deemed to be substantial to trigger the derecognition of the underlying liability, as the economic risks underlying the TLTRO III liabilities significantly changed.

Additionally, it was found to be no more appropriate to calculate the amortised cost according to the average effective interest rate calculated since inception of the instrument, and till its maturity<sup>98</sup>.

As a result, the derecognition of the current financial liability and the recognition of the new financial liability performed on 23 November 2022, determined a positive impact through P&L for +€262 million<sup>99</sup> recognised under item “100. Gains/losses from disposal/repurchases of financial liabilities”.

It should be noted that the current IAS/IFRS lacks a specific guidance on accounting for TLTRO instruments<sup>100</sup>.

Therefore, it cannot be excluded that the accounting treatment adopted by the Group, as described above, may be still subject in the future to different interpretations by the competent bodies.

The former TLTRO's fixed rate exposure was partly hedged under a macro fair value hedge relationship of a sub-portfolio composed by 2 financial liabilities (i.e., TLTRO.III.4 and TLTRO.7) according to IAS39 AG114.a<sup>101</sup>.

Based upon the BP01 sensitivity mapping under the former economic conditions, the hedges provided for the recognition of accounting effectiveness since initial designation. However, given the changes announced by the ECB, which transformed the instrument into a 100% floating rate liability, both fair value and interest rate risk of TLTRO materially changed, providing the hedge relationship not being anymore prospectively effective.

As a result, on 27 October 2022, with reference to 26 October close of business<sup>102</sup> economic value, the derivatives contracts hedging the TLTRO interest rate risk under the mentioned fair value hedge relationship, were de-designated and re-designated as hedging derivatives of a portfolio of other financial liabilities in a macro-hedge relationship, determining the recognition of a mark-to-market revaluation equal to +€244 million (debit side; “Changes in fair value of portfolio hedged items”).

Following the derecognition of the TLTRO liability, the mentioned revaluation was:

- amortized at Net Interest Income, in coherence with the amortization of the upfront payments embedded in the derivatives, till 23 November (in accordance with IAS39.92);
- recycled through P&L (in accordance with IAS39 par. 89A) on 23 November 2022, determining a negative impact for -€221 million (net of amortization above) presented in item “100. Gains/losses from disposal/repurchases of financial liabilities”.

As of 31 December 2022, following the early repayment for €8 billion by December 2022, the Bank still retains €48 billion of TLTRO III.4 (maturity June 2023) and €5 billion of TLTRO III.7 (maturity March 2024) with an overall 2022 P&L positive contribution for €176 million stemming from the financial liability: (i) the accrual of positive interest from 1 January to 22 November 2022 for +€228 million, (ii) -€93 million of interest costs for the period from 23 November to 31 December 2022, (iii) +€41 million deriving from the derecognition of the financial liabilities and the de-designation/re-designation of the derivatives (i.e. respectively +€262 million and -€221 million as mentioned above).

<sup>97</sup> Plus financially accrued interest.

<sup>98</sup> From 27 October 2022 till 23 November 2022 (derecognition date), the Net interest income was recognised according to the effective interest rate determined in September 2022 as following the amendment of the liability structure- it was no more possible to apply the previous accounting approach which involved recalculation of the effective interest rate.

<sup>99</sup> Being the difference between (i) the contractual financial remuneration (collectible on effective re-payment) and (ii) the accounting accruals so far.

<sup>100</sup> Indeed, on 16 February 2021, ESMA informed the Market that a letter requiring an official position by IFRS Interpretation Committee (IFRIC) about the TLTRO III accounting treatment would have been issued. In June 2021, IFRIC replied without providing clear guidance on the topics raised by ESMA; in particular, questions related to the effective interest rate and the consequence of the modification in interest rate were referred to the “Post-Implementation Review of the classification and measurement requirements in IFRS9”.

<sup>101</sup> IAS39 AG.114.a) states that “the entity may identify two or more portfolios in which case it applies the IAS39 guidance to each portfolio separately”.

<sup>102</sup> Being the last date in which the hedge was proved effective.

## Part A - Accounting policies

### Interbank Offered Rates (IBORs) transition

Following the concerns raised about the integrity and reliability of major financial market benchmarks the Financial Stability Board (FSB) started a comprehensive reference rates reform. In order to assess the relevant risks associated with the benchmark reforms and taking appropriate actions to ensure an adequate transition to alternative or reformed benchmark rates ahead of the deadline of the end of 2021 specified in the revised EU Benchmark Regulation (BMR), during 2018 UniCredit group launched a Group wide project in order to manage the IBORs (Interbank Offered Rates) discontinuation with a multiyear roadmap defined based on both Group exposure (mainly focused on Euro) and transition timeline.

It is worth to mention that the European Working Groups on Euro Risk-Free Rates issued its recommendations on Euribor fallbacks and cessation triggers, while other international working groups and bodies (e.g., International Swaps and Derivatives Association - ISDA; ICE Benchmark Administration - IBA; London Clearing House - LCH) issued recommendations, focused on LIBOR discontinuation, to be considered while envisaging market practices to consider on transition.

At the same time, the Benchmark Regulation was amended to allow the EU Commission to provide for statutory replacement rates, while the other involved international market authorities (e.g., Financial Conduct Authority and Bank of England in the UK, New York State Department of Financial Services in the US) defined amendments to the applicable laws in order to support a smooth transition.

Specifically, on 5 March 2021<sup>103</sup>, the Financial Conduct Authority (FCA), in its capacity as LIBOR regulator, announced that LIBOR settings process would have not been available (ceased to be provided or no longer representative) according with the following discontinuation path:

- immediately after 31 December 2021, in the case of all Sterling, Euro, Swiss Franc and Japanese Yen settings, and the 1-week and 2-month US Dollar settings; and
- immediately after 30 June 2023, in the case of the remaining US Dollar settings.

With reference to USD Libor, the FCA is discussing about using its powers under the UK Benchmarks Regulation to compel ICE Benchmark Administration (IBA) to continue to publish the 1-, 3- and 6-Months settings under a "synthetic" methodology for a temporary period after the end of June 2023, until the end of September 2024.

With reference to JPY and GBP Libor, in September 2021, the FCA initially deliberated to require IBA until end of 2022 for the publication under a changed methodology basis (also known as 'synthetic') of the 1-, 3- and 6-Months Libor settings made available by IBA for use in legacy contracts other than cleared derivatives. Synthetic settings availability provides some relief on LIBOR contracts repapering effort (in particular for contracts subject to UK law). Afterward, the FCA announced:

- to require IBA to continue to publish 1- and 6-Months "synthetic" GBP LIBOR settings until 31 March 2023, after which these settings will permanently cease;
- to require IBA to continue to publish the 3 -Month "synthetic" GBP LIBOR setting for the duration of 2023, and
- that it intends to require IBA to continue to publish this setting until the end of March 2024, after which it would permanently cease.

Publication of the mentioned "synthetic" JPY LIBOR settings ceased after 30 December 2022.

The continuing discussions and consultations, while aimed to bring further stability in the market and reduce conduct risk, still represent source of possible uncertainty, with reference to the timing and/or fallback rules applied to outstanding stock of assets, liability and derivatives linked to other IBOR agreements (yet to be transformed or transitioned).

The European Commission adopted an Implementing Act of the BMR that has been published in the Official Journal of the European Union on Friday, 22 October 2021; the Implementing Act provides legal ground for a Statutory Replacement Rate for legacy contracts indexed to CHF LIBOR and EONIA that have not yet been repapered or do not contain adequate fallback rates.

<sup>103</sup> On the same day, ISDA echoed stating that the FCA announcement constituted a trigger event under the ISDA 2020 IBOR Fallbacks Protocol; as a result, the fallback spread adjustment on relevant derivatives (also applicable on cash instrument considering the recommendations of major national working group), would have been fixed starting from the same day for all Euro, Sterling, Swiss Franc, US Dollar and Japanese Yen LIBOR settings.

## Part A - Accounting policies

Such a replacement rate operating by law brought further stability in the market and reduced the conduct risk associated with the outstanding stock of assets, liabilities and derivatives transformed or transitioned or yet to be transformed or transitioned.

In order to address potential source of uncertainty on the effect of the IBOR reform on existing accounting hedge relationships the “Amendments to IFRS9, IAS39 and IFRS7 Interest Rate Benchmark Reform” (the Amendment) clarifies that the reform does not require to terminate such hedge relationships, whose volume as of 31 December 2022 is presented below:

### Hedging contracts: notional amount<sup>(\*)</sup>

(€ million)

| HEDGING RELATIONSHIP | HEDGED ITEMS | INDEX         |                        |          |
|----------------------|--------------|---------------|------------------------|----------|
|                      |              | LIBOR USD     | LIBOR OTHER CURRENCIES | OTHERS   |
| Fair value           | Assets       | 5,452         | -                      | -        |
|                      | Liabilities  | 11,090        | -                      | -        |
| Cash flows           | Assets       | 3,929         | -                      | -        |
|                      | Liabilities  | 17,345        | -                      | -        |
| <b>Total</b>         |              | <b>37,816</b> | <b>-</b>               | <b>-</b> |

Note:

(\*) Double-entry method when relevant.

IASB issued “Interest Rates benchmark Reform - Phase 2; Amendments to IFRS9, IAS39 and IFRS7” including indications to manage changes in financial instruments that are directly required by the Reform and providing for (i) exceptions to standard rules dealing with accounting for changes of the contractual cash flows of assets and liabilities and (ii) reliefs from discontinuing hedge relationships.

As long as contractual terms (i) are amended as a direct consequence of interest rate benchmark reform and (ii) the new basis (to determine the contractual cash flows) is economically equivalent to the previous basis<sup>104</sup>, they will be treated as changes to a floating interest rate arising from movement in the market rate of interest (meaning the EIR will be updated prospectively without adjusting the carrying amount)<sup>105</sup>.

Similarly, the Amendments requires an assessment whether a modification of a financial instruments might lead to its derecognition (i.e., when the modification results in a “substantial change” in the expected cash flows) to be applied only to changes beyond those resulting from the market-wide reforms of an interest rate benchmark<sup>106</sup>.

As a result, changes that do qualify for the practical expedient will not be regarded as sufficiently substantial that the instrument would be derecognised and, consequently, IFRS9 classification requirements (to be run at initial recognition of a financial assets, including SPPI test) does not have to be conducted.

The major relief Amendments introduced in respect of hedge relationships is that changes to the documentation neither result in the discontinuation of hedge accounting nor (in) the designation of a new hedge relationship as long as it only refers to:

- designating an alternative benchmark rate as the hedged risk, or
- amending the description (i) of the hedged item/portion of the cashflows or fair value being hedged, (ii) of the hedging instruments or (iii) how the entity will assess hedge effectiveness<sup>107</sup> as a consequence of changes to hedged and hedging instruments induced by the Reform (including the addition of a fixed spread to compensate for the basis difference).

<sup>104</sup> Including replacement of the benchmark, addition of a fixed spread to compensate for the “basis difference” among former and new benchmark duration, and changes to the reset period, reset dates or the number of days between coupon payment dates, addition of a fallback provision.

<sup>105</sup> Ref. IFRS9.5.4.7-8.

<sup>106</sup> Ref. IFRS9.5.4.9.

<sup>107</sup> Cfr IFRS9.6.9.1, IAS39.102P.

## Part A - Accounting policies

The volume of financial instruments that have yet to evolve to an alternative risk-free rate as at the end of the reporting period are the following:

Financial instruments subject to IBOR reform: contractual/notional amount<sup>(\*)</sup>

(€ million)

|   | INDEX         |                        |          | Total         |
|---|---------------|------------------------|----------|---------------|
|   | LIBOR USD     | LIBOR OTHER CURRENCIES | OTHERS   |               |
| <b>Non-derivative financial assets</b>      | <b>2,875</b>  | <b>7</b>               | <b>-</b> | <b>2,882</b>  |
| <i>Loans&amp;Advances</i>                   | 2,138         | 7                      | -        | 2,145         |
| <i>Securities</i>                           | 737           | -                      | -        | 737           |
| <b>Non-derivative financial liabilities</b> | <b>432</b>    | <b>-</b>               | <b>-</b> | <b>432</b>    |
| <i>Deposits</i>                             | -             | -                      | -        | -             |
| <i>Issued securities</i>                    | 432           | -                      | -        | 432           |
| <b>Derivatives</b>                          | <b>50,647</b> | <b>-</b>               | <b>-</b> | <b>50,647</b> |

## Note:

(\*) Figures submitted to KMPs.

In order to closely follow the developments on IBORs and to properly manage the transition and the discontinuation impacts, UniCredit is continuously monitoring the market, also attending the European working groups, the industry working groups (e.g., International Swaps and Derivatives Association - ISDA) and participating to the relevant public consultations if any.

## Reclassification of UniCredit Leasing S.p.A. out of non-current assets held for sale

As at 31 December 2021, following (i) the resolution by the Board of Directors and (ii) the receipt of non-binding offers, UniCredit Leasing S.p.A. equity investment was classified as non-current asset held for sale, whose disposal was expected to be completed during 2022, also in coherence with the cash flows underlying UniCredit Unlocked multiyear plan.

Such classification and the resulting measurement to fair value less cost to sell, in coherence with the non-binding offers received, led to the recognition of impairment for an overall amount of approx. -€280 million bringing its carrying amount to €370 million.

In the first half of 2022, the binding offers received were not coherent with the Board of Directors conditions, as well as the expectations in terms of perimeter to be disposed, conditions and/or price. In light of this circumstance, as at 30 June 2022, the disposal process was discontinued. Thus, as at 30 June 2022, the IFRS5 requirements for classifying the equity investment as "held for sale" were no longer met; indeed, the decision to discontinue the selling process indicated that: (i) the intention to dispose was no longer in place, (ii) the asset is no more marketed for sale; (iii) it cannot be expected that the sale will qualify as a complete sale by 1 year time according to the original plan.

The reclassification out of "held for sale" implied the restatement of 31 December 2021 comparatives presented in year-end 2022 Company financial statements, where the equity investment in UniCredit Leasing S.p.A. has been measured at the lower between (i) its recoverable amount (higher between fair value and value in use) and (ii) its carrying value before the equity investment was classified as held for sale.

As of 30 June 2022, the calculation of recoverable amount on the basis of cash flows projections approved in that date by the Board of directors of the subsidiary evidenced the need to recognize an additional impairment for -€55 million which, in compliance with IFRS5 par. 28, was recognised by restating the 2021 carrying value of the investment and the 2021 net profit, thus determining a further decrease in 2022 opening net equity, for the same amount.

It is worth noting that on top of this effect, the update of impairment test as of 31 December 2022 led to recognize a reversal of previous impairment for €183 million. For additional information on the impairment test of investments in subsidiaries refer to Part B - Balance sheet - Assets - Section 7 - Equity investments - Item 70 - Valuation of investment in subsidiaries.

## Part A - Accounting policies

### Implications of geopolitical tensions between Russia and Ukraine on company financial statements

UniCredit S.p.A. holds assets and liabilities potentially exposed to the consequences of the geopolitical tensions between Russia and Ukraine, specifically: (i) the financial assets held by UniCredit S.p.A. towards Russian counterparties; (ii) its Russian Subsidiary.

#### 1. Financial assets held by UniCredit S.p.A. toward Russian counterparties

The present section provides information about the credit exposures subject to Russian risk held by UniCredit S.p.A. (i.e., such exposures do not include Letters of Credit).

The overall Gross Book Value for €1.69 billion is composed as follows:

- €1.55 billion attributable to the credit exposures of the Russia operating segment, having the following features:
  - approx. €1.47 billion on-balance, and an amount of approx. €0.08 billion off-balance;
  - with an overall coverage for approx. 34%;
- €0.14 billion related to the exposures not belonging to the Russian Operating Segment, mostly off-balance<sup>108</sup>.

|                                    | PERFORMING ASSETS |                    |               |
|------------------------------------|-------------------|--------------------|---------------|
|                                    | GROSS EXPOSURE    | OVERALL WRITEDOWNS | NET EXPOSURES |
| Deposits                           | -                 | -                  | -             |
| Financial assets held for trading  | -                 | -                  | -             |
| Financial assets at FV through OCI | -                 | -                  | -             |
| Financial assets at amortized cost | 1,482             | 512                | 970           |
| <b>Totale on balance exposures</b> | <b>1,482</b>      | <b>512</b>         | <b>970</b>    |
| Off Balance                        | 207               | 19                 | 188           |
| <b>Total</b>                       | <b>1,689</b>      | <b>531</b>         | <b>1,158</b>  |

#### 1.1 Classification and re-rating of loans toward Russian counterparties held by UniCredit S.p.A.

In the course of 2022, a series of events occurred:

- several Multinational Corporations decided to exit from Russian market, and - among them - certain financial groups disposed their activities in Russia or announced their intention to do so even incurring significant losses resulting from significant impairment and write-downs due to the reduced recoverable value of their assets in such country together with difficulties in disposing it;
- certain Russian counterparties, including Russia, entered in technical default because of sanctions imposed against Russia which impeded them to repay their debt toward foreign counterparty in accordance with the original terms of the contract subscribed.

These events pointed to a clear differentiation in asset valuation between onshore and offshore investors, where the latter are penalized in their ability to recover the claims against investments in Russia; such penalization was considered, pursuant to IFRS9<sup>109</sup>, a relevant element to determine a significant increase in credit risk and the resulting classification of these credit exposures in Stage 2. Furthermore, such events were considered indicative of the circumstance that the cash flows expected to be received as offshore investor would be lower cash flows underlying by Stage 2 (with ordinary rating downgrade) and, as such, worth to be embedded in the evaluation of these credit exposures as at 31 December 2022.

Indeed, in the perspective of an offshore investor exposed towards obligors with direct risk on Russia, such exposures are expected to suffer from higher risk of missed fulfilment of credit obligation. In order to incorporate the mentioned events in the measurements of Loan Loss provision, it is worth reminding that, as per IFRS9 requirements, credit models used for LLP calculation shall apply historical information, adjusted to reflect the effects of the current conditions and forecasts of future conditions that did not affect the period on which the historical data are based.

To this regard, the credit models used by UniCredit are based on historical experience, adjusted to reflect the current and forecasted conditions assuming ordinary credit recovery process; however, such models do not reflect the differentiation between on and offshore investors, also in light of the Groupwide nature of these clients, primarily Multinational assessed with credit models, that - in line with prudential regulation requirement and the nature of the underlying models - shall provide unique rating independently from the booking Legal Entities.

Considering such circumstances, and complying with the mentioned IFRS9 requirements, overlay measures were recognised as at 31 December 2022 to reflect the widening effect from the perspective of UniCredit Bank as offshore investor. The overlays were quantified by assuming a coverage ratio comparable with the proactive classification of these exposures as unlikely to pay; as a result, as at 31 December 2022 the stock of loan loss provisions on such exposures is equal to €531 million.

<sup>108</sup> Approx. €0.13 billion off-balance.

<sup>109</sup> IFRS9 par. B5.5.17.

## Part A - Accounting policies

### 1.2 Geopolitical overlay resulting from Russia-Ukraine crisis

During 2022, the uncertainties on the economic activities arising from Covid-19 pandemics progressively faded away as demonstrated by the lifting of the restrictive measures put in place by the governments to counteract the pandemic. On the contrary, the geopolitical uncertainties significantly increased throughout the year: indeed, the start of the Russian-Ukraine conflict acted as a headwind to the economic growth as the spill-over effects of Russian and Ukraine crises continued leading to revise the outlook for the euro area economy, also pushing up inflationary pressures and interest rates.

In order to consider - when calculating the Loan Loss Provision - the sharp rise in energy costs, inflation and interest rates for both Corporate and private individuals, UniCredit adopted geopolitical overlay. To this regard, the adoption of overlay is a complementary measure to the IFRS9 models that, by its structure, has been already properly and directly proving to recognize the effect of geopolitical crises. In this context, while IFRS9 models, and in particular satellite models, are able to capture the effect of macro-economic scenario at portfolio level, the geopolitical overlays act on specific sub-portfolios considered particularly vulnerable in case contingent situations may evolve to severe stressed conditions.

As of 31 December 2022, the geopolitical overlay amounts to €1.1 billion (of which €0.4 billion recognised in the fourth quarter 2022 on a net basis in light of the new risk assessment of €0.5 billion of overlays as mentioned below), broken-down according to the following components:

- Corporate energy-intensive industry sectors prone to be more affected by spill-over effects linked to Russia - Ukraine crisis, specifically impacting the energy supply and related price soaring;
- Retail clients, for: (i) floating rate mortgages (not having overdue instalments), given the sensitiveness in this context of increasing interest rate/inflation, and (ii) at least 1 unpaid instalment on their exposures, the latter indicative of counterparties with already difficulties in payments and as such particularly vulnerable in this specific contingency.

The geopolitical overlays also include the cluster of credits related to Italian corporate counterparties previously belonging to the former moratoria overlay. Indeed, such cluster of clients - that explicitly asked for additional moratoria prolongation (opt-in) in mid-2021 - still embed a potentially higher level of credit risk compared with the remaining population, considering that a sufficient observation period since the end of the moratoria has not yet elapsed (opt-in moratoria extension has expired in December 2021). Therefore, it was assessed that the consequences of the geo-political crisis might still affect the ability of these customers to repay their credit exposures since their reimbursement capacity may be already weakened by the consequences of the Covid 19 pandemics.

As far as the calculation is concerned, the credit exposures belonging to the above categories are identified according to their specific features. Starting from this, satellite models are run by applying - as macro-economic conditions - the Multi Year Plan recessive scenario (i.e., Downturn) to determine the adjustment to be applied to the default rate. Such adjusted default rate is then applied to the relevant categories to estimate the expected new inflows of defaulted exposure, whose LLPs are then calculated according to the average coverage rate applied to Unlikely to Pay.

On the other hand, the overlays recognised in the past periods, following the previous extraordinary circumstances (e.g., Covid-19), have been subject to new risk assessment (for a total amount of €0.5 billion), considering the following circumstances: (i) reallocation of the overlay connected to the additional moratoria prolongation (i.e., opt-in component, as above outlined) within the overall concept of geopolitical overlay; (ii) actual update of the IFRS9 macro-economic scenario, whose LLP calculation incorporated the previous overlay related to the uncertainty stemming from the macro-economic situation.

### 2. Russian subsidiary

With reference to the investment in AO UniCredit Bank, write downs for -€741 million have been recognised.

For further details on the valuation of equity investments refer to Part B - Balance sheet - Assets - Section 7 - Equity investments - Item 70.

## Part A - Accounting policies

### 3. FX rate used as at 31 December for the conversion of exposures denominated in Rubles

As a result of the geopolitical tension, the ECB suspended the EUR/RUB listing since 2 March 2022 (last fixing on 1 March 2022), while Central Bank of Russia ("CBR") continued to provide a fixing versus other currencies. Despite such suspension, the availability of RUB FX rate is needed for preparing the Company financial statements for the conversion into EUR of RUB denominated exposures.

In light of the IAS21 requirements (which establish that when several exchange rates are available, the rate used is the one at which the future cash flows represented by the transaction could have been settled if those cash flows had occurred at the measurement date), the Bank decided to adopt the RUB quotes listed by the Electronic Broking Service ("EBS") in substitution of the lacking EUR/RUB quote. The choice of the provider was executed following qualitative and quantitative assessment, which reported the following outcome: (i) the RUB quotes published by the platform are representative of effective transactions between participants to the market; (ii) the FX quotes are liquid; (iii) the EBS RUB quotes resulted from actual transactions by non-Russian based operators, thus granting that such quote effectively represents a market participant assessment of the value of the RUB and therefore of the economic conditions of Russia<sup>110</sup>.

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The Company financial statements of UniCredit S.p.A. and the Consolidated financial statements of UniCredit group as at 31 December 2022 are audited by KPMG S.p.A. pursuant to Legislative Decree No.39 of 27 January 2010 and to the resolution passed by the Shareholder's Meeting on 9 April 2020.

UniCredit group prepared and published within the time limits set by law and in manner required by Consob, the Consolidated first half financial report as at 30 June 2022, subject to limited scope audit, as well as the Consolidated interim reports as at 31 March and 30 September 2022, both as press releases.

The Company financial statements of UniCredit S.p.A. and the Consolidated financial statements of UniCredit group as at 31 December 2022 have been approved by the Board of Directors' meeting of 16 February 2023, which authorised its disclosure to the public also pursuant to IAS10.

Directive 2004/109/EC (the "Transparency Directive") and Delegated Regulation (EU) 2019/815 introduced the obligation for issuers of securities listed on regulated markets of the European Union to draw up the annual financial report in the language XHTML, based on the European Single Electronic Format (ESEF), approved by ESMA.

The whole document is filed in the competent offices and entities as required by law.

<sup>110</sup> Such conclusions are also corroborated by the meeting held by ECB - Foreign Exchange Contact Group during May 2022 in which EBS representative reported that EBS EUR/RUB Market continue to function, and that liquidity in the Russian ruble is below pre-invasion levels, with activity concentrated mostly among larger banks in offshore markets.

## Part A - Accounting policies

### A.2 - Main items of the accounts

#### 1 - Financial assets at fair value through profit or loss

##### a) Financial assets held for trading

Reference is made to the paragraph “a) Financial assets held for trading” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, 1 - Financial assets at fair value through profit or loss, which is herewith quoted entirely.

##### b) Financial assets designated at fair value through profit or loss

Reference is made to the paragraph “b) Financial assets designated at fair value through profit or loss” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, 1 - Financial assets at fair value through profit or loss, which is herewith quoted entirely.

##### c) Other financial assets mandatorily at fair value

Reference is made to the paragraph “c) Other financial assets mandatorily at fair value” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, 1 - Financial assets at fair value through profit or loss, which is herewith quoted entirely.

#### 2 - Financial assets at fair value through other comprehensive income

Reference is made to the paragraph “2 - Financial assets at fair value through other comprehensive income” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, which is herewith quoted entirely.

#### 3 - Financial assets at amortised cost

Reference is made to the paragraph “3 - Financial assets at amortised cost” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, which is herewith quoted entirely.

#### 4 - Hedge accounting

Reference is made to the paragraph “4 - Hedge accounting” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, which is herewith quoted entirely.

#### 5 - Equity investments

Equity investments are equity instruments and consequently defined as financial instruments under IAS32.

Investments in equity instruments made with the intention of establishing or maintaining a long-term operational relationship with the investee are strategic investments.

The following are the types of equity investment:

##### Subsidiaries

Entities, including structured entities, over which the Bank has direct or indirect control, are considered subsidiaries. Control over an entity entails the Bank's ability to exercise power in order to influence the variable returns to which the Bank is exposed through its relationship with them.

In order to verify the existence of control, the following factors are considered:

- the purpose and establishment of the investee, in order to identify which are the entity's objectives, the activities that determine its returns and how these activities are ruled;
- the power, in order to understand whether the Bank has contractual rights that attribute the ability to govern the relevant activities; to this end only substantial rights that provide practical ability to govern are considered;
- the exposure held in relation to the investee, in order to assess whether the Bank has relationships with the investee, the returns of which are subject to changes deriving from variations in the investee's performance;
- the existence of potential principal - agent relationships.



## Part A - Accounting policies

If the relevant activities are ruled through voting rights, the existence of control is verified considering the voting rights held, including the potential ones, and the existence of any shareholders' or other agreements which attribute the right to control the majority of the voting rights, to appoint the majority of the governing body or in any case the power to determine the entity's financial and operating policies.

Subsidiaries may also include any "structured entity" in which the voting rights are not significant for establishing control, including special purpose entities and investment funds.

In the case of structured entities, the existence of control is ascertained considering both the contractual rights that enable governance of the relevant activities (or those that contribute most to the results) and the Bank's exposure to the variability of returns deriving from these activities.

### Joint venture

A joint venture is an entity in which the Bank has:

- a joint control agreement;
- rights on the net assets of the entity.

In detail a joint control exists when the decisions over the relevant activities require the unanimous consent of all the parties that share control.

### Associates

An associate is an entity over which the investor has significant influence and which are not subsidiaries or joint ventures.

Significant influence is presumed when the investor:

- holds, directly or indirectly, at least 20% of the share capital of another entity, or
- is able, also through shareholders' agreements, to exercise significant influence through:
  - representation on the governing body of the company;
  - participation in the policy-making process, including participation in decisions about dividends or other distributions;
  - the existence of significant transactions;
  - interchange of managerial personnel;
  - provision of key technical information.

It should be noted that only companies which are governed through voting rights can be classified as associates.

Investments in subsidiaries, associates and joint ventures are measured at cost.

The purchase price of an equity investment is the sum of:

- the fair value, at the date of acquisition, of the assets sold, liabilities assumed and equity instruments issued by the purchaser in exchange for control of the investee; and
- any cost directly attributable to the acquisition.

If there is evidence that an equity investment may have become impaired, its carrying value is compared with its recoverable value, which is determined on the basis of its value in use, in turn calculated by means of valuation models in general use in financial business, which discount expected future cash flow from the equity investment (methodology Discounted Cash Flow).

If it is not possible to obtain sufficient information the value in use is considered to be the net worth of the company.

If the recoverable value is less than the carrying value, the difference is recognised through profit or loss in item "220. Gains (Losses) of equity investments". If the reasons for impairment are removed following a subsequent event occurring after the recognition of impairment, write-backs are made through same profit or loss item.

Equity investments considered strategic investments not covered by the above definitions and not recognised in item "110. Non-current assets and disposal groups classified as held for sale" are classified as financial assets at fair value through other comprehensive income or other financial assets mandatorily at fair value and accordingly treated.

## Part A - Accounting policies

### 6 - Property, plant and equipment (Tangible assets)

Reference is made to the paragraph “6 - Property, plant and equipment (Tangible assets)” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, which is herewith quoted entirely.

### 7 - Intangible assets

An intangible asset is an identifiable non-monetary without physical substance which is expected to be used for more than one period, controlled by the Bank and from which future economic benefits are probable.

Intangible assets are principally represented by software, brands and patents.

Intangible assets other than goodwill are recognised at purchase cost, i.e. including any cost incurred to bring the asset into use, less accumulated amortisation and impairment losses.

Costs sustained after purchase are:

- added to initial cost, provided they increase future economic benefits arising from the underlying asset (i.e., if they increase its value or productive capacity);
- in other cases (i.e., when they do not increase the asset’s original value, but are intended merely to preserve its original functionality) are taken to profit or loss in a single amount in the year in which they have been borne.

In case of internally generated software the expenses incurred to develop the project are recognised under intangible assets only if the following elements are demonstrated: (i) the technical feasibility of the project, (ii) the intention to complete the intangible asset, (iii) its future usefulness, (iv) the availability of adequate technical, financial and other resources to complete the development and (v) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

An intangible asset with a finite life is subject to straight-line amortisation over its estimated useful life.

Residual useful life is usually assessed as follows:

- software up to 7 years;
- other intangible assets up to 20 years.

If there is clear evidence that an asset has been impaired, the carrying amount of the asset is compared with its recoverable value, equal to the greater of its fair value less selling cost and its value in use, i.e. the present value of future cash flows expected to be originated from the asset. Any impairment loss is recognised in profit and loss item “190. Net value adjustments/write-backs on intangible assets”.

If the value of a previously impaired intangible asset, other than goodwill is restored, its increased carrying amount cannot exceed the net carrying amount it would have had if there were no losses recognised on the prior-year impairment.

An intangible asset is derecognised (i) on disposal or (ii) when no further future economic benefits are expected from its use or sale in the future and any difference between sale proceeds or recoverable value and carrying value is recognised in the profit and loss item “250. Gains (Losses) on disposal of investments” or “190. Net value adjustments/write-backs on intangible assets”, respectively.

### 8 - Non-current assets and disposals groups classified as held for sale

Reference is made to the paragraph “8 - Non-current assets and disposal group classified as held for sale” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, which is herewith quoted entirely.

### 9 - Current and deferred tax

Reference is made to the paragraph “9 - Current and deferred tax” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, which is herewith quoted entirely.

## Part A - Accounting policies

### 10 - Provisions for risks and charges

#### Commitments and guarantees given

Reference is made to the paragraph "Commitments and guarantees given" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, 10 - Provision for risks and charges, which is herewith quoted entirely.

#### Retirement payments and similar obligations

Reference is made to the paragraph "Retirement payments and similar obligations" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, 10 - Provision for risks and charges, which is herewith quoted entirely.

#### Other provisions

Reference is made to the paragraph "Other provisions" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, 10 - Provision for risks and charges, which is herewith quoted entirely.

### 11 - Financial liabilities measured at amortised cost

Reference is made to the paragraph "11 - Financial liabilities measured at amortised cost" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, which is herewith quoted entirely.

### 12 - Financial liabilities held for trading

Reference is made to the paragraph "12 - Financial liabilities held for trading" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, which is herewith quoted entirely.

### 13 - Financial liabilities designated at fair value

Reference is made to the paragraph "13 - Financial liabilities designated at fair value" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, which is herewith quoted entirely.

### 14 - Foreign currency transactions

Reference is made to the paragraph "14 - Foreign currency transactions" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, which is herewith quoted entirely.

### 15 - Other information

#### Impairment

Reference is made to the paragraph "Impairment" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, 16 - Other information, which is herewith quoted entirely.

#### Renegotiations

Reference is made to the paragraph "Renegotiations" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, 16 - Other information, which is herewith quoted entirely.

#### Business combinations

Reference is made to the paragraph "Business combinations" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, 16 - Other information, which is herewith quoted entirely.

#### Derecognition of financial assets

Reference is made to the paragraph "Derecognition of financial assets" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, 16 - Other information, which is herewith quoted entirely.

#### Repo transactions and securities lending

Reference is made to the paragraph "Repo transactions and securities lending" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, 16 - Other information, which is herewith quoted entirely.

## Part A - Accounting policies

### **Equity instruments**

Reference is made to the paragraph “Equity instruments” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, 16 - Other information, which is herewith quoted entirely.

### **Treasury shares**

Reference is made to the paragraph “Treasury shares” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part A - Accounting policies, A.2 - Main items of the accounts, 16 - Other information, which is herewith quoted entirely.

### **Leases**

Reference is made to the paragraph “Leases” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, 16 - Other information, which is herewith quoted entirely.

### **Factoring**

Reference is made to the paragraph “Factoring” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, 16 - Other information, which is herewith quoted entirely.

### **Italian staff severance pay (Trattamento di fine rapporto - “TFR”)**

Reference is made to the paragraph “Italian staff severance pay (Trattamento di fine rapporto - “TFR”)” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, 16 - Other information, which is herewith quoted entirely.

### **Share-based payment**

Reference is made to the paragraph “Share-based payments” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, 16 - Other information, which is herewith quoted entirely.

### **Guarantees and credit derivatives in the same class**

Reference is made to the paragraph “Guarantees and credit derivatives in the same class” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, 16 - Other information, which is herewith quoted entirely.

### **Offsetting financial assets and financial liabilities**

Reference is made to the paragraph “Offsetting financial assets and liabilities” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, 16 - Other information, which is herewith quoted entirely.

### **Amortised cost**

Reference is made to the paragraph “Amortised cost” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, 16 - Other information, which is herewith quoted entirely.

### **Recognition of income and expenses**

#### ***Interest income and expenses***

Reference is made to the paragraph “Interest income and expenses” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, 16 - Other information, Recognition of income and expenses, which is herewith quoted entirely.

#### ***Fees and commissions income and other operating income***

Reference is made to the paragraph “Fees and commissions income and other operating income” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, 16 - Other information, Recognition of income and expenses, which is herewith quoted entirely.

#### ***Dividends***

Reference is made to the paragraph “Dividends” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part A - Accounting policies, A.2 - Main items of the accounts, 16 - Other information, Recognition of income and expenses, which is herewith quoted entirely.

## A.3 - Information on transfers between portfolios of financial assets

There were no transfers between portfolios of financial assets in 2022.

## Part A - Accounting policies

### A.4 - Information on fair value

#### Qualitative information

Reference is made to the paragraph “Qualitative information” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part A - Accounting policies, A.4 - Information on fair value, which is herewith quoted entirely.

#### A.4.1 Fair value Levels 2 and 3: valuation techniques and inputs used

Reference is made to the paragraph “A.4.1 Fair value Levels 2 and 3: valuation techniques and input used” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part A - Accounting policies, A.4 - Information on fair value, Qualitative information, which is herewith quoted entirely.

#### *Assets and liabilities measured at fair value on a recurring basis*

Reference is made to the paragraph “Assets and liabilities measured at fair value on a recurring basis” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part A - Accounting policies, A.4 - Information on fair value, Qualitative information, A.4.1 Fair value Levels 2 and 3: valuation techniques and inputs used, which is herewith quoted entirely.

#### *Fair Value Adjustments (FVA)*

Unless the info, reported below, reference is made to the paragraph “Fair Value Adjustments (FVA)” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part A - Accounting policies, A.4 - Information on fair value, Qualitative information, A.4.1 Fair value Levels 2 and 3: valuation techniques and inputs used, which is herewith quoted entirely.

As at 31 December 2022, net CVA/DVA cumulative adjustment, relating to performing counterparts, amounts to €23.9 million positive; in addition, the adjustment related to own credit spread evolution on own financial liabilities measured at fair value, which is filtered out from regulatory capital (accordingly to CRDIV), amounts to €45 million negative.

As at 31 December 2022 the Fair Value Adjustment component (FundVA) reflected into P&L amounts to €13.9 million positive.

#### *Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis*

Reference is made to the paragraph “Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part A - Accounting policies, A.4 - Information on fair value, Qualitative information, A.4.1 Fair value Levels 2 and 3: valuation techniques and inputs used, which is herewith quoted entirely.

#### *Description of the valuation techniques*

Reference is made to the paragraph “Description of the valuation techniques” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part A - Accounting policies, A.4 - Information on fair value, Qualitative information, A.4.1 Fair value Levels 2 and 3: valuation techniques and inputs used, which is herewith quoted entirely.

#### *Description of the inputs used to measure the fair value of items categorised in Level 2 and 3*

Reference is made to the paragraph “Description of the inputs used to measure the fair value of items categorised in Level 2 and 3” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part A - Accounting policies, A.4 - Information on fair value, Qualitative information, A.4.1 Fair value Levels 2 and 3: valuation techniques and inputs used, which is herewith quoted entirely.

## Part A - Accounting policies

### Quantitative information on significant unobservable inputs used in the fair value measurement: accounting portfolios measured at fair value categorised as Level 3

The following table shows the relevant unobservable parameters for the valuation of financial instruments classified at fair value level 3 according to the IFRS13 definition.

|                                  |                                    |                   |                        |                       |                           | (€ million)         |      |                      |
|----------------------------------|------------------------------------|-------------------|------------------------|-----------------------|---------------------------|---------------------|------|----------------------|
| PRODUCT CATEGORIES               |                                    | FAIR VALUE ASSETS | FAIR VALUE LIABILITIES | VALUATION TECHNIQUES  | UNOBSERVABLE PARAMETERS   | UNCERTAINTY RANGES  |      |                      |
| <b>Derivatives</b>               |                                    |                   |                        |                       |                           |                     |      |                      |
| Financial                        | Foreign Exchange                   | 59                | 105                    | Option Pricing Model  | Volatility                | 0%                  | 161% |                      |
|                                  |                                    |                   |                        |                       | Discounted Cash Flows     | Interest rate (bps) | 0    | 141                  |
| Interest Rate                    |                                    | 253               | 778                    | Discounted Cash Flows | Swap Rate (bps)           | 0                   | 141  |                      |
|                                  |                                    |                   |                        |                       | Inflation Swap Rate (bps) | 3                   | 12   |                      |
|                                  |                                    |                   |                        |                       | Equity & commodities      | 211                 | 59   | Option Pricing Model |
| Credit                           |                                    | -                 | -                      | Hazard Rate Model     | Correlation               | 2%                  | 29%  |                      |
|                                  |                                    |                   |                        |                       | Credit Spread (bps)       | 1                   | 369  |                      |
|                                  |                                    |                   |                        |                       | Recovery rate             | 0%                  | 5%   |                      |
| <b>Debt Securities and Loans</b> | Corporate/Government/Other         | 255               | 195                    | Market Approach       | Credit Spread (bps)       | 1                   | 1707 |                      |
|                                  | Mortgage & Asset Backed Securities | 1,366             | -                      | Discounted Cash Flows | Credit Spread (bps)       | 55                  | 2280 |                      |
|                                  |                                    |                   |                        |                       | Recovery rate             | 0%                  | 70%  |                      |
|                                  |                                    |                   |                        |                       | Default Rate              | 0%                  | 4%   |                      |
|                                  |                                    |                   |                        |                       | Prepayment Rate           | 0%                  | 20%  |                      |
| <b>Equity Securities</b>         | Unlisted Equity & Holdings         | 688               | -                      | Market Approach       | Price (% of used value)   | 0%                  | 3%   |                      |
|                                  |                                    |                   |                        |                       | Gordon Growth Model       | Ke                  | 8%   | 17%                  |
|                                  |                                    |                   |                        |                       | Growth Rate               | 1%                  | 4%   |                      |
| <b>Units in Investment Funds</b> | Real Estate & Other Funds          | 1,567             | -                      | Adjusted Nav          | PD                        | 1%                  | 30%  |                      |
|                                  |                                    |                   |                        |                       | LGD                       | 35%                 | 60%  |                      |

## Part A - Accounting policies

### A.4.2 Valuations processes and sensitivities

Reference is made to the paragraph "A.4.2 Valuations processes and sensitivities" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part A - Accounting policies, A.4 - Information on fair value, Qualitative information, which is herewith quoted entirely.

#### **Fair value sensitivity to variations in unobservable inputs used in the fair value computation for instruments categorised as Level 3**

Unless the info, reported below, reference is made to the paragraph "Fair Value sensitivity to variations in unobservable inputs used in the fair value computation for instruments categorised as Level 3" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part A - Accounting policies, A.4 - Information on fair value, Qualitative information, A.4.2 Valuation processes and sensitivities, which is herewith quoted entirely.

| PRODUCT CATEGORIES               |                                    | FAIR VALUE MOVEMENTS |       |
|----------------------------------|------------------------------------|----------------------|-------|
| (€ million)                      |                                    |                      |       |
| <b>Derivatives</b>               |                                    |                      |       |
| Financial                        | Equities & Commodities             | +/-                  | 13.31 |
|                                  | Foreign Exchange                   | +/-                  | -     |
|                                  | Interest Rate                      | +/-                  | 4.78  |
|                                  | Credit                             | +/-                  | 0.25  |
| <b>Debt Securities and Loans</b> |                                    |                      |       |
|                                  | Corporate/Government/Other         | +/-                  | 0.03  |
|                                  | Mortgage & Asset Backed Securities | +/-                  | 0.38  |
| <b>Equity Securities</b>         |                                    |                      |       |
|                                  | Unlisted Equity & Holdings         | +/-                  | 6.92  |
| <b>Units in investment funds</b> |                                    |                      |       |
|                                  | Real Estate & Other Funds          | +/-                  | 0.38  |

Within the unlisted Level 3 Units in Investment Funds, measured using a model, the shares in Atlante and Italian Recovery Fund, former Atlante II, (€290 million at 31 December 2022) are classified. For further information refer to Notes to accounts, Part B - Balance sheet - Assets, Section 2 - Financial assets at fair value through profit or loss: c) other financial assets mandatorily at fair value.

Amongst the financial instruments subject of valuation methods and sensitivity analysis, there are also included ABS issued by securitisation vehicles as per Italian law 130/99 where the Bank is both originator and underwriter of some issues and quotes of open investment funds acquired through credit disposal.

### A.4.3 Fair value hierarchy

Reference is made to the paragraph "A.4.3 Fair value hierarchy" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part A - Accounting policies, A.4 - Information on fair value, Qualitative information, which is herewith quoted entirely.

#### **Transfers between hierarchy levels**

The main drivers to transfers in and out the fair values levels (both between Level 1 and Level 2 and in/out Level 3) include changes in market conditions (among which liquidity parameter) and enhancements to valuation techniques and weights for unobservable inputs used for the valuation itself.

Quantitative and qualitative details about transfers between fair value levels occurred in the period are presented in the following paragraph "A.4.5 Fair value hierarchy", Quantitative information.

### A.4.4 Other information

Reference is made to the paragraph "A.4.4 Other information" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part A - Accounting policies, A.4 - Information on fair value, Qualitative information, which is herewith quoted entirely.

## Part A - Accounting policies

### Quantitative information

#### A.4.5 Fair value hierarchy

The following tables show the portfolios breakdown in terms of (i) financial assets and liabilities valued at fair value as well as (ii) assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis, according to the above-mentioned levels.

##### A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value levels

| FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE                  | AMOUNTS AS AT 31.12.2022 |               |              | AMOUNTS AS AT 31.12.2021 |               |              |
|--|--------------------------|---------------|--------------|--------------------------|---------------|--------------|
|  | LEVEL 1                  | LEVEL 2       | LEVEL 3      | LEVEL 1                  | LEVEL 2       | LEVEL 3      |
| 1. Financial assets at fair value through profit or loss             | 4,340                    | 16,732        | 2,453        | 6,214                    | 11,326        | 2,463        |
| a) Financial assets held for trading                                 | 3,778                    | 14,484        | 523          | 5,178                    | 8,566         | 195          |
| b) Financial assets designated at fair value                         | 204                      | -             | -            | 119                      | -             | -            |
| c) Other financial assets mandatorily at fair value                  | 358                      | 2,248         | 1,930        | 917                      | 2,760         | 2,268        |
| 2. Financial assets at fair value through other comprehensive income | 21,729                   | 3,245         | 1,947        | 28,609                   | 6,112         | 1,743        |
| 3. Hedging derivatives   | 177                      | 13,564        | -            | 38                       | 4,324         | -            |
| 4. Property, plant and equipment                                     | -                        | -             | 2,577        | -                        | -             | 2,568        |
| 5. Intangible assets   | -                        | -             | -            | -                        | -             | -            |
| <b>Total</b>   | <b>26,246</b>            | <b>33,541</b> | <b>6,977</b> | <b>34,861</b>            | <b>21,762</b> | <b>6,774</b> |
| 1. Financial liabilities held for trading                            | 4,915                    | 14,914        | 890          | 4,856                    | 8,570         | 210          |
| 2. Financial liabilities designated at fair value                    | -                        | 5,168         | 195          | -                        | 3,854         | 257          |
| 3. Hedging derivatives   | 336                      | 15,839        | 52           | 51                       | 4,777         | 15           |
| <b>Total</b>   | <b>5,251</b>             | <b>35,921</b> | <b>1,137</b> | <b>4,907</b>             | <b>17,201</b> | <b>482</b>   |

The item "1. c) Financial assets mandatorily at fair value" at Level 3 as at 31 December 2022 includes the investments in Atlante and Italian Recovery Fund (IRF - former Atlante II) carrying value €290 million.

As at 31 December 2022 the fair value for "Schema Volontario" securities is zero, being sold to IRF fund of all Mezzanine and Junior tranches in July 2022. Concerning Atlante and Italian Recovery Fund (former Atlante II) the Fair Value has been determined adopting an internal model in which credit risk changes of single ABS in which Atlante fund is invested are considered.

For further information refer to the paragraph "2.5 Other financial assets mandatorily at fair value: breakdown by product" of the Notes to the accounts Part B - Balance sheets - Assets, Section 2 - Financial assets at fair value through profit or loss - Item 20.

Transfers between level of fair value occurring during the year mainly reflect the evolution of reference market and the enhancement of processes for fair value level attribution.

Besides the transfers related to financial assets and liabilities carried at Level 3 detailed in the sections below during the year the following transfers occurred:

- from Level 1 to Level 2 owing to a worsening of the liquidity and price reliability indicators (based on the bid-ask spread, relative size and applicability of the published prices) collected by third parties as calculated and recorded in the context of the Global Bond IPV process:
  - of financial assets measured at fair value through reserves (financial assets at fair value through other comprehensive income) for €318 million.
- Level 2 to Level 1 owing to an improvement of the liquidity and price reliability indicators (based on the bid-ask spread, relative size and applicability of the published prices) collected by third parties as calculated and recorded in the context of the Global Bond IPV process:
  - of financial assets measured at fair value through reserves (financial assets at fair value through other comprehensive income) for €1,617 million.



## Part A - Accounting policies

## A.4.5.2 Annual changes in assets measured at fair value on a recurring basis (Level 3)

(€ million)

|                                 | CHANGES IN 2022                                       |  |  |   |                            |   |                     |                               |                   |
|---------------------------------|---|--|--|---|----------------------------|---|---------------------|-------------------------------|-------------------|
|                                 | FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS |  |  |   |                            | FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME | HEDGING DERIVATIVES | PROPERTY, PLANT AND EQUIPMENT | INTANGIBLE ASSETS |
|                                 | TOTAL   | OF WHICH: A) FINANCIAL ASSETS HELD FOR TRADING | OF WHICH: B) FINANCIAL ASSETS DESIGNATED AT FAIR VALUE | OF WHICH: C) OTHER FINANCIAL ASSETS MANDATORILY AT FAIR VALUE | OTHER ASSETS AT FAIR VALUE |   |                     |                               |                   |
| <b>1. Opening balances</b>      | <b>2,462</b>  | <b>195</b>                                     | <b>-</b>   | <b>2,267</b>  | <b>1,743</b>               | <b>-</b>  | <b>2,569</b>        | <b>-</b>                      |                   |
| <b>2. Increases</b>             | <b>7,150</b>  | <b>6,310</b>                                   | <b>-</b>   | <b>840</b>  | <b>633</b>                 | <b>-</b>  | <b>160</b>          | <b>-</b>                      |                   |
| 2.1 Purchases                   | 2,298   | 1,556  | -  | 742   | 156                        | -   | 38                  | -                             |                   |
| 2.2 Profits recognised in       | 4,797   | 4,754  | -  | 43  | 20                         | -   | 76                  | -                             |                   |
| 2.2.1 Income statement          | 4,797   | 4,754  | -  | 43  | 6                          | -   | 21                  | -                             |                   |
| - of which unrealised gains     | 474   | 433  | -  | 41  | -                          | -   | 21                  | -                             |                   |
| 2.2.2 Equity                    | X   | X  | X  | X   | 14                         | -   | 55                  | -                             |                   |
| 2.3 Transfers from other levels | 1   | -  | -  | 1   | 371                        | -   | -                   | -                             |                   |
| 2.4 Other increases             | 54  | -  | -  | 54  | 86                         | -   | 46                  | -                             |                   |
| <b>3. Decreases</b>             | <b>7,159</b>  | <b>5,982</b>                                   | <b>-</b>   | <b>1,177</b>  | <b>429</b>                 | <b>-</b>  | <b>152</b>          | <b>-</b>                      |                   |
| 3.1 Sales                       | 4,783   | 4,326  | -  | 457   | 21                         | -   | 1                   | -                             |                   |
| 3.2 Redemptions                 | 590   | -  | -  | 590   | 283                        | -   | -                   | -                             |                   |
| 3.3 Losses recognised in        | 1,761   | 1,656  | -  | 105   | 103                        | -   | 98                  | -                             |                   |
| 3.3.1 Income statement          | 1,761   | 1,656  | -  | 105   | 15                         | -   | 83                  | -                             |                   |
| - of which unrealised losses    | 144   | 65   | -  | 79  | -                          | -   | 13                  | -                             |                   |
| 3.3.2 Equity                    | X   | X  | X  | X   | 88                         | -   | 15                  | -                             |                   |
| 3.4 Transfers to other levels   | 7   | -  | -  | 7   | -                          | -   | 53                  | -                             |                   |
| 3.5 Other decreases             | 18  | -  | -  | 18  | 22                         | -   | -                   | -                             |                   |
| of which: business combinations | -   | -  | -  | -   | -                          | -   | -                   | -                             |                   |
| <b>4. Closing balances</b>      | <b>2,453</b>  | <b>523</b>                                     | <b>-</b>   | <b>1,930</b>  | <b>1,947</b>               | <b>-</b>  | <b>2,577</b>        | <b>-</b>                      |                   |

The sub-items "2.2.1 Profits recognised in Income statement" and "3.3.1 Losses recognised in Income statement" in financial assets are included in the following items:

- Item 80: Net gains (losses) on trading;
- Item 90: Net gains (losses) on hedge accounting;
- Item 110: Net gains (losses) on other financial assets/liabilities at fair value through profit or loss.

The sub-item "2.2.2 Profits recognised in Equity" and the sub-item "3.3.2 Losses recognised in Equity" reports the profits and the losses arising from fair value changes on financial assets at fair value through other comprehensive income and tangible assets used in business, with reference to land and buildings, according to the rules explained below.

With reference to financial assets at fair value through other comprehensive income these profits and losses are accounted in item "110. Valuation reserves" of shareholder's equity until the financial assets is not sold, instant in which cumulative gains and losses are reported: i) if referred to debt securities in income statement under item "100. Gains (Losses) on disposal and repurchase of: b) financial assets at fair value through other comprehensive income" and ii) if referred to equity instruments in the shareholder's equity under item "140. Reserves"; the exception regards the case of impairment and gains and losses on exchange rates on monetary assets (debt securities) which are reported respectively under item "130. Net losses/recoveries on credit impairment relating to: b) financial assets at fair value through other comprehensive income" and item "80. Net gains (losses) on trading".

With reference to tangible assets used in business, the profits arising from the valuation are recognised in item "110. Valuation reserves" of shareholder's equity for the portion exceeding the cumulated losses recognised in item "230. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value". Losses arising from the valuation are recognised in item "110. Valuation reserves" up to the cumulated profits recognised in the same item. Further losses are recognised in item "230. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value". On disposal the cumulated profits reported in item "110. Valuation reserves" are recycled to item "140. Reserves".

## Part A - Accounting policies

### A.4.5.3 Annual changes in liabilities measured at fair value on a recurring basis (Level 3)

(€ million)

|                                 | CHANGES IN 2022                        |  |                     |
|---------------------------------|--|--|---------------------|
|                                 | FINANCIAL LIABILITIES HELD FOR TRADING | FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE | HEDGING DERIVATIVES |
| <b>1. Opening balances</b>      | <b>210</b>                             | <b>257</b>                                     | <b>15</b>           |
| <b>2. Increases</b>             | <b>6,856</b>                           | <b>231</b>                                     | <b>615</b>          |
| 2.1 Issuance                    | 1,784                                  | 209  | 209                 |
| 2.2 Losses recognised in        | 5,072                                  | 8  | 406                 |
| 2.2.1 Income statement          | 5,072                                  | 6  | 406                 |
| - of which unrealised losses    | 767                                    | 6  | 43                  |
| 2.2.2 Equity                    | X                                      | 2  | -                   |
| 2.3 Transfers from other levels | -                                      | 7  | -                   |
| 2.4 Other increases             | -                                      | 7  | -                   |
| <b>3. Decreases</b>             | <b>6,176</b>                           | <b>293</b>                                     | <b>578</b>          |
| 3.1 Redemptions                 | 4,307                                  | -  | 363                 |
| 3.2 Purchases                   | -                                      | 25   | -                   |
| 3.3 Profits recognised in       | 1,869                                  | 82   | 215                 |
| 3.3.1 Income statement          | 1,869                                  | 76   | 215                 |
| - of which unrealised gains     | 85                                     | 75   | 6                   |
| 3.3.2 Equity                    | X                                      | 6  | -                   |
| 3.4 Transfers to other levels   | -                                      | 178  | -                   |
| 3.5 Other decreases             | -                                      | 8  | -                   |
| of which: business combinations | -                                      | -  | -                   |
| <b>4. Closing balances</b>      | <b>890</b>                             | <b>195</b>                                     | <b>52</b>           |

The sub-items “2.2.1 Losses recognised in Income statement” and “3.3.1 Profits recognised in Income statement” in financial liabilities are included in the profit and loss in the following items:

- Item 80: Net gains (losses) on trading;
- Item 90: Net gains (losses) on hedge accounting;
- Item 110: Net gains (losses) on other financial assets/liabilities at fair value through profit or loss.

### A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value levels

(€ million)

| ASSETS/LIABILITIES NOT MEASURED AT FAIR VALUE OR MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS | AMOUNTS AS AT 31.12.2022 |               |                |                | AMOUNTS AS AT 31.12.2021 |               |                |                |
|--|--------------------------|---------------|----------------|----------------|--------------------------|---------------|----------------|----------------|
|  | BOOK VALUE               | FAIR VALUE    |                |                | BOOK VALUE               | FAIR VALUE    |                |                |
|  |                          | LEVEL 1       | LEVEL 2        | LEVEL 3        |                          | LEVEL 1       | LEVEL 2        | LEVEL 3        |
| 1. Financial assets at amortised cost  | 259,677                  | 38,547        | 99,745         | 114,663        | 267,821                  | 41,684        | 96,502         | 131,657        |
| 2. Property, plant and equipment held for investment   | -                        | -             | -              | -              | -                        | -             | -              | -              |
| 3. Non-current assets and disposal groups classified as held for sale                            | 233                      | -             | 14             | -              | 1,539                    | -             | 12             | -              |
| <b>Total</b>   | <b>259,910</b>           | <b>38,547</b> | <b>99,759</b>  | <b>114,663</b> | <b>269,360</b>           | <b>41,684</b> | <b>96,514</b>  | <b>131,657</b> |
| 1. Financial liabilities at amortised cost   | 339,996                  | 27,995        | 102,569        | 205,932        | 370,017                  | 32,064        | 118,430        | 221,096        |
| 2. Liabilities associated with assets classified as held for sale                                | -                        | -             | -              | -              | -                        | -             | -              | -              |
| <b>Total</b>   | <b>339,996</b>           | <b>27,995</b> | <b>102,569</b> | <b>205,932</b> | <b>370,017</b>           | <b>32,064</b> | <b>118,430</b> | <b>221,096</b> |

The changes occurred between 31 December 2021 and 31 December 2022 in the ratio between fair value and book value for financial assets at amortised cost reflect the enhancement of the methodology and the parameters adopted for the fair value calculation for disclosure and the evolution in the benchmark interest rate, in the risk premium and in the probability of default depending on or deriving from markets trend. These events together with the evolution of the approach to identify the significance of non-observable inputs have been reflected in fair value hierarchy level distribution.

## Part A - Accounting policies

The decrease in the Level 2 of fair value hierarchy occurred in the item “1. Financial liabilities at amortised cost” mainly derives from the reduction of the TLTRO exposures liabilities occurred during the period.

The book value of item “3. Non-current assets and disposal groups classified as held for sale” (Assets) includes amounts referred to assets measured on balance sheet on the basis of their cost for €220 million. For further details on this item see the table reported in the paragraph “11.1 Non-current assets and disposal groups classified as held for sale: breakdown by asset type” of the Company financial statements of UniCredit S.p.A., Notes to the accounts Part B - Balance sheet - Assets, Section 11 - Non-current assets and disposal groups classified as held for sale and Liabilities associated with classified as held for sale - Item 100 (Assets) and Item 70 (Liabilities).

### A.5 - Information on “day one profit/loss”

The value at which financial instruments are recognised is equal to their fair value on the same date.

The fair value of financial instruments, other than those designated at fair value through profit or loss, at their recognition date is usually assumed to be equal to the amount collected or paid.

For financial instruments held for trading (refer to Sections 1.a) and 12 of part A.2 above) and instruments designated at fair value (refer to Sections 1.b) and 13 of part A.2 above), any difference from the amount collected or paid is posted under the appropriate items of the income statement.

The use of conservative valuation models, the processes described above for revising the models used and related parameters and value adjustments to reflect model risk ensure that the amount recognised in the income statement is not derived from the use of valuation parameters that cannot be observed.

More specifically, the calculation of fair value adjustments to reflect model risk ensures that the fair value portion of these instruments relating to the use of subjective parameters is not recognised in the profit and loss account, but changes the balance sheet value of these instruments.

The presence of further “day one profit” leads to the recognition of a distinct asset component that is the object of linear competition.

Recognition of this portion in the profit and loss account is then made only when objective parameters are applied and therefore the adjustments are derecognised.

The overall fair value adjustments to reflect these adjustments (amount not recognised in the Income statement) amounts to +€7.7 million as at 31 December 2022 (+€1.6 million as at 31 December 2021).

## Part B - Balance sheet - Assets

## Assets

## Section 1 - Cash and cash balances - Item 10

## 1.1 Cash and cash balances: breakdown

(€ million)

|  | AMOUNTS AS AT |               |
|--|---------------|---------------|
|  | 31.12.2022    | 31.12.2021    |
| a) Cash  | 1,322         | 1,313         |
| b) Current accounts and demand deposits with Central Banks | 51,877        | 69,931        |
| c) Current accounts and demand deposits with Banks         | 1,514         | 1,586         |
| <b>Total</b>   | <b>54,713</b> | <b>72,830</b> |

The change in the item "Current accounts and demand deposits with Central Banks" (equal to about €18 billion) is mainly attributable to the decrease of liquidity invested into overnight deposits with Banca d'Italia, in addition to the reduction equal to about €13 billion in the Compulsory Reserves, classified in the item Due from Banks. The aforementioned decrease in liquidity position is substantially due to a reduction of net surplus of funds recognised both (i) in the context of commercial activity with customers (about €6 billion the annual change in the net imbalance between deposits and receivables from/to customers, mainly allocated into short-term positions and about €11 billion in debt securities in issue) and (ii) as part of the interbank business (about €18 billion the annual change in the net imbalance between Deposits and Receivables from/to banks, mainly as a result of the partial repayment of TLTRO facilities for about €8 billion and the funding and lending activity in Reverse repos for approximately €5 billion).

## Part B - Balance sheet - Assets

## Section 2 - Financial assets at fair value through profit or loss - Item 20

## 2.1 Financial assets held for trading: breakdown by product

(€ million)

| ITEMS/VALUES                                 | AMOUNTS AS AT 31.12.2022 |               |               | AMOUNTS AS AT 31.12.2021 |              |               |
|--|--------------------------|---------------|---------------|--------------------------|--------------|---------------|
|  | LEVEL 1                  | LEVEL 2       | LEVEL 3       | LEVEL 1                  | LEVEL 2      | LEVEL 3       |
| <b>A. Financial assets (non-derivatives)</b> |                          |               |               |                          |              |               |
| 1. Debt securities                           | 3,764                    | -             | -             | 5,176                    | -            | -             |
| 1.1 Structured securities                    | -                        | -             | -             | -                        | -            | -             |
| 1.2 Other debt securities                    | 3,764                    | -             | -             | 5,176                    | -            | -             |
| 2. Equity instruments                        | -                        | -             | -             | -                        | -            | -             |
| 3. Units in investment funds                 | -                        | -             | -             | -                        | -            | -             |
| 4. Loans                                     | -                        | -             | -             | -                        | -            | -             |
| 4.1 Reverse Repos                            | -                        | -             | -             | -                        | -            | -             |
| 4.2 Other                                    | -                        | -             | -             | -                        | -            | -             |
| <b>Total (A)</b>                             | <b>3,764</b>             | <b>-</b>      | <b>-</b>      | <b>5,176</b>             | <b>-</b>     | <b>-</b>      |
| <b>B. Derivative instruments</b>             |                          |               |               |                          |              |               |
| 1. Financial derivatives                     | 14                       | 14,484        | 523           | 2                        | 8,566        | 195           |
| 1.1 Trading                                  | 14                       | 14,134        | 323           | 2                        | 8,262        | 63            |
| 1.2 Linked to fair value option              | -                        | 225           | 187           | -                        | 154          | 114           |
| 1.3 Other                                    | -                        | 125           | 13            | -                        | 150          | 18            |
| 2. Credit derivatives                        | -                        | -             | -             | -                        | -            | -             |
| 2.1 Trading                                  | -                        | -             | -             | -                        | -            | -             |
| 2.2 Linked to fair value option              | -                        | -             | -             | -                        | -            | -             |
| 2.3 Other                                    | -                        | -             | -             | -                        | -            | -             |
| <b>Total (B)</b>                             | <b>14</b>                | <b>14,484</b> | <b>523</b>    | <b>2</b>                 | <b>8,566</b> | <b>195</b>    |
| <b>Total (A+B)</b>                           | <b>3,778</b>             | <b>14,484</b> | <b>523</b>    | <b>5,178</b>             | <b>8,566</b> | <b>195</b>    |
| <b>Total Level 1, Level 2 and Level 3</b>    |                          |               | <b>18,785</b> |                          |              | <b>13,939</b> |

The sub-item "Financial assets (non-derivatives)" consists mainly of Italian Government bonds from Market Making activity.

The sub-item "Derivative instruments - Financial derivatives - Other" comprises derivatives that, for economic purposes, relate to banking book entries.

Fair value evolution of outstanding derivatives, further to volumes, is also influenced by growing dynamic of interest rates.

Valuations at fair value were classified according to a hierarchy of levels reflecting the observability of the valuations input.

For further information refer to the paragraph "A.4 - Information on fair value", Notes to the accounts, Part A - Accounting policies.

## Part B - Balance sheet - Assets

## 2.2 Financial assets held for trading: breakdown by borrowers/issuers/counterparties

(€ million)

| ITEMS/VALUES                                    | AMOUNTS AS AT |               |
|---|---------------|---------------|
|   | 31.12.2022    | 31.12.2021    |
| <b>A. Financial assets (non-derivatives)</b>    |               |               |
| <b>1. Debt securities</b>                       | <b>3,764</b>  | <b>5,176</b>  |
| a) Central Banks                                | -             | -             |
| b) Governments and other Public Sector Entities | 3,764         | 5,176         |
| c) Banks  | -             | -             |
| d) Other financial companies                    | -             | -             |
| <i>of which: insurance companies</i>            | -             | -             |
| e) Non-financial companies                      | -             | -             |
| <b>2. Equity instruments</b>                    | <b>-</b>      | <b>-</b>      |
| a) Banks  | -             | -             |
| b) Other financial companies                    | -             | -             |
| <i>of which: insurance companies</i>            | -             | -             |
| c) Non-financial companies                      | -             | -             |
| d) Other issuers                                | -             | -             |
| <b>3. Units in investment funds</b>             | <b>-</b>      | <b>-</b>      |
| <b>4. Loans</b>                                 | <b>-</b>      | <b>-</b>      |
| a) Central Banks                                | -             | -             |
| b) Governments and other Public Sector Entities | -             | -             |
| c) Banks  | -             | -             |
| d) Other financial companies                    | -             | -             |
| <i>of which: insurance companies</i>            | -             | -             |
| e) Non-financial companies                      | -             | -             |
| f) Households                                   | -             | -             |
| <b>Total A</b>                                  | <b>3,764</b>  | <b>5,176</b>  |
| <b>B. Derivative instruments</b>                |               |               |
| a) Central counterparties                       | 2,390         | 1,303         |
| d) Other  | 12,631        | 7,460         |
| <b>Total B</b>                                  | <b>15,021</b> | <b>8,763</b>  |
| <b>Total (A+B)</b>                              | <b>18,785</b> | <b>13,939</b> |

## 2.3 Financial assets designated at fair value: breakdown by product

(€ million)

| ITEMS/VALUES                              | AMOUNTS AS AT 31.12.2022 |          |            | AMOUNTS AS AT 31.12.2021 |          |            |
|---|--------------------------|----------|------------|--------------------------|----------|------------|
|   | LEVEL 1                  | LEVEL 2  | LEVEL 3    | LEVEL 1                  | LEVEL 2  | LEVEL 3    |
| <b>1. Debt securities</b>                 | <b>204</b>               | <b>-</b> | <b>-</b>   | <b>119</b>               | <b>-</b> | <b>-</b>   |
| 1.1 Structured securities                 | -                        | -        | -          | -                        | -        | -          |
| 1.2 Other debt securities                 | 204                      | -        | -          | 119                      | -        | -          |
| <b>2. Loans</b>                           | <b>-</b>                 | <b>-</b> | <b>-</b>   | <b>-</b>                 | <b>-</b> | <b>-</b>   |
| 2.1 Structured                            | -                        | -        | -          | -                        | -        | -          |
| 2.2 Other                                 | -                        | -        | -          | -                        | -        | -          |
| <b>Total</b>                              | <b>204</b>               | <b>-</b> | <b>-</b>   | <b>119</b>               | <b>-</b> | <b>-</b>   |
| <b>Total Level 1, Level 2 and Level 3</b> |                          |          | <b>204</b> |                          |          | <b>119</b> |

The item is mainly composed of government debt securities.

## Part B - Balance sheet - Assets

## 2.4 Financial assets designated at fair value: breakdown by borrowers/issuers

(€ million)

| ITEMS/VALUES                                    | AMOUNTS AS AT |            |
|---|---------------|------------|
|   | 31.12.2022    | 31.12.2021 |
| <b>1. Debt securities</b>                       | <b>204</b>    | <b>119</b> |
| a) Central Banks                                | -             | -          |
| b) Governments and other Public Sector Entities | 174           | 119        |
| c) Banks  | 30            | -          |
| d) Other financial companies                    | -             | -          |
| <i>of which: insurance companies</i>            | -             | -          |
| e) Non-financial companies                      | -             | -          |
| <b>2. Loans</b>                                 | <b>-</b>      | <b>-</b>   |
| a) Central Banks                                | -             | -          |
| b) Governments and other Public Sector Entities | -             | -          |
| c) Banks  | -             | -          |
| d) Other financial companies                    | -             | -          |
| <i>of which: insurance companies</i>            | -             | -          |
| e) Non-financial companies                      | -             | -          |
| f) Households                                   | -             | -          |
| <b>Total</b>                                    | <b>204</b>    | <b>119</b> |

## 2.5 Other financial assets mandatorily at fair value: breakdown by product

(€ million)

| ITEMS/VALUES                              | AMOUNTS AS AT 31.12.2022 |              |              | AMOUNTS AS AT 31.12.2021 |              |              |
|---|--------------------------|--------------|--------------|--------------------------|--------------|--------------|
|   | LEVEL 1                  | LEVEL 2      | LEVEL 3      | LEVEL 1                  | LEVEL 2      | LEVEL 3      |
| <b>1. Debt securities</b>                 | <b>288</b>               | <b>2,162</b> | <b>129</b>   | <b>588</b>               | <b>2,684</b> | <b>148</b>   |
| 1.1 Structured securities                 | -                        | -            | -            | -                        | -            | -            |
| 1.2 Other debt securities                 | 288                      | 2,162        | 129          | 588                      | 2,684        | 148          |
| <b>2. Equity instruments</b>              | <b>70</b>                | <b>79</b>    | <b>28</b>    | <b>329</b>               | <b>52</b>    | <b>489</b>   |
| <b>3. Units in investment funds</b>       | <b>-</b>                 | <b>-</b>     | <b>1,567</b> | <b>-</b>                 | <b>24</b>    | <b>1,542</b> |
| <b>4. Loans</b>                           | <b>-</b>                 | <b>7</b>     | <b>206</b>   | <b>-</b>                 | <b>-</b>     | <b>89</b>    |
| 4.1 Structured                            | -                        | -            | -            | -                        | -            | -            |
| 4.2 Other                                 | -                        | 7            | 206          | -                        | -            | 89           |
| <b>Total</b>                              | <b>358</b>               | <b>2,248</b> | <b>1,930</b> | <b>917</b>               | <b>2,760</b> | <b>2,268</b> |
| <b>Total Level 1, Level 2 and Level 3</b> |                          |              | <b>4,536</b> |                          |              | <b>5,945</b> |

The sub-item "Debt securities" changes in respect of previous year due to fair value changes in purchased Additional Tier 1 instruments and includes (i) investments qualified as Level 3 in FINO Project's Mezzanine and Junior Notes with a value of €32 million, in Mezzanine and Junior bonds of Prisma securitisation for €2 million and in Mezzanine, Junior bonds of Olympia for €0,5 million, and instruments qualified as Level 2 in Mezzanine and Junior bonds of Itaca securitization for €0.6 million and in Mezzanine and Junior bonds of Altea securitization for €7 million.

Into the item "Equity instruments", the investment in a "Schema Volontario" (presented among Level 3 instruments) with a value of nearly €2 million ad December 2021, has been fully impaired. The stakes in Yapi Ve Kredi Bankasi A.S., at December 2021 included for €229 million into mandatory at fair value instruments after the loss of significative influence, and in La Villata S.p.A., €435 million ad December 2021, have been fully sold in the first half of 2022.

The item "3 Unit in investment funds" includes the investments in Atlante and Italian Recovery Fund, former Atlante II (presented among Level 3) instruments, with a value of €290 million.

The item "4. Loans" includes exposures which have been granted payment moratoriums related to the Covid-19 pandemic context for a total amount of €88 million.

Valuations at fair value were classified according to a hierarchy of levels reflecting the observability of the valuations input. For further information see the paragraph "A.4 - Information on fair value", Notes to the accounts, Part A - Accounting policies.

## Part B - Balance sheet - Assets

## Exposures to securities relating to Securitisation transactions

| TRANCHING    | (€ million)<br>AMOUNTS AS AT 31.12.2022 |
|--------------|---|
| Senior       | -                                       |
| Mezzanine    | 37                                      |
| Junior       | 45                                      |
| <b>Total</b> | <b>82</b>                               |

**Information about the units of Atlante Fund and Italian Recovery Fund (former Atlante II)**

Atlante is a closed-end alternative investment fund (FIA) ruled by Italian law reserved to professional investors and managed by DeA Capital Alternative Funds SGR S.p.A. ("DeA"). The size of the fund was equal to €4,249 million, of which UniCredit S.p.A. invested for about 19.9%. The investment policy of Atlante foresees that the fund may be invested (i) in banks with regulatory capital ratios lower than the minimum level set down in the SREP process and, thus, realise, upon request of the supervisory authority, actions of capital strengthening through capital increases and (ii) in Non-Performing Loans (NPLs) of a plurality of Italian banks.

With reference to Atlante fund, as at 31 December 2022 UniCredit S.p.A. holds shares classified as financial assets mandatory at fair value with a carrying value of €139 million. The year-to-date overall cash investments are equal to €844 against which impairments for €684 million and positive fair value changes for €11 million were carried out. Received reimbursement amount to €32 million. In addition, UniCredit S.p.A. has a residual commitment to invest in the fund for an amount less than €2 million.

On August 2016, it was launched the Atlante II fund, redenominated Italian Recovery Fund since 27 October 2017, a closed-end investment alternative fund reserved to professional investors, also managed by DeA, which, unlike the Atlante fund, may invest only in NPL and instruments linked to NPL transactions (such as warrants) in order to reduce the risk in line with the parameters used by the largest world institutional investors. With reference to Italian Recovery Fund, as at 31 December 2022 UniCredit S.p.A. holds shares with a carrying value of €151 million, classified as financial assets mandatory at fair value. The year-to-date overall cash investments are equal to €187 against which positive fair value changes for €5 million were carried out. Received reimbursement amount to €41 million. In addition, UniCredit S.p.A. has a residual commitment to invest in Italian Recovery Fund for about €8 million.

As at 31 December 2022 the book value (fair value) of these funds has been determined adopting an internal model in which credit risk changes of single ABS in which Atlante fund is invested are considered. This fair value valuation resulted in a lower value of €18 million in the year, accounted in the profit and loss.

Under a regulatory perspective, the treatment of the quotes held by UniCredit S.p.A. in the Atlante Fund and Italian Recovery Fund foresees the application of article 128 of the CRR (Items associated with particular high risk). With reference to the residual commitments, the regulatory treatment foresees the application of a Credit Conversion Factor equal to 100% ("full risk" according to the Annex I of CRR), for the calculation of the related Risk Weighted Assets.

**Information about the investment in the Schema Volontario**

In November 2015 UniCredit S.p.A. has joined the "Schema Volontario" (hereafter "SV"), a private entity introduced by Fondo Interbancario di Tutela dei Depositi ("FITD"), with appropriate modification of its statute.

SV is an instrument for the resolution of bank crises through supporting measures in favour of its member banks, if specific conditions laid down by the legislation occur. SV has an independent funding and the participating banks are committed to supply the relevant resources upon demand, when resources are needed to fund interventions. The initial participating size of the SV has been set up to €700 million (of which €110 million referred to UniCredit S.p.A.).

Here follow the main transactions carried out by SV.

**Cassa di Risparmio di Cesena (CariCesena)**

In June 2016 the SV approved an action supporting CariCesena, in relation to a capital increase approved by the bank itself on 8 June 2016 for €280 million of which €44 million referred to UniCredit S.p.A. On 30 September 2016 this commitment was converted into a monetary payment which has led to the recognition of capital instruments classified, on the basis of the pre-existing accounting standard IAS39, as "available for sale" for €44 million for UniCredit S.p.A. (in line with the monetary payment). The update of the evaluation of the instruments as at 31 December 2016, according to an internal evaluation model based on multiples of a banking basket integrated with estimates on Cassa di Risparmio di Cesena's credit portfolio and the related equity/capital needs, brought to the full impairment of the position.



## Part B - Balance sheet - Assets

### ***CariCesena, Cassa di Risparmio di Rimini (Carim) e Cassa di Risparmio di San Miniato (Carismi)***

In September 2017, in order to face Crédit Agricole CariParma intervention in favour of CariCesena, Carim and Carismi, based on a capital increase of €464 million and on the subscription of bonds from NPL securitisation of these banks for €170 million, the Fund increased its capital endowment for €95 million (to an overall amount of €795 million), increasing the residual commitment referred to UniCredit S.p.A. to €81 million. Hence, in the same month UniCredit S.p.A. paid €9 million in respect of the part of the intervention relating to the capital increase of Carim and Carismi, and in December 2017, UniCredit S.p.A. paid the remaining €72 million (of which €45 million referred to the capital increase of the banks and €27 million referred to the subscription of securitisations). Following these events, UniCredit group's residual commitment towards SV was substantially nil. All the payments referred to the capital increase of the banks brought to the recognition of capital instruments classified, on the basis of the pre-existing accounting standard IAS39, as "available for sale" and amounting to €54 million for UniCredit S.p.A., entirely cancelled in 2017 financial statements due to the sale of the banks to Crédit Agricole CariParma at a symbolic price.

Regarding the portion of investment referred to the subscription of SV of Junior and Mezzanine quotes of the securitisation, the initial value (€27 million for UniCredit S.p.A.) was rectified in 2017 to reflect fair value valuation declared by the SV (€4 million for UniCredit S.p.A.) resulting from the analysis conducted by the advisors in charge of the underlying credits evaluation, conducted according to a Discounted Cash Flow model based on recovery plans elaborated by SPV's special servicer.

Following the update of the assessment received from the SV (supported by the analysis of the appointed advisor), as at 31 December 2022 UniCredit S.p.A. recognised an accumulated impairment of €4.4 million (€1.8 million during 2022). Thus, 31 December 2022, UniCredit S.p.A. carrying value of investments related to securitisation is nil.

### ***Banca Carige***

On 30 November 2018, the Shareholders' Meeting of the SV decided to intervene in favour of Banca Carige S.p.A. by subscribing a Tier 2 subordinated loan (for a maximum amount of €320 million) issued by Banca Carige S.p.A. and addressed to the conversion into capital to the extent necessary to allow an expected capital increase of €400 million.

On the same date, within the framework of the agreement stipulated with SV, Banca Carige S.p.A. placed bonds for €320 million, of which €318.2 million subscribed directly through the SV itself. The bonds were issued at par (100% of the nominal value), with a fixed rate coupon of 13% and a maturity of 10 years (maturity 30 November 2028).

Considering the failure to provide by 22 December 2018 the delegation to the Board of Directors by the Extraordinary Shareholders' Meeting of Banca Carige S.p.A. to increase by payment the share capital for a maximum total amount of €400 million, with retroactive effect interests on the principal amount of outstanding bonds from time to time mature at a nominal fixed rate of 16% starting from the date of issue.

With reference to the intervention in favour of Banca Carige S.p.A., UniCredit S.p.A. contribution to the SV at the recognition date amounts to €53 million, and it has been identified as a financial instrument classified, on the basis of the existing accounting standard IFRS9, under item "20.c) Financial assets mandatorily at fair value through profit or loss".

As at 31 December 2018, following the evaluation process of the investment, UniCredit S.p.A. recognised impairments for €16 million, thus bringing the carrying value of the instrument to €37 million.

As at 31 December 2019 UniCredit S.p.A. has evaluated instrument's fair value according to internal models (Market Multiples and Multi-Scenario Analysis) for €13 million, also considering the occurred reimbursement of interests for €9 million.

Update of evaluation at 31 December 2020 has determined a fair value of €5.1 million.

As at 31 December 2021 fair value is substantially zeroed, resulting in an impairment of €5.1 million recognised into profit and loss.

## Part B - Balance sheet - Assets

## 2.6 Other Financial assets mandatorily at fair value:breakdown by borrowers/issuers

| ITEMS/VALUES                                    | (€ million)   |              |
|---|---------------|--------------|
|   | AMOUNTS AS AT |              |
|   | 31.12.2022    | 31.12.2021   |
| <b>1. Equity instruments</b>                    | <b>177</b>    | <b>870</b>   |
| <i>of which: banks</i>                          | -             | 229          |
| <i>of which: other financial companies</i>      | 106           | 104          |
| <i>of which: non-financial companies</i>        | 72            | 537          |
| <b>2. Debt securities</b>                       | <b>2,579</b>  | <b>3,420</b> |
| a) Central banks                                | -             | -            |
| b) Governments and other Public Sector Entities | 54            | 65           |
| c) Banks  | 2,306         | 3,053        |
| d) Other financial companies                    | 204           | 295          |
| <i>of which: insurance companies</i>            | 48            | 69           |
| e) Non-financial companies                      | 15            | 7            |
| <b>3. Units in investment funds</b>             | <b>1,567</b>  | <b>1,566</b> |
| <b>4. Loans and advances</b>                    | <b>213</b>    | <b>89</b>    |
| a) Central banks                                | -             | -            |
| b) Governments and other Public Sector Entities | -             | -            |
| c) Banks  | -             | -            |
| d) Other financial companies                    | 5             | 37           |
| <i>of which: insurance companies</i>            | -             | -            |
| e) Non-financial companies                      | 208           | 52           |
| f) Households                                   | -             | -            |
| <b>Total</b>                                    | <b>4,536</b>  | <b>5,945</b> |

## Part B - Balance sheet - Assets

### Section 3 - Financial assets at fair value through other comprehensive income - Item 30

#### 3.1 Financial assets at fair value through other comprehensive income: breakdown by product

| ITEMS/VALUES                              | AMOUNTS AS AT 31.12.2022 |              |               | AMOUNTS AS AT 31.12.2021 |              |               |
|---|--------------------------|--------------|---------------|--------------------------|--------------|---------------|
|   | LEVEL 1                  | LEVEL 2      | LEVEL 3       | LEVEL 1                  | LEVEL 2      | LEVEL 3       |
| <b>1. Debt securities</b>                 | <b>21,723</b>            | <b>2,869</b> | <b>1,286</b>  | <b>28,603</b>            | <b>5,558</b> | <b>1,095</b>  |
| 1.1 Structured securities                 | -                        | -            | -             | -                        | -            | -             |
| 1.2 Other                                 | 21,723                   | 2,869        | 1,286         | 28,603                   | 5,558        | 1,095         |
| <b>2. Equity instruments</b>              | <b>6</b>                 | <b>376</b>   | <b>661</b>    | <b>6</b>                 | <b>554</b>   | <b>648</b>    |
| <b>3. Loans</b>                           | <b>-</b>                 | <b>-</b>     | <b>-</b>      | <b>-</b>                 | <b>-</b>     | <b>-</b>      |
| <b>Total</b>                              | <b>21,729</b>            | <b>3,245</b> | <b>1,947</b>  | <b>28,609</b>            | <b>6,112</b> | <b>1,743</b>  |
| <b>Total Level 1, Level 2 and Level 3</b> |                          |              | <b>26,921</b> |                          |              | <b>36,464</b> |

Changes in debt securities is mainly determined by new purchases of government and banking bonds net of sales and maturities.

Item "Debt Securities" includes FINO Project's investments in Senior and in part in Mezzanine notes for €61 million, in Senior bonds of Prisma securitisation for €544 million, in Senior bonds of Olympia securitisation for €222 million, in Senior bonds of Relais for €335 million, in Senior bonds of Itaca securitisation for €124 million, all qualified as Level 3 instruments.

Item "Equity instruments" includes Banca d'Italia stake (presented among Level 2 instruments), with a value of €375 million and ABH Holding SA investments (presented among Level 3 instruments) acquired in contemplation of the sale of PJSC Ukrsofbank to Alfa Group, with a value of €305 million, equal to the consideration of the put option of the shares exercised by UniCredit S.p.A. on 9 November 2021.

Valuations at fair value were classified according to a hierarchy of levels reflecting the observability of the valuations input. For further information see the paragraph "A.4 - Information on fair value", Notes to the accounts, Part A - Accounting policies.

#### Exposures to securities relating to Securitisation transactions

| TRANCHING    | AMOUNTS AS AT 31.12.2022 |
|--------------|--------------------------|
| Senior       | 1,274                    |
| Mezzanine    | 13                       |
| Junior       | -                        |
| <b>Total</b> | <b>1,287</b>             |

## Part B - Balance sheet - Assets

### Information about the shareholding in Banca d'Italia

As of 31 December 2022, UniCredit S.p.A. has a shareholding of 5.0% in the share capital of Banca d'Italia, with a carrying value of €375 million. The current stake is the result of the disposal process started at the end of 2015, when UniCredit S.p.A. owned 22.1% (€1,659 million) of Banca d'Italia share capital. The disposals settled in 2022 are equal to 2.4% (€179 million) of the share capital of Banca d'Italia, bringing the overall transactions settled starting from 2015 to 17.1% (€1,284 million). All the transactions occurred at a consideration corresponding to the carrying value, equal to €7,500 million for a 100% stake. The relevant measurement was therefore confirmed as Level 2 in the fair value classification. Following a legislative change occurred at the end of 2021, the shareholders of Banca d'Italia can benefit of economic rights up to a stake of 5.0%, from previous 3.0%.

With regard to the regulatory treatment, the value of the investment, measured at fair value, has a weighting of 100%.

### 3.2 Financial assets at fair value through other comprehensive income: breakdown by borrowers/issuers

| ITEMS/VALUES                                    | AMOUNTS AS AT |               |
|---|---------------|---------------|
|   | 31.12.2022    | 31.12.2021    |
| <b>1. Debt securities</b>                       | <b>25,878</b> | <b>35,256</b> |
| a) Central Banks                                | -             | -             |
| b) Governments and other Public Sector Entities | 22,464        | 30,552        |
| c) Banks  | 624           | 1,936         |
| d) Other financial companies                    | 1,948         | 1,956         |
| <i>of which: insurance companies</i>            | -             | -             |
| e) Non-financial companies                      | 842           | 812           |
| <b>2. Equity instruments</b>                    | <b>1,043</b>  | <b>1,208</b>  |
| a) Banks  | 435           | 614           |
| b) Other issuers                                | 608           | 594           |
| - Other financial companies                     | 475           | 459           |
| <i>of which: insurance companies</i>            | 4             | 3             |
| - Non-financial companies                       | 133           | 135           |
| - Other   | -             | -             |
| <b>3. Loans and advances</b>                    | <b>-</b>      | <b>-</b>      |
| a) Central Banks                                | -             | -             |
| b) Governments and other Public Sector Entities | -             | -             |
| c) Banks  | -             | -             |
| d) Other financial companies                    | -             | -             |
| <i>of which: insurance companies</i>            | -             | -             |
| e) Non-financial companies                      | -             | -             |
| f) Households                                   | -             | -             |
| <b>Total</b>                                    | <b>26,921</b> | <b>36,464</b> |

The item "2.Equity instruments a) Banks" includes Banca d'Italia stake.

### 3.3 Financial assets at fair value through other comprehensive income: gross value and total accumulated impairments

|                         | GROSS VALUE   |  |           |          |  | TOTAL ACCUMULATED IMPAIRMENTS |          |          |  | PARTIAL ACCUMULATED WRITE-OFFS(*) |
|-------------------------|---------------|--|-----------|----------|--|-------------------------------|----------|----------|--|-----------------------------------|
|                         | STAGE 1       |  | STAGE 2   | STAGE 3  | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS | STAGE 1                       | STAGE 2  | STAGE 3  | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS |                                   |
|                         |               | OF WHICH: INSTRUMENTS WITH LOW CREDIT RISK EXEMPTION |           |          |  |                               |          |          |  |                                   |
| Debt securities         | 25,938        | 24,840   | -         | 2        | -  | 60                            | -        | 2        | -  | -                                 |
| Loans and advances      | -             | -  | -         | -        | -  | -                             | -        | -        | -  | -                                 |
| <b>Total 31.12.2022</b> | <b>25,938</b> | <b>24,840</b>  | <b>-</b>  | <b>2</b> | <b>-</b>   | <b>60</b>                     | <b>-</b> | <b>2</b> | <b>-</b>   | <b>-</b>                          |
| <b>Total 31.12.2021</b> | <b>35,264</b> | <b>35,263</b>  | <b>44</b> | <b>2</b> | <b>-</b>   | <b>52</b>                     | <b>-</b> | <b>2</b> | <b>-</b>   | <b>-</b>                          |

Note:  
(\*) Value shown for information purposes.

## Part B - Balance sheet - Assets

## Section 4 - Financial assets at amortised cost - Item 40

## 4.1 Financial assets at amortised cost: breakdown by product of loans and advances to banks

(€ million)

| TYPE OF TRANSACTIONS/VALUES                   | AMOUNTS AS AT 31.12.2022 |         |  |              |               |               | AMOUNTS AS AT 31.12.2021 |         |  |              |               |               |
|---|--------------------------|---------|--|--------------|---------------|---------------|--------------------------|---------|--|--------------|---------------|---------------|
|   | BOOK VALUE               |         |  | FAIR VALUE   |               |               | BOOK VALUE               |         |  | FAIR VALUE   |               |               |
|   | STAGE 1 AND STAGE 2      | STAGE 3 | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS | LEVEL 1      | LEVEL 2       | LEVEL 3       | STAGE 1 AND STAGE 2      | STAGE 3 | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS | LEVEL 1      | LEVEL 2       | LEVEL 3       |
| <b>A. Loans and advances to Central Banks</b> | <b>2,303</b>             | -       | -  | -            | 231           | 2,072         | 15,117                   | -       | -  | -            | 453           | 14,664        |
| 1. Time deposits                              | -                        | -       | -  | X            | X             | X             | -                        | -       | -  | X            | X             | X             |
| 2. Compulsory reserves                        | 2,056                    | -       | -  | X            | X             | X             | 14,663                   | -       | -  | X            | X             | X             |
| 3. Reverse repos                              | 230                      | -       | -  | X            | X             | X             | 452                      | -       | -  | X            | X             | X             |
| 4. Other                                      | 17                       | -       | -  | X            | X             | X             | 2                        | -       | -  | X            | X             | X             |
| <b>B. Loans and advances to banks</b>         | <b>28,953</b>            | -       | -  | 4,523        | 14,969        | 8,869         | 22,257                   | -       | -  | 3,872        | 14,356        | 4,206         |
| 1. Loans                                      | 14,721                   | -       | -  | -            | 9,207         | 5,473         | 11,611                   | -       | -  | -            | 7,472         | 4,196         |
| 1.1 Current accounts                          | -                        | -       | -  | X            | X             | X             | -                        | -       | -  | X            | X             | X             |
| 1.2 Time deposits                             | 790                      | -       | -  | X            | X             | X             | 2,194                    | -       | -  | X            | X             | X             |
| 1.3 Other loans                               | 13,931                   | -       | -  | X            | X             | X             | 9,417                    | -       | -  | X            | X             | X             |
| - Reverse repos                               | 7,679                    | -       | -  | X            | X             | X             | 4,487                    | -       | -  | X            | X             | X             |
| - Lease Loans                                 | 17                       | -       | -  | X            | X             | X             | 17                       | -       | -  | X            | X             | X             |
| - Other                                       | 6,235                    | -       | -  | X            | X             | X             | 4,913                    | -       | -  | X            | X             | X             |
| 2. Debt securities                            | 14,232                   | -       | -  | 4,523        | 5,762         | 3,396         | 10,646                   | -       | -  | 3,872        | 6,884         | 10            |
| 2.1 Structured                                | -                        | -       | -  | -            | -             | -             | -                        | -       | -  | -            | -             | -             |
| 2.2 Other                                     | 14,232                   | -       | -  | 4,523        | 5,762         | 3,396         | 10,646                   | -       | -  | 3,872        | 6,884         | 10            |
| <b>Total</b>                                  | <b>31,256</b>            | -       | -  | <b>4,523</b> | <b>15,200</b> | <b>10,941</b> | <b>37,374</b>            | -       | -  | <b>3,872</b> | <b>14,809</b> | <b>18,870</b> |
| <b>Total Level 1, Level 2 and Level 3</b>     |                          |         |  |              |               | <b>30,664</b> |                          |         |  |              |               | <b>37,551</b> |

Loans and Advances with Central Banks include into compulsory reserve temporary retained liquidity to be invested in a short term. Into Loans and advances to banks, debt securities increase due to purchases of bonds mainly issued by legal entities belonging to the Group. Further, the Loans and advances with Central Banks as at 31 December 2021 include reverse repos with a fair value classified as level 2, reported into the table only for disclosure purposes.

Loans and receivables with banks are not managed on the basis of their fair value, which is only shown in order to meet financial disclosure requirements. Fair value measurements have been classified according to a hierarchy of levels reflecting the observability of the valuations input. For further information refer to the paragraph "A.4 - Information on fair value" of the Company financial statements of UniCredit S.p.A., Notes to the accounts, Part A - Accounting policies.

It should be noted that securities lending transactions collateralised by other securities or not collateralised are shown under "off-balance sheet" exposures in table reported in the paragraph "A.1.6 On and off-balance sheet credit exposure with banks: gross and net values", Part E - Information on risks and related hedging policies, Section 1 - Credit risk, A. Credit quality, Quantitative information.

## Part B - Balance sheet - Assets

## 4.2 Financial assets at amortised cost: breakdown by product of loans and advances to customers

(€ million)

| TYPE OF TRANSACTIONS/VALUES                                    | AMOUNTS AS AT 31.12.2022 |              |  |               |               |                | AMOUNTS AS AT 31.12.2021 |              |  |               |                |                |  |
|--|--------------------------|--------------|--|---------------|---------------|----------------|--------------------------|--------------|--|---------------|----------------|----------------|--|
|  | BOOK VALUE               |              |  | FAIR VALUE    |               |                | BOOK VALUE               |              |  | FAIR VALUE    |                |                |  |
|  | STAGE 1 AND STAGE 2      | STAGE 3      | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS | LEVEL 1       | LEVEL 2       | LEVEL 3        | STAGE 1 AND STAGE 2      | STAGE 3      | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS | LEVEL 1       | LEVEL 2        | LEVEL 3        |  |
| <b>1. Loans</b>  | <b>189,201</b>           | <b>2,571</b> | -  | -             | <b>84,211</b> | <b>101,753</b> | <b>188,688</b>           | <b>3,772</b> | 1  | -             | <b>81,509</b>  | <b>112,265</b> |  |
| 1.1 Current accounts   | 6,828                    | 146          | -  | X             | X             | X              | 6,523                    | 248          | -  | X             | X              | X              |  |
| 1.2 Reverse repos  | 22,119                   | -            | -  | X             | X             | X              | 16,580                   | -            | -  | X             | X              | X              |  |
| 1.3 Mortgages  | 100,424                  | 1,578        | -  | X             | X             | X              | 104,174                  | 2,440        | 1  | X             | X              | X              |  |
| 1.4 Credit cards and personal loans, including wage assignment | 11,484                   | 166          | -  | X             | X             | X              | 10,438                   | 185          | -  | X             | X              | X              |  |
| 1.5 Lease loans  | 26                       | -            | -  | X             | X             | X              | 53                       | -            | -  | X             | X              | X              |  |
| 1.6 Factoring  | 162                      | 2            | -  | X             | X             | X              | 180                      | 1            | -  | X             | X              | X              |  |
| 1.7 Other loans  | 48,158                   | 679          | -  | X             | X             | X              | 50,740                   | 898          | -  | X             | X              | X              |  |
| <b>2. Debt securities</b>                                      | <b>36,649</b>            | -            | -  | <b>34,024</b> | <b>334</b>    | <b>1,969</b>   | <b>37,986</b>            | -            | -  | <b>37,812</b> | <b>184</b>     | <b>522</b>     |  |
| 2.1 Structured securities                                      | 83                       | -            | -  | -             | -             | 83             | 41                       | -            | -  | -             | -              | 41             |  |
| 2.2 Other debt securities                                      | 36,566                   | -            | -  | 34,024        | 334           | 1,886          | 37,945                   | -            | -  | 37,812        | 184            | 481            |  |
| <b>Total</b>   | <b>225,850</b>           | <b>2,571</b> | -  | <b>34,024</b> | <b>84,545</b> | <b>103,722</b> | <b>226,674</b>           | <b>3,772</b> | <b>1</b>   | <b>37,812</b> | <b>81,693</b>  | <b>112,787</b> |  |
| <b>Total Level 1, Level 2 and Level 3</b>                      |                          |              |  |               |               |                | <b>222,291</b>           |              |  |               | <b>232,292</b> |                |  |

The decrease of impaired loans to customers (Stage 3) is mainly due to the sale initiatives carried out during the first half 2022. For further information refer to the Notes to the accounts, Part E - Information on risks and related hedging policies, Section 1 - Credit risk, Qualitative information.

Debt securities increase due to purchases of bonds mainly issued by Governments.

The item "2.2 Other debt securities" include securities related to securitisation transactions shown in the following table.

It should be noted that during the period, the sales performed out of Item "40. Financial assets at amortised cost" have been non-significant being below the threshold established internally.

The fair value of impaired loans was estimated by considering that the realizable value expressed by the net book value is the best estimate of the future expected cash flows discounted at the valuation date, further adjusted to incorporate, when available, a premium derived from significant market's transaction for similar instruments. According to this assumption, impaired loans were classified as Level 3 in the fair value hierarchy.

Loans and receivables with customers are not managed on the basis of their fair value, which is only shown in order to meet disclosure requirements. Fair value measurements have been classified according to a hierarchy of levels reflection the observability of the valuations input. For further information refer to the paragraph "A.4 - Information on fair value", Notes to the accounts, Part A - Accounting policies.

## Exposures to securities relating to Securitisation transactions

(€ million)

| TRANCHING    | AMOUNTS AS AT 31.12.2022 |
|--------------|--------------------------|
| Senior       | 1,544                    |
| Mezzanine    | -                        |
| Junior       | -                        |
| <b>Total</b> | <b>1,544</b>             |

## Part B - Balance sheet - Assets

## 4.3 Financial assets at amortised cost: breakdown by borrowers/issuers of loans and advances to customers

(€ million)

| TYPE OF TRANSACTIONS/VALUES                     | AMOUNTS AS AT 31.12.2022 |              |  | AMOUNTS AS AT 31.12.2021 |              |  |
|---|--------------------------|--------------|--|--------------------------|--------------|--|
|   | STAGE 1 OR STAGE 2       | STAGE 3      | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS | STAGE 1 OR STAGE 2       | STAGE 3      | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS |
| <b>1. Debt securities</b>                       | <b>36,649</b>            | -            | -  | <b>37,986</b>            | -            | -  |
| a) Governments and other Public Sector Entities | 32,368                   | -            | -  | 35,268                   | -            | -  |
| b) Other financial companies                    | 1,826                    | -            | -  | 209                      | -            | -  |
| <i>of which: insurance companies</i>            | -                        | -            | -  | -                        | -            | -  |
| c) Non-financial companies                      | 2,455                    | -            | -  | 2,509                    | -            | -  |
| <b>2. Loans</b>                                 | <b>189,201</b>           | <b>2,571</b> | -  | <b>188,688</b>           | <b>3,772</b> | <b>1</b>   |
| a) Governments and other Public Sector Entities | 3,600                    | 200          | -  | 3,378                    | 213          | -  |
| b) Other financial companies                    | 49,327                   | 66           | -  | 45,300                   | 120          | -  |
| <i>of which: insurance companies</i>            | 145                      | -            | -  | 569                      | -            | -  |
| c) Non-financial companies                      | 72,932                   | 1,323        | -  | 77,099                   | 1,869        | -  |
| d) Households                                   | 63,342                   | 982          | -  | 62,911                   | 1,570        | 1  |
| <b>Total</b>                                    | <b>225,850</b>           | <b>2,571</b> | -  | <b>226,674</b>           | <b>3,772</b> | <b>1</b>   |

## 4.4 Financial assets at amortised cost: gross value and total accumulated impairments

(€ million)

|                         | GROSS VALUE    |  |               |              |  | TOTAL ACCUMULATED IMPAIRMENTS |              |              |  | PARTIAL ACCUMULATED WRITE-OFFS(*) |
|-------------------------|----------------|--|---------------|--------------|--|-------------------------------|--------------|--------------|--|-----------------------------------|
|                         | STAGE 1        |  | STAGE 2       | STAGE 3      | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS | STAGE 1                       | STAGE 2      | STAGE 3      | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS |                                   |
|                         |                | OF WHICH: INSTRUMENTS WITH LOW CREDIT RISK EXEMPTION |               |              |  |                               |              |              |  |                                   |
| 1. Debt securities      | 50,795         | 49,003   | 97            | 1            | -  | 10                            | 2            | -            | -  | -                                 |
| 2. Loans                | 178,768        | 55,500   | 30,201        | 4,937        | -  | 706                           | 2,037        | 2,367        | -  | 775                               |
| <b>Total 31.12.2022</b> | <b>229,563</b> | <b>104,503</b>                                       | <b>30,298</b> | <b>4,938</b> | <b>-</b>   | <b>716</b>                    | <b>2,039</b> | <b>2,367</b> | <b>-</b>   | <b>775</b>                        |
| <b>Total 31.12.2021</b> | <b>219,750</b> | <b>47,128</b>  | <b>46,663</b> | <b>8,648</b> | <b>5</b>   | <b>411</b>                    | <b>1,954</b> | <b>4,876</b> | <b>4</b>   | <b>1,538</b>                      |

Note:

(\*) Value shown for information purposes.

During the year, further to Investment Grade Bonds, Low Credit Risk Exemption rule for clients with 1 year IFRS9 PD lower than 0.3% has been implemented. This threshold, being a reference value in ECB Asset Quality Review Manual, is also coherent with a risk level of Investment Grade. For additional information on this section refer to the paragraph "A. Credit quality", Note to the accounts, Part E - Information on risks and related hedging policies, Quantitative information.

## 4.4a Financial assets at amortised cost subject to Covid-19 measures: gross value and total accumulated impairments

(€ million)

|   | GROSS VALUE   |  |               |            |   | TOTAL ACCUMULATED IMPAIRMENTS |            |            |   | PARTIAL ACCUMULATED WRITE-OFFS(*) |
|---|---------------|--|---------------|------------|---|-------------------------------|------------|------------|---|-----------------------------------|
|   | STAGE 1       |  | STAGE 2       | STAGE 3    | PURCHASED OR ORIGINATED CREDIT-IMPAIRED | STAGE 1                       | STAGE 2    | STAGE 3    | PURCHASED OR ORIGINATED CREDIT-IMPAIRED |                                   |
|   |               | OF WHICH: INSTRUMENTS WITH LOW CREDIT RISK EXEMPTION |               |            |   |                               |            |            |   |                                   |
| 1. EBA-compliant moratoria loans and advances   | -             | -  | -             | -          | -                                       | -                             | -          | -          | -                                       | -                                 |
| 2. Loans under moratorium no longer compliant to the GL requirements and not valued as forbore exposure | 30            | -  | 3             | -          | -                                       | -                             | -          | -          | -                                       | -                                 |
| 3. Loans and advances with other forbearance measures   | -             | -  | 26            | 6          | -                                       | -                             | 1          | 1          | -                                       | -                                 |
| 4. Newly originated loans and advances  | 16,807        | -  | 4,702         | 300        | -                                       | 10                            | 17         | 81         | -                                       | -                                 |
| <b>Total 31.12.2022</b>   | <b>16,837</b> | <b>-</b>   | <b>4,731</b>  | <b>306</b> | <b>-</b>                                | <b>10</b>                     | <b>18</b>  | <b>82</b>  | <b>-</b>                                | <b>-</b>                          |
| <b>Total 31.12.2021</b>   | <b>15,078</b> | <b>-</b>   | <b>11,566</b> | <b>907</b> | <b>-</b>                                | <b>17</b>                     | <b>344</b> | <b>307</b> | <b>-</b>                                | <b>-</b>                          |

## Part B - Balance sheet - Assets

## Section 5 - Hedging derivatives - Item 50

## 5.1 Hedging derivatives: breakdown by hedged risk and fair value hierarchy

(€ million)

|   | AMOUNTS AS AT 31.12.2022 |         |         |                 | AMOUNTS AS AT 31.12.2021 |         |         |                 |
|---|--------------------------|---------|---------|-----------------|--------------------------|---------|---------|-----------------|
|   | FAIR VALUE               |         |         | NOTIONAL AMOUNT | FAIR VALUE               |         |         | NOTIONAL AMOUNT |
|   | LEVEL 1                  | LEVEL 2 | LEVEL 3 |                 | LEVEL 1                  | LEVEL 2 | LEVEL 3 |                 |
| <b>A. Financial derivatives</b>           | 177                      | 13,564  | -       | 252,457         | 38                       | 4,324   | -       | 250,560         |
| 1) Fair value                             | 177                      | 11,792  | -       | 235,255         | 38                       | 3,608   | -       | 226,933         |
| 2) Cash flows                             | -                        | 1,772   | -       | 17,202          | -                        | 716     | -       | 23,627          |
| 3) Net investment in foreign subsidiaries | -                        | -       | -       | -               | -                        | -       | -       | -               |
| <b>B. Credit derivatives</b>              | -                        | -       | -       | -               | -                        | -       | -       | -               |
| 1) Fair value                             | -                        | -       | -       | -               | -                        | -       | -       | -               |
| 2) Cash flows                             | -                        | -       | -       | -               | -                        | -       | -       | -               |
| <b>Total</b>                              | 177                      | 13,564  | -       | 252,457         | 38                       | 4,324   | -       | 250,560         |

**Total Level 1, Level 2 and Level 3** | 13,741 | 4,362

Fair value evolution of outstanding derivatives, further to volumes, is also influenced by growing dynamic of interest rates . Valuations at fair value were classified according to a hierarchy of levels reflecting the observability of the inputs used in the measurements. For further information see the paragraph "A.4 - Information on fair value", Notes to the accounts, Part A - Accounting policies.

## 5.2 Hedging derivatives: composition for covered portfolios and by type of hedging

(€ million)

| TRANSACTIONS/TYPE OF HEDGES  | AMOUNTS AS AT 31.12.2022                   |                   |             |             |        |             |       |             |             |             |
|--|--|-------------------|-------------|-------------|--------|-------------|-------|-------------|-------------|-------------|
|  | FAIR VALUE                                 |                   |             |             |        |             |       | CASH FLOW   |             |             |
|  | MICRO-HEDGE                                |                   |             |             |        |             |       | MACRO-HEDGE | MICRO-HEDGE | MACRO-HEDGE |
| DEBT SECURITIES AND INTEREST RATES RISK                              | EQUITY INSTRUMENTS AND EQUITY INDICES RISK | CURRENCY AND GOLD | CREDIT RISK | COMMODITIES | OTHERS | MACRO-HEDGE |       |             |             |             |
| 1. Financial assets at fair value through other comprehensive income | 1,708                                      | -                 | -           | -           | X      | X           | X     | -           | X           | X           |
| 2. Financial assets at amortised cost                                | 4,291                                      | X                 | -           | -           | X      | X           | X     | -           | X           | X           |
| 3. Portfolio   | X  | X                 | X           | X           | X      | X           | 5,138 | X           | 941         | X           |
| 4. Other transactions  | -  | -                 | 17          | -           | -      | -           | X     | -           | X           | -           |
| <b>Total assets</b>  | 5,999                                      | -                 | 17          | -           | -      | -           | 5,138 | -           | 941         | -           |
| 1. Financial liabilities   | -  | X                 | -           | -           | -      | -           | X     | -           | X           | X           |
| 2. Portfolio   | X  | X                 | X           | X           | X      | X           | 815   | X           | 831         | X           |
| <b>Total liabilities</b>   | -  | -                 | -           | -           | -      | -           | 815   | -           | 831         | -           |
| 1. Expected transactions   | X  | X                 | X           | X           | X      | X           | X     | -           | X           | X           |
| 2. Financial assets and liabilities portfolio                        | X  | X                 | X           | X           | X      | X           | -     | X           | -           | -           |



## Part B - Balance sheet - Assets

## Section 6 - Changes in fair value of portfolio hedged items - Item 60

## 6.1 Changes to macro-hedged financial assets: breakdown by hedged portfolio

(€ million)

| CHANGES TO HEDGED ASSETS/GROUP COMPONENTS                            | AMOUNTS AS AT  |              |
|--|----------------|--------------|
|  | 31.12.2022     | 31.12.2021   |
| <b>1. Positive changes</b>   | <b>1,139</b>   | <b>2,331</b> |
| 1.1 Of specific portfolios   | -              | -            |
| a) Financial assets at amortised cost                                | -              | -            |
| b) Financial assets at fair value through other comprehensive income | -              | -            |
| 1.2 Overall  | 1,139          | 2,331        |
| <b>2. Negative changes</b>   | <b>5,100</b>   | <b>973</b>   |
| 2.1 Of specific portfolios   | -              | -            |
| a) Financial assets at amortised cost                                | -              | -            |
| b) Financial assets at fair value through other comprehensive income | -              | -            |
| 2.2 Overall  | 5,100          | 973          |
| <b>Total</b>   | <b>(3,961)</b> | <b>1,358</b> |

Change in the item is mainly attributable to the evolution in the markets interest rate curves observed in 2022.

## Part B - Balance sheet - Assets

## Section 7 - Equity investments - Item 70

## 7.1 Equity: information on shareholder's equity

| COMPANY NAME           | MAIN OFFICE LEGAL   | MAIN OFFICE OPERATIVE <sup>(1)</sup> | EQUITY % <sup>(2)</sup> | VOTING RIGHTS % |         |
|------------------------|---|--------------------------------------|-------------------------|-----------------|---------|
| <b>A. Subsidiaries</b> |   |                                      |                         |                 |         |
| 1                      | ANTHEMIS EVO LLP  | LONDON                               | LONDON                  | 99.99%          | 100.00% |
| 2                      | AO UNICREDIT BANK   | MOSCOW                               | MOSCOW                  | 100.00%         |         |
| 3                      | CORDUSIO SOCIETA' FIDUCIARIA PER AZIONI                   | MILAN                                | MILAN                   | 100.00%         |         |
| 4                      | EBS FINANCE S.R.L.  | MILAN                                | MILAN                   | 100.00%         |         |
| 5                      | NUOVA COMPAGNIA DI PARTECIPAZIONI SPA                     | ROME                                 | ROME                    | 100.00%         |         |
| 6                      | PAI (BERMUDA) LIMITED                                     | HAMILTON                             | HAMILTON                | 100.00%         |         |
| 7                      | PAI MANAGEMENT LTD  | DUBLIN                               | DUBLIN                  | 100.00%         |         |
| 8                      | PIRTA VERWALTUNGS GMBH                                    | VIENNA                               | VIENNA                  | 100.00%         |         |
| 9                      | SOFIGERE SOCIETE PAR ACTIONS SIMPLIFIEE (IN LIQUIDAZIONE) | PARIS                                | PARIS                   | 100.00%         |         |
| 10                     | UNICREDIT BANK A.D. BANJA LUKA                            | BANJA LUKA                           | BANJA LUKA              | 99.61%          |         |
| 11                     | UNICREDIT BANK AG   | MUNICH                               | MUNICH                  | 100.00%         |         |
| 12                     | UNICREDIT BANK AUSTRIA AG                                 | VIENNA                               | VIENNA                  | 100.00%         |         |
| 13                     | UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.          | PRAGUE                               | PRAGUE                  | 100.00%         |         |
| 14                     | UNICREDIT BANK HUNGARY ZRT.                               | BUDAPEST                             | BUDAPEST                | 100.00%         |         |
| 15                     | UNICREDIT BANK S.A.                                       | BUCHAREST                            | BUCHAREST               | 98.63%          |         |
| 16                     | UNICREDIT BANK SERBIA JSC                                 | BELGRADE                             | BELGRADE                | 100.00%         |         |
| 17                     | UNICREDIT BANKA SLOVENIJA D.D.                            | LJUBLJANA                            | LJUBLJANA               | 100.00%         |         |
| 18                     | UNICREDIT BPC MORTGAGE S.R.L.                             | VERONA                               | VERONA                  | 60.00%          |         |
| 19                     | UNICREDIT BULBANK AD                                      | SOFIA                                | SOFIA                   | 99.45%          |         |
| 20                     | UNICREDIT CONSUMER FINANCING IFN S.A.                     | BUCHAREST                            | BUCHAREST               | 49.90%          |         |
| 21                     | UNICREDIT FACTORING SPA                                   | MILAN                                | MILAN                   | 100.00%         |         |
| 22                     | UNICREDIT GLOBAL LEASING EXPORT GMBH                      | VIENNA                               | VIENNA                  | 100.00%         |         |
| 23                     | UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA              | LUXEMBOURG                           | LUXEMBOURG              | 100.00%         |         |
| 24                     | UNICREDIT LEASING SPA                                     | MILAN                                | MILAN                   | 100.00%         |         |
| 25                     | UNICREDIT MYAGENTS SRL                                    | BOLOGNA                              | BOLOGNA                 | 100.00%         |         |
| 26                     | UNICREDIT OBG S.R.L.                                      | VERONA                               | VERONA                  | 60.00%          |         |
| 27                     | UNICREDIT SERVICES GMBH                                   | VIENNA                               | VIENNA                  | 100.00%         |         |
| 28                     | UNICREDIT SUBITO CASA SPA                                 | MILAN                                | MILAN                   | 100.00%         |         |
| 29                     | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH                 | VIENNA                               | VIENNA                  | 100.00%         |         |
| 30                     | VISCONTI SRL  | MILAN                                | MILAN                   | 76.00%          |         |
| 31                     | ZAGREBACKA BANKA D.D.                                     | ZAGREB                               | ZAGREB                  | 96.19%          |         |

## Part B - Balance sheet - Assets

continued: 7.1 Equity: information on shareholder's equity

| COMPANY NAME                                    | MAIN OFFICE LEGAL                             | MAIN OFFICE OPERATIVE <sup>(*)</sup> | EQUITY % <sup>(**)</sup> | VOTING RIGHTS % |        |
|---|---|--------------------------------------|--------------------------|-----------------|--------|
| <b>C. Companies under significant influence</b> |   |                                      |                          |                 |        |
| 1   | ASSET BANCARI II                              | MILAN                                | MILAN                    | 21.55%          |        |
| 2   | CAMFIN S.P.A.                                 | MILAN                                | MILAN                    | 8.53%           | 15.82% |
| 3   | CNP UNICREDIT VITA S.P.A.                     | MILAN                                | MILAN                    | 45.30%          |        |
| 4   | COMPAGNIA AEREA ITALIANA S.P.A.               | ROME                                 | ROME                     | 36.59%          |        |
| 5   | EUROPROGETTI & FINANZA S.R.L. IN LIQUIDAZIONE | ROME                                 | ROME                     | 39.79%          |        |
| 6   | INCONTRA ASSICURAZIONI S.P.A.                 | MILAN                                | MILAN                    | 49.00%          |        |
| 7   | MACCORP ITALIANA SPA                          | MILAN                                | MILAN                    | 35.35%          |        |
| 8   | UNICREDIT ALLIANZ ASSICURAZIONI S.P.A.        | MILAN                                | MILAN                    | 50.00%          |        |
| 9   | UNICREDIT ALLIANZ VITA S.P.A.                 | MILAN                                | MILAN                    | 50.00%          |        |
| 10  | UNIQLEGAL SOCIETA' TRA AVVOCATI PER AZIONI    | MILAN                                | MILAN                    | 9.00%           |        |
| 11  | VALUE TRANSFORMATION SERVICES SPA             | VERONA                               | MILAN                    | 49.00%          |        |

**Notes:**

(\*) Also meaning the administrative office.

(\*\*) The equity stake is held by the Parent Company and does not include any stake held by other Group companies.

UNICREDIT BANK AUSTRIA AG: A fractional share is held by third parties.

UNICREDIT CONSUMER FINANCING IFN S.A.: The remaining share of 50.10% is held indirectly by UniCredit Bank S.A.

ASSET BANCARI II: It is a real estate closed-end investment fund.

MACCORP ITALIANA SPA: holds also 50% of the Equity Instruments issued by the company.

Subsidiaries no more include UniCredit Services S.C.p.A. (booked for €289 million at December 2021), Cordusio SIM (booked for €61 million at December 2021) and Crivelli S.r.l. (booked for €26 million) following the business combinations under common control realized in 2022 the brought to their merge into UniCredit S.p.A. It's newly included UniCredit Leasing S.p.A. for €498 million (exposed as asset held for sale as at December 2021), after the decision not to proceed to its sale. Due to UniCredit Services S.C.p.A. merge, UniCredit Services GMBH (€50 million) is now included.

Subsidiaries under significant influence non more include CNP Vita Assicura S.p.A. (booked for €186 million at December 2021) following its sale, while, due to UniCredit Services S.C.p.A. merge, is now included and Value Transformation Services S.p.A. (€3 million).

**Valuation of investment in subsidiaries**

The investments are individually tested for impairment in accordance with the provisions of IAS36. When the conditions provided for therein apply, their recovery value is determined, meant as the higher of their "fair value" and "value in use" (the latter determined by discounting the cash flows at a rate that takes account of the current market rates and the specific risks of the asset or using other commonly accepted valuation criteria and methods suitable for the correct valuation of the investment). If the recovery value is lower than the carrying amount, the latter is consequently reduced by allocating the corresponding impairment loss to the income statement.

On the basis of the above impairment loss has been recognised in subsidiaries, including: UniCredit Bank Austria AG (-€988 million), AO UniCredit Bank (-€939 million), Nuova Compagnia di Partecipazioni S.p.A. (-€4 million), UniCredit Turn Around Management Cee GmbH (-€2 million), Maccorp Italiana S.p.A. (-€2 million). Further, some write-ups have been recognised, including: UniCredit Bank AG (€1,568 million), UniCredit Leasing S.p.A. (€183 million), CNP UniCredit Vita S.p.A. (€6 million), UniCredit International Luxembourg S.A. (€3 million).

The item Equity investments is equal to €38,569 million of which €717 million related to investments in associates and €37,852 million related to investments in subsidiaries.

In accordance with the IAS27 principle these investments are held at cost net of impairment losses determined in compliance with the IAS36 principle. According to this International Accounting Standard, equity investments must be subject to an impairment test whenever there is objective evidence that events have taken place which may have decreased their value. According to the relevant standard, the impairment test shall be carried out by comparing the carrying amount of each equity investments with its recoverable amount. If the latter value is found to be lower than the carrying amount an impairment must be recognised. On the contrary, should the recoverable amount be found to be higher than the carrying amount, the latter cannot be modified unless an impairment was recognised in previous periods. In this case, a reversal of previous impairment must be recognised for the difference between the recoverable amount and carrying amount and the reversal cannot exceed impairment recognised in previous periods.

With reference to investments in subsidiaries, it should be noted that the recoverable amount is generally determined through the discounting of future cash flows at an appropriate discount rate as explained in the section "Estimating cash flows to determine the value in use of investments in subsidiaries".

## Part B - Balance sheet - Assets

For some investments, the future cash flows expected to be received from the subsidiary are not deemed to be appropriate for the computation of the recoverable amount, generally due to the fact that their contribution to Group profitability is not expected to take place through the distribution of dividends but rather through the provision of specific services to other companies in the Group with the aim of reducing the costs that these companies incur into in order to perform their business. In cases such as these the recoverable amount has been generally determined based on the net equity of the investment.

On 31 December 2022 net write downs were recognised on investments in subsidiaries for -€179 million, mainly due to the impairment recognised on UniCredit Bank Austria and AO UniCredit Bank, in part offset by the reversal recognised on UniCredit Bank AG.

With reference to investments in associates net reversal for €3 million was recognised.

### Estimating cash flows to determine the value in use of investments in subsidiaries

#### Projections

The set of projections employed for the impairment test of investments in subsidiaries as of 31 December 2022 was based around two alternative scenarios, to reflect the volatility and uncertainty underlying the current macroeconomic environment. The two scenarios were articulated as follows:

- “Mild recession” scenario based on the financial forecasts (Net Profit and RWA) underlying the 2023 budget and the 2024 and 2025 multi-year projections;
- “Severe recession” scenario less favourable than the “Mild recession” scenario, reflecting lowered 2023-2025 macroeconomic forecasts to take into account the higher risks part of the current uncertain context.

For a description of the assumptions underlying the “Mild recession” and “Severe recession” scenarios refer to the paragraph “Section 2 - General preparation criteria” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part A - Accounting policies.

#### Impairment test model

The calculation of the value in use for impairment testing purposes was carried out using a Dividend Discount Model (DDM). The free cash flows to equity were determined by subtracting from Net Profit (gross of minority interests) the annual capital requirement generated by changes in risk-weighted assets (RWA). The capital requirement is defined as the level of capitalisation that the Group aims to achieve in the long term, also in light of the minimum regulatory capital requirements currently in place.

The DDM model employed is based on three stages with an explicit forecast period, an intermediate period and a terminal value. Due to the employment of the two scenarios described above the model was set-up in different ways in the various stages.

| PERIOD                                 | “BASE” SCENARIO  | “DOWNTURN” SCENARIO  |
|--|--|--|
| <b>Explicit forecast (2023 - 2025)</b> | Financial forecasts underlying the 2023 budget and the 2024, 2025 multi-year projections   | Financial forecasts derived from the macroeconomic scenario underlying the “Severe recession” scenario.  |
| <b>Intermediate (2026 - 2030)</b>      | Financial projections extrapolated by applying to the last year of the explicit forecast period (2025) growth rates converging to that of the “terminal value”.<br>The application of an intermediate period aims to allow a normalisation in the nominal growth rate of Net Profit and RWA before their convergence to terminal value, since the Group operates in different geographical areas and business segments and these are characterised by different risk profiles and growth prospects.<br>For subsidiaries in Italy, Germany and Austria the growth rates for the intermediate period are defined considering a conservative cap. | Financial projections extrapolated by applying to the last year of the explicit forecast period (2025) a fixed growth rate equal to the nominal long term growth rate. |
| <b>Terminal value</b>                  | Derived through a nominal long term growth rate of 2%. The average growth rate of real GDP in the Eurozone from 2001 to 2021 was 1.1%. The nominal rate of 2%, corresponding to approximately 0% in real terms, was chosen for cautionary reasons.   | Derived through a nominal long term growth rate of 2%.   |

With reference to the current macro-economic context in Russia, a specific adjustment has been made to the financial flows present in the DDM model used for the AO UniCredit Bank shareholding. In particular, a conservative hypothesis was defined which foresees to start paying dividends in 2025 in the “Mild Recession” scenario and in 2030 in the “Severe recession” scenario.

## Part B - Balance sheet - Assets

### Discount rates and regulatory capital targets

Future financial flows were discounted using an estimate of the discount rate incorporating in the cost of equity the various risk factors linked to each business sector. This discount rate is a nominal rate, net of taxes.

In particular, the cost of equity for each subsidiary in the "Mild recession" scenario is assessed with the Capital Asset Pricing Model as the sum of the following items:

- Risk Free Rate: equal to the expected one-year average yield of the benchmark government bond of the reference country (local currency approach, maturity: 10 years), alternative references are used for countries lacking appropriate government issuances;
- Equity Risk Premium: given by the product of the following items:
  - UniCredit Beta ( $\beta$ ): measures the sensitivity of UniCredit shares to variations in the reference market, assessed over a 5 year period;
  - Market Risk Premium: estimated by Professor Damodaran as the difference between the return of US stock and bond markets since 1928 (geometric mean).

A further parameter used to determine the initial allocated capital and its evolution over time is the Common Equity Tier 1 ratio target. A target Common Equity Tier 1 ratio coherent with the Group target was employed for all subsidiaries.

### Results of the impairment test

The results of the two scenarios were weighted differently to reflect their different probability of taking place. Specifically, the results from the "Mild recession" scenario, considered the most probable scenario, were weighted at 60% while the "Severe recession" scenario was weighted at 40%.

The investment in subsidiaries impairment test performed in the 2022 period led to an impairment of €50 million. The table below shows the result of the test for the subsidiaries with carrying value before the test above €1 billion.

| COMPANY NAME                                | CARRYING AMOUNT AS OF 31 DECEMBER 2021 | IMPAIRMENT/ REVERSAL OF IMPAIRMENT FOLLOWING THE IMPAIRMENT TEST | CARRYING AMOUNT AFTER THE IMPAIRMENT TEST |
|---|--|--|---|
| UNICREDIT BANK AG                           | 17,624                                 | 1,568  | 19,191                                    |
| UNICREDIT BANK AUSTRIA AG                   | 9,494                                  | (988)  | 8,505                                     |
| UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA  | 2,029                                  | -  | 2,029                                     |
| AO UNICREDIT BANK                           | 1,837                                  | (813)  | 1,024                                     |
| ZAGREBACKA BANKA D.D. ZAGREB <sup>(*)</sup> | 1,699                                  | -  | 2,005                                     |
| UNICREDIT BULBANK AD                        | 1,291                                  | -  | 1,291                                     |

#### Note:

(\*) It should be noted that with reference to Zagrebacka Banka D.D. Zagreb further investments took place during 2022 for €306 million

It must be underlined that the parameters and information used to verify the recoverability of carrying values (in particular the expected cash flows for the various subsidiaries, and the discount rates applied) are significantly influenced by the macroeconomic and market situation, which may be subject to changes which are not currently predictable. In the coming reporting periods the effect of such changes, alongside potential changes in corporate strategies, could therefore lead to a review of the estimated cash flows of the various subsidiaries and of the assumptions on the main financial parameters (discount rates, expected growth rates, Common Equity Tier 1 ratio, etc.) and these could impact the results of future impairment tests.

### Sensitivity analysis

Following the employment of two scenarios for the impairment test of investments in subsidiaries as of 31 December 2022, an analysis on the sensitivity of the test result to changes in the weights of the two scenarios was carried out. The results of this analysis for subsidiaries with carrying value before the test above €1 billion are reported below.

| COMPANY NAME                               | CHANGE IN THE IMPAIRMENT/REVERSAL OF IMPAIRMENT OF THE SUBSIDIARY WITH AN INCREASE OF 5% IN THE WEIGHT OF THE "BASE" SCENARIO |
|--|---|
| UNICREDIT BANK AG                          | -   |
| UNICREDIT BANK AUSTRIA AG                  | 81  |
| UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA | -   |
| AO UNICREDIT BANK                          | 45  |
| ZAGREBACKA BANKA D.D. ZAGREB               | -   |
| UNICREDIT BULBANK AD                       | -   |

## Part B - Balance sheet - Assets

## 7.5 Equity investments: annual changes

|  | CHANGES IN    |               |
|--|---------------|---------------|
|  | 2022          | 2021          |
| <b>A. Opening balance</b>              | <b>38,729</b> | <b>33,725</b> |
| <b>B. Increases</b>                    | <b>2,342</b>  | <b>8,001</b>  |
| <i>of which: business combinations</i> | 53            | -             |
| B.1 Purchases                          | 433           | 19            |
| B.2 Write-backs                        | 1,761         | 7,982         |
| B.3 Revaluation                        | -             | -             |
| B.4 Other changes                      | 148           | -             |
| <b>C. Decreases</b>                    | <b>2,502</b>  | <b>2,997</b>  |
| <i>of which: business combinations</i> | 376           | 1,975         |
| C.1 Sales                              | 379           | 1,976         |
| C.2 Write-downs                        | 1,937         | 650           |
| C.3 Impairment                         | -             | -             |
| C.4 Other changes                      | 186           | 371           |
| <b>D. Closing balance</b>              | <b>38,569</b> | <b>38,729</b> |
| <b>E. Total revaluation</b>            | <b>-</b>      | <b>-</b>      |
| <b>F. Total write-downs</b>            | <b>10,612</b> | <b>8,471</b>  |

Reductions due to business combinations include the effects of the merge into UniCredit S.p.A. of UniCredit Services S.C.p.A, Cordusio SIM. and Crivelli S.R.L. occurred during the year.

## Section 8 - Property, plant and equipment - Item 80

With reference to the description of effects produced by update of appraisals conducted for fair value evaluation of respective assets, reference is made to the paragraph "Section 9 - Property, plant and equipment - item 90" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part B - Consolidated balance sheet - Assets, which is herewith quoted entirely for the information related to UniCredit S.p.A.

## 8.1 Property, plant and equipment used in the business: breakdown of assets carried at cost

| ASSETS/VALUES  | AMOUNTS AS AT |              |
|--|---------------|--------------|
|  | 31.12.2022    | 31.12.2021   |
| <b>1. Owned assets</b>                                     | <b>424</b>    | <b>291</b>   |
| a) Land  | -             | -            |
| b) Buildings   | -             | -            |
| c) Office furniture and fitting                            | 48            | 42           |
| d) Electronic systems                                      | 311           | 173          |
| e) Other   | 65            | 76           |
| <b>2. Right of use of Leased Assets</b>                    | <b>910</b>    | <b>947</b>   |
| a) Land  | -             | -            |
| b) Buildings   | 902           | 938          |
| c) Office furniture and fitting                            | -             | -            |
| d) Electronic systems                                      | -             | -            |
| e) Other   | 8             | 9            |
| <b>Total</b>   | <b>1,334</b>  | <b>1,238</b> |
| <i>of which: obtained by the enforcement of collateral</i> | -             | -            |

The item includes effects of UniCredit Services S.C.p.A. and Crivelli S.R.L. business combinations.

## 8.2 Property, plant and equipment held for investment: breakdown of assets carried at cost

No data to be disclosed.

## Part B - Balance sheet - Assets

## 8.3 Property, plant and equipment used in the business: breakdown of revalued assets

(€ million)

| ASSETS/VALUES  | AMOUNTS AS AT 31.12.2022 |         |              | AMOUNTS AS AT 31.12.2021 |         |              |
|--|--------------------------|---------|--------------|--------------------------|---------|--------------|
|  | LEVEL 1                  | LEVEL 2 | LEVEL 3      | LEVEL 1                  | LEVEL 2 | LEVEL 3      |
| <b>1. Owned assets</b>                                     | -                        | -       | <b>2,388</b> | -                        | -       | <b>2,339</b> |
| a) Land  | -                        | -       | 863          | -                        | -       | 844          |
| b) Buildings   | -                        | -       | 1,525        | -                        | -       | 1,495        |
| c) Office furniture and fitting                            | -                        | -       | -            | -                        | -       | -            |
| d) Electronic systems                                      | -                        | -       | -            | -                        | -       | -            |
| e) Other   | -                        | -       | -            | -                        | -       | -            |
| <b>2. Right of use of Leased Assets</b>                    | -                        | -       | -            | -                        | -       | -            |
| a) Land  | -                        | -       | -            | -                        | -       | -            |
| b) Buildings   | -                        | -       | -            | -                        | -       | -            |
| c) Office furniture and fitting                            | -                        | -       | -            | -                        | -       | -            |
| d) Electronic systems                                      | -                        | -       | -            | -                        | -       | -            |
| e) Other   | -                        | -       | -            | -                        | -       | -            |
| <b>Total</b>   | -                        | -       | <b>2,388</b> | -                        | -       | <b>2,339</b> |
| <i>of which: obtained by the enforcement of collateral</i> | -                        | -       | -            | -                        | -       | -            |
| <b>Total Level 1, Level 2 and Level 3</b>                  |                          |         | <b>2,388</b> |                          |         | <b>2,339</b> |

## 8.4 Property, plant and equipment held for investment: breakdown of assets designated at fair value

(€ million)

| ASSETS/VALUES  | AMOUNTS AS AT 31.12.2022 |         |            | AMOUNTS AS AT 31.12.2021 |         |            |
|--|--------------------------|---------|------------|--------------------------|---------|------------|
|  | LEVEL 1                  | LEVEL 2 | LEVEL 3    | LEVEL 1                  | LEVEL 2 | LEVEL 3    |
| <b>1. Owned assets</b>                                     | -                        | -       | <b>189</b> | -                        | -       | <b>229</b> |
| a) Land  | -                        | -       | 63         | -                        | -       | 77         |
| b) Buildings   | -                        | -       | 126        | -                        | -       | 152        |
| <b>2. Right of use of Leased Assets</b>                    | -                        | -       | -          | -                        | -       | -          |
| a) Land  | -                        | -       | -          | -                        | -       | -          |
| b) Buildings   | -                        | -       | -          | -                        | -       | -          |
| <b>Total</b>   | -                        | -       | <b>189</b> | -                        | -       | <b>229</b> |
| <i>of which: obtained by the enforcement of collateral</i> | -                        | -       | -          | -                        | -       | -          |
| <b>Total Level 1, Level 2 and Level 3</b>                  |                          |         | <b>189</b> |                          |         | <b>229</b> |

## 8.5 Inventories of tangible assets regulated by IAS2: breakdown

The Company does not have tangible assets to be recorded according to IAS2.

## Part B - Balance sheet - Assets

## 8.6 Tangible assets used in the business: annual changes

(€ million)

|   | CHANGES IN 2022 |              |                                     |                       |            | TOTAL        |
|---|-----------------|--------------|-------------------------------------|-----------------------|------------|--------------|
|   | LANDS           | BUILDINGS    | OFFICE<br>FURNITURE AND<br>FITTINGS | ELECTRONIC<br>SYSTEMS | OTHER      |              |
| <b>A. Gross opening balance</b>                                       | <b>844</b>      | <b>3,651</b> | <b>678</b>                          | <b>1,358</b>          | <b>492</b> | <b>7,023</b> |
| A.1 Total net reduction in value                                      | -               | (1,219)      | (636)                               | (1,185)               | (406)      | (3,446)      |
| A.2 Net opening balance   | 844             | 2,432        | 42                                  | 173                   | 86         | 3,577        |
| <b>B. Increases</b>   | <b>29</b>       | <b>449</b>   | <b>15</b>                           | <b>235</b>            | <b>14</b>  | <b>742</b>   |
| B.1 Purchases   | 14              | 324          | 15                                  | 235                   | 14         | 602          |
| <i>of which: business combinations</i>                                | 14              | 202          | 2                                   | 130                   | 1          | 349          |
| B.2 Capitalised expenditure on improvements                           | -               | 44           | -                                   | -                     | -          | 44           |
| B.3 Write-backs   | -               | 11           | -                                   | -                     | -          | 11           |
| B.4 Increases in fair value   | 14              | 50           | -                                   | -                     | -          | 64           |
| a) In equity  | 8               | 47           | -                                   | -                     | -          | 55           |
| b) Through profit or loss   | 6               | 3            | -                                   | -                     | -          | 9            |
| B.5 Positive exchange differences                                     | -               | -            | -                                   | -                     | -          | -            |
| B.6 Transfer from properties held for investment                      | 2               | 6            | X                                   | X                     | X          | 8            |
| B.7 Other changes   | (1)             | 14           | -                                   | -                     | -          | 13           |
| <b>C. Reductions</b>  | <b>10</b>       | <b>454</b>   | <b>9</b>                            | <b>97</b>             | <b>27</b>  | <b>597</b>   |
| C.1 Disposals   | -               | 4            | -                                   | -                     | -          | 4            |
| <i>of which: business combinations</i>                                | -               | -            | -                                   | -                     | -          | -            |
| C.2 Depreciation  | -               | 250          | 9                                   | 93                    | 26         | 378          |
| C.3 Impairment losses   | -               | 18           | -                                   | 3                     | -          | 21           |
| a) In equity  | -               | -            | -                                   | -                     | -          | -            |
| b) Through profit or loss   | -               | 18           | -                                   | 3                     | -          | 21           |
| C.4 Reduction of fair value   | 5               | 13           | -                                   | -                     | -          | 18           |
| a) In equity  | 3               | 12           | -                                   | -                     | -          | 15           |
| b) Through profit or loss   | 2               | 1            | -                                   | -                     | -          | 3            |
| C.5 Negative exchange differences                                     | -               | -            | -                                   | -                     | -          | -            |
| C.6 Transfer to   | 5               | 12           | -                                   | -                     | -          | 17           |
| a) Property, plant and equipment held for investment                  | 5               | 11           | X                                   | X                     | X          | 16           |
| b) Non-current assets and disposal groups classified as held for sale | -               | 1            | -                                   | -                     | -          | 1            |
| C.7 Other changes   | -               | 157          | -                                   | 1                     | 1          | 159          |
| <b>D. Net final balance</b>   | <b>863</b>      | <b>2,427</b> | <b>48</b>                           | <b>311</b>            | <b>73</b>  | <b>3,722</b> |
| D.1 Total net reduction in value                                      | -               | (1,464)      | (662)                               | (1,839)               | (422)      | (4,387)      |
| D.2 Gross closing balance   | 863             | 3,891        | 710                                 | 2,150                 | 495        | 8,109        |
| <b>E. Carried at cost</b>   | <b>854</b>      | <b>1,469</b> | <b>-</b>                            | <b>-</b>              | <b>-</b>   | <b>2,323</b> |



## Part B - Balance sheet - Assets

## 8.7 Tangible assets held for investment: annual changes

|   | CHANGES IN 2022 |           |       |
|---|-----------------|-----------|-------|
|   | LANDS           | BUILDINGS | TOTAL |
| <b>A. Opening balances</b>  | 77              | 153       | 230   |
| <b>B. Increases</b>   | 7               | 22        | 29    |
| B.1 Purchases   | -               | -         | -     |
| <i>of which: business combinations</i>                                | -               | -         | -     |
| B.2 Capitalised expenditure on improvements                           | -               | 1         | 1     |
| B.3 Increases in fair value   | 2               | 10        | 12    |
| B.4 Write-backs   | -               | -         | -     |
| B.5 Positive exchange differences                                     | -               | -         | -     |
| B.6 Transfer from properties used in the business                     | 5               | 11        | 16    |
| B.7 Other changes   | -               | -         | -     |
| <b>C. Reductions</b>  | 21              | 49        | 70    |
| C.1 Disposals   | -               | 1         | 1     |
| <i>of which: business combinations</i>                                | -               | -         | -     |
| C.2 Depreciation  | -               | -         | -     |
| C.3 Reductions in fair value  | 3               | 7         | 10    |
| C.4 Impairment losses   | -               | -         | -     |
| C.5 Negative exchange differences                                     | -               | -         | -     |
| C.6 Transfer to   | 18              | 41        | 59    |
| a) Properties used in the business                                    | 2               | 6         | 8     |
| b) Non-current assets and disposal groups classified as held for sale | 16              | 35        | 51    |
| C.7 Other changes   | -               | -         | -     |
| <b>D. Closing balances</b>  | 63              | 126       | 189   |
| <b>E. Measured at fair value</b>                                      | -               | -         | -     |

## 8.8 Inventories of tangible assets regulated by IAS2: annual changes

No data to be disclosed.

## 8.9 Commitments to purchase property, plant and equipment

At Financial Statement date, Commitments for the purchase of tangible assets do not exist.

## Section 9 - Intangible assets - Item 90

## 9.1 Intangible assets: breakdown by asset type

| ASSETS/VALUES                             | AMOUNTS AS AT 31.12.2022 |                 | AMOUNTS AS AT 31.12.2021 |                 |
|---|--------------------------|-----------------|--------------------------|-----------------|
|   | FINITE LIFE              | INDEFINITE LIFE | FINITE LIFE              | INDEFINITE LIFE |
| <b>A.1 Goodwill</b>                       | X                        | -               | X                        | -               |
| <b>A.2 Other intangible assets</b>        | 1,641                    | -               | 7                        | -               |
| <i>of which: software</i>                 | 1,641                    | -               | 7                        | -               |
| A.2.1 Assets carried at cost              | 1,641                    | -               | 7                        | -               |
| a) Intangible assets generated internally | 1,456                    | -               | -                        | -               |
| b) Other assets                           | 185                      | -               | 7                        | -               |
| A.2.2 Assets measured at fair value       | -                        | -               | -                        | -               |
| a) Intangible assets generated internally | -                        | -               | -                        | -               |
| b) Other assets                           | -                        | -               | -                        | -               |
| <b>Total</b>                              | 1,641                    | -               | 7                        | -               |
| <b>Total finite and indefinite life</b>   |                          | 1,641           |                          | 7               |

The item increases in respect of 2021 mainly due to UniCredit Services S.C.p.A. business combination.

## Part B - Balance sheet - Assets

## 9.2 Intangible assets: annual changes

(€ million)

|   | CHANGES IN 2022         |                 |             |                 |       | TOTAL         |
|---|-------------------------|-----------------|-------------|-----------------|-------|---------------|
|   | OTHER INTANGIBLE ASSETS |                 |             |                 | TOTAL |               |
|   | GENERATED INTERNALLY    |                 | OTHER       |                 |       |               |
| GOODWILL  | FINITE LIFE             | INDEFINITE LIFE | FINITE LIFE | INDEFINITE LIFE |       |               |
| <b>A. Gross opening balance</b>                         | 7,710                   | -               | -           | 254             | -     | <b>7,964</b>  |
| A.1 Total net reduction in value                        | (7,710)                 | -               | -           | (247)           | -     | (7,957)       |
| <b>A.2 Net opening balance</b>                          | -                       | -               | -           | 7               | -     | <b>7</b>      |
| <b>B. Increases</b>                                     | <b>8</b>                | <b>1,783</b>    | -           | <b>237</b>      | -     | <b>2,028</b>  |
| B.1 Purchases   | 8                       | 1,362           | -           | 237             | -     | 1,607         |
| B.2 Increases in intangible assets generated internally | X                       | 421             | -           | -               | -     | 421           |
| B.3 Write-backs   | X                       | -               | -           | -               | -     | -             |
| B.4 Increases in fair value                             | -                       | -               | -           | -               | -     | -             |
| - In equity   | X                       | -               | -           | -               | -     | -             |
| - Through profit or loss                                | X                       | -               | -           | -               | -     | -             |
| B.5 Positive exchange differences                       | -                       | -               | -           | -               | -     | -             |
| B.6 Other changes                                       | -                       | -               | -           | -               | -     | -             |
| <i>of which: business combinations</i>                  | 8                       | 1,362           | -           | 213             | -     | 1,583         |
| <b>C. Reduction</b>                                     | <b>8</b>                | <b>327</b>      | -           | <b>59</b>       | -     | <b>394</b>    |
| C.1 Disposals   | -                       | -               | -           | -               | -     | -             |
| C.2 Write-downs   | -                       | 327             | -           | 59              | -     | 386           |
| - Amortisation  | X                       | 294             | -           | 56              | -     | 350           |
| - Write-downs   | -                       | 33              | -           | 3               | -     | 36            |
| + In equity   | X                       | -               | -           | -               | -     | -             |
| + Through profit or loss                                | -                       | 33              | -           | 3               | -     | 36            |
| C.3 Reduction in fair value                             | -                       | -               | -           | -               | -     | -             |
| - In equity   | X                       | -               | -           | -               | -     | -             |
| - Through profit or loss                                | X                       | -               | -           | -               | -     | -             |
| C.4 Transfer to non-current assets held for sale        | -                       | -               | -           | -               | -     | -             |
| C.5 Negative exchange differences                       | -                       | -               | -           | -               | -     | -             |
| C.6 Other changes                                       | 8                       | -               | -           | -               | -     | 8             |
| <i>of which: business combinations</i>                  | -                       | -               | -           | -               | -     | -             |
| <b>D. Net closing balance</b>                           | -                       | <b>1,456</b>    | -           | <b>185</b>      | -     | <b>1,641</b>  |
| D.1 Total net write-down                                | (7,710)                 | (2,686)         | -           | (1,747)         | -     | (12,143)      |
| <b>E. Gross closing balance</b>                         | <b>7,710</b>            | <b>4,142</b>    | -           | <b>1,932</b>    | -     | <b>13,784</b> |
| <b>F. Carried at cost</b>                               | -                       | -               | -           | -               | -     | -             |

The increases mainly include:

- third parties software, the capitalised amount of which is indicated under the item administrative expenses;
- internally developed software, the capitalised amount of which is shown under personnel costs
- the remain part consists of licences and software developed by third parties based on technical specifications provided by the Company.

The decreases mainly include:

- depreciation for internally developed software and other software licences;
- impairments on internally developed software.

## Part B - Balance sheet - Assets

## Section 10 - Tax assets and tax liabilities - Item 100 (Assets) and Item 60 (Liabilities)

## 10.1 Deferred tax assets: breakdown

(€ million)

|   | AMOUNTS AS AT |              |
|---|---------------|--------------|
|   | 31.12.2022    | 31.12.2021   |
| <b>Deferred tax assets arising from Italian law 214/2011</b>                | <b>5,691</b>  | <b>6,209</b> |
| <b>Deferred tax assets arising from tax losses</b>                          | <b>2,638</b>  | <b>2,036</b> |
| <b>Deferred tax assets arising from temporary differences</b>               | <b>1,452</b>  | <b>1,529</b> |
| Financial assets and liabilities (different from loans and deposits)        | 42            | 36           |
| Loans and deposits to/from banks and customers                              | 591           | 680          |
| Hedging and hedged item revaluation   | 84            | 57           |
| Property, plant and equipment and intangible assets different from goodwill | 104           | 99           |
| Goodwill and equity investments   | -             | -            |
| Current assets and liabilities held for sale                                | -             | -            |
| Other assets and Other liabilities  | 1             | -            |
| Provisions, pension funds and similar                                       | 630           | 657          |
| Other   | -             | -            |
| <b>Accounting offsetting</b>  | <b>(272)</b>  | <b>(311)</b> |
| <b>Total</b>  | <b>9,509</b>  | <b>9,463</b> |

The item "Deferred tax assets arising from tax losses" also includes the IRAP tax credit deriving from the conversion of the ACE benefit.

## 10.2 Deferred tax liabilities: breakdown

(€ million)

|   | AMOUNTS AS AT |              |
|---|---------------|--------------|
|   | 31.12.2022    | 31.12.2021   |
| <b>Deferred tax liabilities arising from temporary differences</b>          | <b>272</b>    | <b>311</b>   |
| Financial assets and liabilities (different from loans and deposits)        | 87            | 137          |
| Loans and deposits to/from banks and customers                              | -             | -            |
| Hedging and hedged item revaluation   | 92            | 50           |
| Property, plant and equipment and intangible assets different from goodwill | 92            | 120          |
| Goodwill and equity investments   | -             | -            |
| Assets and liabilities held for sale  | -             | -            |
| Other assets and Other liabilities  | -             | 3            |
| Other   | 1             | 1            |
| <b>Accounting offsetting</b>  | <b>(272)</b>  | <b>(311)</b> |
| <b>Total</b>  | <b>-</b>      | <b>-</b>     |

## Part B - Balance sheet - Assets

### Deferred tax assets deriving from Law No.214/2011

The item includes:

- the amount of €2,375 million related to deferred tax assets (for IRES and IRAP) due to the tax release of the value of the equity investments pursuant to Art.23 of D.L. No.98/2011;
- the amount of €966 million related to deferred tax assets (for IRES and IRAP) arising from goodwill tax redemption;
- the amount of €2,350 million related to deferred tax assets (for IRES and IRAP) arising from impairment losses on receivables.

As at 31 December 2022, the total amount of deferred tax assets convertible into tax credits is equal to €5,691 million of which €4,984 million for IRES and €707 million for IRAP.

### Deferred tax assets for the carry-forward of unused tax losses - DTA TLCF

The possibility to book DTA TLCF, against future taxable income, implies an estimate of future economic results; this estimate is based on the execution of a sustainability test, in accordance with the provisions of IAS12.

With reference to the Italian tax group perimeter, starting from 31 December 2019, the sustainability test for both IRES and IRAP has been developed on a 10 years-time length, for testing the DTA on TLCF, deemed coherent to assess sufficient taxable base generation to be used for the offsetting of said deferred taxes.

Considered the 10 years-time horizon and in order to mitigate the effects of the uncertainty inherent the adoption of an approach based also on estimates beyond the plan horizon, it has been adopted a model incorporating a probabilistic component; in particular, in line with ESMA recommendation issued on 15 July 2019, the sustainability test for the determination of future taxable incomes envisages:

- a deterministic approach for the years for which official projections are available, 2023-2025 period in which test has considered the budget forecasts 2023, approved by the Board of Directors (BoD) during the meeting held on 16 January 2023, and the projections related to the period 2024-2025 presented to BoD in the same meeting;
- a statistical approach for the years beyond official projections (2026-2032); this approach is based on the statistical generation of multiple scenarios that lead to generate projections of future taxable income in the test time horizon. In order to define the values of these projections, considering the ESMA recommendation issued on 15 July 2019<sup>111</sup>, the 2025 projection has been set-off from the not current impacts, therefore, according to the approach of the previous tests, as far as possible, objective criteria and realistic assumptions have been adopted, such as:
  - long-term annual growth rate set at 2%, which incorporates an assumption of growth at 0% in real terms, as 2% represents the target rate of price stability<sup>112</sup>;
  - nominal future growth rate with 4% cap applied to pre-tax profit for the first year of projections beyond the deterministic period, which leads to consistency with the long-term annual growth rate of 2% through a linear convergence;
  - a volatility parameter calculated on the historical series since 2007 of the pre-tax results of a significant sample of European banks (data from European Central Bank Statistical Datawarehouse).

Furthermore, in line with IAS12, as well as taking into consideration the ESMA document, a confidence interval has been selected which reflects a probability greater than 50% in relation to the expected tax incomes. In order to define this confidence interval it is necessary to take into consideration the macroeconomic scenario and the coherence of the forecast cash flows estimated with the scenario itself, for example, considering these hypothesis:

- macroeconomic scenarios characterised by high uncertainty, also confirmed by official sources (macroeconomic projections and related comments issued by the European Central Bank);
- cash flows anti-procyclicality compared to macroeconomic scenarios, which do not reflect the negative effects expected from the scenario in the medium-term methodological corrections should be applied to account in order to consider the observed uncertainty. For example, considering the elements mentioned above (macroeconomic uncertainty and anti-procyclicality) it will be appropriate:
  - apply a higher confidence interval than the standard percentage<sup>113</sup> (even directionally consistent with the scenarios used for other assessments<sup>114</sup>);
  - apply a correction to the variability of the historical series of profits before tax of the sample of European banks to reduce the effects of anti-procyclicality<sup>115</sup>.

111 ESMA public statement (32-63-743): "... when assessing the sustainability of future taxable profits, issuers should pay particular attention to non-recurring effects (both positive and negative) in order to assess the likelihood that these may recur".

112 The ECB's Governing Council considers that price stability is best maintained by aiming for a 2% inflation target over the medium term. This target is symmetric, meaning negative and positive deviations of inflation from the target are equally undesirable." (<https://www.ecb.europa.eu/press/pr/date/2021/html/ecb.pr210708-dc78cc4b0d.en.html>).

113 ESMA public statement (32-63-743): "...in assessing whether future taxable profits are likely to be available, issuers should consider all available evidence, both negative and positive. Issuers should determine whether sufficient positive evidence overcomes existing negative evidence and thus the 50% threshold is exceeded.

114 For example, when the positive scenario is not taken into account for the determination of multiple scenarios for credit losses estimated.

115 ESMA public statement (32-63-743): "When estimating future taxable income, ESMA expects issuers not to anticipate or take into account future events which cannot be controlled by them and which are still highly uncertain. These include, for example, future changes in laws or enacted tax rates."

## Part B - Balance sheet - Assets

Given the current macroeconomic scenario characterised by a high level of uncertainty, for a detailed description of such items of uncertainty, refer to the analysis available in the paragraph "Risks and uncertainty relating to the use of estimates" in Part A - Accounting policies, A.1 General, Section 2 - General preparation criteria, and in line with the methodology described above, a confidence interval of 60% was adopted in the test compared to the previous one of 51%. This approach is directionally consistent with the zero weighting of the positive scenario adopted as part of the update of the macroeconomic scenario for the purpose of valuation of the credit exposures. Considering the persistent level of uncertainty that characterizes the macroeconomic scenario in the context of the updates on the parameters, underlying the statistical model, the volatility parameter was kept constant at 7.3, level of the previous 2021 test, in order to mitigate the effects of anti-procyclicality which would have derived from the updating of the historical series of the profit before tax results of the European banks included in the statistical sample.

Finally, the persistent high level of uncertainty that continues to characterise the current macroeconomic scenarios has determined the confirmation also in the current test of the methodology adopted starting from 2020, in line with the ESMA recommendation published on 28 October 2020<sup>116</sup>, and confirmed in the 2021 test which establishes, as also in shareholdings impairment test, the adoption of two scenarios in the process of the forecast cash flows related to DTA sustainability test:

- "base" (mild recession) coherent with the updated Strategic Plan;
- "downturn" (severe recession) deteriorated compared to the "base" scenario, built with macroeconomic forecasts 2023-2025 revised "downturn" to consider the higher risks linked to uncertainty. In this context it was confirmed also the methodology adopted last year for the cash flows forecast in the "downturn" scenario that has assumed in the forecasts after 2025 a constant profit before taxes annual increase equals to long-term annual growth rate set at 2%.

For a description of main assumptions behind "base" and "downturn" scenarios, refer to paragraph "Risks and uncertainty relating to the use of estimates" in Part A - Accounting policies, A.1 General, Section 2 - General preparation criteria.

According to the previous tests, the final results of sustainability test derive from the weighting of the results of both scenarios, assigning a higher weight, equal to 60%, for the "base" scenario that has been considered the most probable.

Consistently with the approach outlined, the sustainability test, performed on the Italian tax group perimeter applying the current ordinary tax rate of 24% and on UniCredit S.p.A. applying the additional tax rate of 3.5%, determined the sustainability of DTA TLCF as at 31 December 2022 for a total amount of €2,492 million, of which: (i) €1,851 million recognised through Income statement and (ii) €641 million recognised through Net equity as they are attributable to transactions recognised through Net equity according to international accounting standards.

With reference to the test results derived from statistical approach, adopted, as previously stated, in the years of projections for which a plan is not available, a sensitivity analysis was run on volatility parameter and on confidence interval; the outcomes of such analysis are the following:

- 0.1 increase of volatility parameter would originate a lower amount of sustainable DTA TLCF equal to €31 million;
- 1% increase of confidence interval would result in €56 million lower amount of sustainable DTA TLCF.

Moreover, regarding the weight assigned to the different scenarios adopted ("base" and "downturn"), the test points out that a 5% increase in "base" scenario weight (meaning 65% weight for "base" and 35% "downturn") would result in a €38 million increase of sustainable DTA TLCF; conversely, a 5% lower weight for "base" scenario (meaning 55% weight for "base" and 45% "downturn") would determine a €38 million decrease of sustainable DTA TLCF.

<sup>116</sup> Esma 32-63-104 Public Statement on European common enforcement priorities for 2020 annual financial reports.

## Part B - Balance sheet - Assets

Further risk elements related to this approach are linked to a possible significant reduction in the tax rate, as well as to any time limits on the recovery of tax assets that may be introduced by changes in the current legislation. However, it is to be kept in mind the substantial invariance of the DTA TLCF for the purposes of the impact on Common Equity Tier 1 Capital, given their regulatory treatment.

The amount of deferred tax assets arising from tax losses not booked is equal to €1,490 million of which (i) €1,257 million (€1,152 million deriving from accounting items originated in the Income statement and €105 million from Net equity components) related to the 24% IRES ordinary tax rate and (ii) €233 million (€218 million deriving from accounting items originated in the Income statement and €15 million from Net equity components) related to the 3.5% IRES additional tax rate.

### Deferred tax assets from temporary differences

With particular reference to deferred tax assets due to temporary differences (€1,450 million booked before the offset against the corresponding deferred tax liabilities), the sustainability test caused the total sustainability of deferred tax assets due to temporary differences, of which: (i) €1,305 million recognised through Income statement and (ii) €145 million recognised through Net equity originated from transactions accrued to Net equity due to IFRS principles.

### 10.3 Deferred tax assets: annual changes (balancing P&L)

|  | (€ million)  |              |
|--|--------------|--------------|
|  | CHANGES IN   |              |
|  | 2022         | 2021         |
| <b>1. Opening balance</b>                                | <b>8,706</b> | <b>8,404</b> |
| <b>2. Increases</b>                                      | <b>1,697</b> | <b>2,507</b> |
| 2.1 Deferred tax assets arisen during the year           | 1,303        | 1,830        |
| a) Relating to previous years                            | 79           | 76           |
| b) Due to change in accounting criteria                  | -            | -            |
| c) Write-backs   | 642          | 1,462        |
| d) Other   | 582          | 292          |
| 2.2 New taxes or increases in tax rates                  | -            | -            |
| 2.3 Other increases                                      | 394          | 677          |
| <b>3. Decreases</b>                                      | <b>1,681</b> | <b>2,206</b> |
| 3.1 Deferred tax assets derecognised during the year     | 1,245        | 1,045        |
| a) Reversals of temporary differences                    | 1,043        | 852          |
| b) Write-downs of non-recoverable items                  | 114          | 38           |
| c) Change in accounting criteria                         | -            | -            |
| d) Other   | 88           | 155          |
| 3.2 Reduction in tax rates                               | -            | -            |
| 3.3 Other decreases                                      | 436          | 1,161        |
| a) Conversion into tax credit under Italian Law 214/2011 | 164          | 850          |
| b) Other   | 272          | 311          |
| <b>4. Closing balance</b>                                | <b>8,722</b> | <b>8,705</b> |

For the portion of deferred tax assets arising from tax losses carried forward to subsequent years, please refer to the table 10.1 of these section of the Notes to the accounts.

The sub-item "2.1 c) Write-backs" reports mainly the effects of the recognition in the income statement of DTA TLCF arising from the results of the sustainability test; the sub-items "2.3 Other increases" and "3.3 Other decreases" b) Other" include the effect of netting DTA/DTL of previous and current year.

## Part B - Balance sheet - Assets

## 10.3bis Deferred tax assets (Italian Law 214/2011): annual changes

|  | CHANGES IN   |              | (€ million) |
|--|--------------|--------------|-------------|
|  | 2022         | 2021         |             |
| <b>1. Opening balance</b>                | <b>6,209</b> | <b>7,355</b> |             |
| <b>2. Increases</b>                      | <b>16</b>    | <b>-</b>     |             |
| <b>3. Decreases</b>                      | <b>534</b>   | <b>1,146</b> |             |
| 3.1 Reversals of temporary differences   | 370          | 296          |             |
| 3.2 Conversion into tax credits          | 164          | 850          |             |
| a) Due to loss positions arisen from P&L | -            | 384          |             |
| b) Due to tax losses                     | 164          | 466          |             |
| 3.3 Other decreases                      | -            | -            |             |
| <b>4. Closing balance</b>                | <b>5,691</b> | <b>6,209</b> |             |

In accordance with the Circular No.262 of 22 December 2005 of Banca d'Italia (and subsequent amendments), starting from 31 December 2018, the table shows the deferred tax asset annual changes of which L.214/2011 both equity balancing and income statement balancing.

## 10.4 Deferred tax liabilities: annual changes (balancing P&amp;L)

|   | CHANGES IN |           | (€ million) |
|---|------------|-----------|-------------|
|   | 2022       | 2021      |             |
| <b>1. Opening balance</b>                                 | <b>-</b>   | <b>-</b>  |             |
| <b>2. Increases</b>                                       | <b>28</b>  | <b>44</b> |             |
| 2.1 Deferred tax liabilities arisen during the year       | 2          | 1         |             |
| a) Relating to previous years                             | -          | -         |             |
| b) Due to change in accounting criteria                   | -          | -         |             |
| c) Other  | 2          | 1         |             |
| 2.2 New taxes or increases in tax rates                   | -          | -         |             |
| 2.3 Other increases                                       | 26         | 43        |             |
| <b>3. Decreases</b>                                       | <b>28</b>  | <b>44</b> |             |
| 3.1 Deferred tax liabilities derecognised during the year | 9          | 21        |             |
| a) Reversals of temporary differences                     | 7          | 9         |             |
| b) Due to change in accounting criteria                   | -          | -         |             |
| c) Other  | 2          | 12        |             |
| 3.2 Reduction in tax rates                                | -          | -         |             |
| 3.3 Other decreases                                       | 19         | 23        |             |
| <b>4. Closing balance</b>                                 | <b>-</b>   | <b>-</b>  |             |

The items "2.3 Other increases" and "3.3 Other decreases" include the effect of netting DTA/DTL of previous and current year.

## Part B - Balance sheet - Assets

## 10.5 Deferred tax assets: annual changes (balancing Net Equity)

|  | CHANGES IN  |            |
|--|-------------|------------|
|  | 2022        | 2021       |
|  | (€ million) |            |
| <b>1. Opening balance</b>                            | <b>758</b>  | <b>776</b> |
| <b>2. Increases</b>                                  | <b>56</b>   | <b>23</b>  |
| 2.1 Deferred tax assets arisen during the year       | 34          | 23         |
| a) Relating to previous years                        | -           | 2          |
| b) Due to change in accounting criteria              | -           | -          |
| c) Other   | 34          | 21         |
| 2.2 New taxes or increase in tax rates               | -           | -          |
| 2.3 Other increases                                  | 22          | -          |
| <b>3. Decreases</b>                                  | <b>27</b>   | <b>41</b>  |
| 3.1 Deferred tax assets derecognised during the year | 5           | 40         |
| a) Reversals of temporary differences                | 5           | 38         |
| b) Write-downs of non-recoverable items              | -           | -          |
| c) Due to change in accounting criteria              | -           | -          |
| d) Other   | -           | 2          |
| 3.2 Reduction in tax rates                           | -           | -          |
| 3.3 Other decreases                                  | 22          | 1          |
| <b>4. Closing balance</b>                            | <b>787</b>  | <b>758</b> |

## 10.6 Deferred tax liabilities: annual changes (balancing Net Equity)

|   | CHANGES IN  |            |
|---|-------------|------------|
|   | 2022        | 2021       |
|   | (€ million) |            |
| <b>1. Opening balance</b>                                 | -           | -          |
| <b>2. Increases</b>                                       | <b>345</b>  | <b>507</b> |
| 2.1 Deferred tax liabilities arisen during the year       | 58          | 52         |
| a) Relating to previous years                             | 15          | -          |
| b) Due to change in accounting criteria                   | -           | -          |
| c) Other  | 43          | 52         |
| 2.2 New taxes or increase in tax rates                    | -           | -          |
| 2.3 Other increases                                       | 287         | 455        |
| <b>3. Decreases</b>                                       | <b>345</b>  | <b>507</b> |
| 3.1 Deferred tax liabilities derecognised during the year | 92          | 219        |
| a) Reversal of temporary differences                      | 53          | 51         |
| b) Due to change in accounting criteria                   | -           | -          |
| c) Other  | 39          | 168        |
| 3.2 Reduction in tax rates                                | -           | -          |
| 3.3 Other decreases                                       | 253         | 288        |
| <b>4. Closing balance</b>                                 | -           | -          |

The items "2.3 Other increases" and "3.3 Other decreases" include the effect of netting DTA/DTL of previous and current year.



## Part B - Balance sheet - Assets

### 10.7 Other information

#### Italian group tax

The Tax Group regime was introduced in Italy by Legislative Decree of 12 December 2003 No.344, that implemented the Italian corporate income tax (IRES) reform.

The regime of national Tax Group is optional, with a duration bound for three financial years and certain conditions (controlling relationship, same operating period) to be met.

The participation to the Tax Group regime allows the offsetting between taxable income and tax losses generated by the companies participating to such regime.

For financial year 2022 the following legal entities adhered to the Italian Tax Group with UniCredit S.p.A.:

- UniCredit Factoring S.p.A. - Milan;
- UniCredit Leasing S.p.A.- Milan;
- Cordusio Fiduciaria S.p.A.- Milan;
- UniCredit Bank AG - Milan Branch;
- UniCredit Leased Asset Management S.p.A.

Considering the merger of Cordusio SIM and UniCredit Services S.c.p.A. in UniCredit S.p.A., the numbers of the legal entities adhered to the Italian Tax Group has been reduced in the year 2022.

#### Deferred tax assets due to tax losses carried forward

Considering the Italian Tax Group perimeter the financial year 2022 closed with an income amount equal to €215 million. Tax due on income is equal to €51 million, this amount has been reduced to zero due to tax credits of €15 million and residual tax losses of €36 million.

The IRES amount of the individual residual tax losses carried forward is equal to €3,919 million of which €3,157 million deriving from accounting items originated in the Income statement and €762 million from Net equity components. Following the sustainability test an additional amount of deferred tax assets limited to €650 million can be registered but €10 million related to the 3.5% IRES additional tax rate were registered in June 2022.

Therefore, the amount of deferred tax assets arising from tax losses booked is equal to €2,428 million of which €1,787 million deriving from accounting items originated in the Income statement and €641 million from Net equity components.

The amount of deferred tax assets arising from tax losses not booked is equal to €1,490 million of which (i) €1,257 million (€1,152 million deriving from accounting items originated in the Income statement and €105 million from Net equity components) related to the 24% IRES ordinary tax rate and (ii) €233 million (€218 million deriving from accounting items originated in the Income statement and €15 million from Net equity components) related to the 3.5% IRES additional tax rate.

In respect of foreign branches, relevant tax losses not utilised are equal to €7,357 million, due to start-up expenses or other operating costs. These tax losses can only be used against the taxable income at the level of permanent establishment of Vienna and of each single branch for taxes due in the relevant Country of establishment.

## Part B - Balance sheet - Assets

## Section 11 - Non current assets and disposal groups classified as held for sale and Liabilities associated with assets classified as held for sale - Item 110 (Assets) and Item 70 (Liabilities)

## 11.1 Non-current assets and disposal groups classified as held for sale: breakdown by asset type

|  | AMOUNTS AS AT |              |
|--|---------------|--------------|
|  | 31.12.2022    | 31.12.2021   |
|  | (€ million)   |              |
| <b>A. Assets held for sale</b>   |               |              |
| A.1 Financial assets   | 206           | 1,514        |
| A.2 Equity investments   | 13            | 13           |
| A.3 Property, plant and equipment  | 14            | 12           |
| <i>of which: obtained by the enforcement of collateral</i>               | -             | -            |
| A.4 Intangible assets  | -             | -            |
| A.5 Other non-current assets   | -             | -            |
| <b>Total (A)</b>   | <b>233</b>    | <b>1,539</b> |
| <i>of which: carried at cost</i>   | 219           | 1,527        |
| <i>of which: designated at fair value - level 1</i>                      | -             | -            |
| <i>of which: designated at fair value - level 2</i>                      | 14            | 12           |
| <i>of which: designated at fair value - level 3</i>                      | -             | -            |
| <b>B. Discontinued operations</b>  |               |              |
| B.1 Financial assets at fair value through profit or loss                | -             | -            |
| - Financial assets held for trading                                      | -             | -            |
| - Financial assets designated at fair value                              | -             | -            |
| - Other financial assets mandatorily at fair value                       | -             | -            |
| B.2 Financial assets at fair value through other comprehensive income    | -             | -            |
| B.3 Financial assets at amortised cost                                   | -             | -            |
| B.4 Equity investments   | -             | -            |
| B.5 Property, plant and equipment  | -             | -            |
| <i>of which: obtained by the enforcement of collateral</i>               | -             | -            |
| B.6 Intangible assets  | -             | -            |
| B.7 Other assets   | -             | -            |
| <b>Total (B)</b>   | <b>-</b>      | <b>-</b>     |
| <i>of which: carried at cost</i>   | -             | -            |
| <i>of which: designated at fair value - level 1</i>                      | -             | -            |
| <i>of which: designated at fair value - level 2</i>                      | -             | -            |
| <i>of which: designated at fair value - level 3</i>                      | -             | -            |
| <b>C. Liabilities associated with assets classified as held for sale</b> |               |              |
| C.1 Deposits   | -             | -            |
| C.2 Securities   | -             | -            |
| C.3 Other liabilities  | -             | -            |
| <b>Total (C)</b>   | <b>-</b>      | <b>-</b>     |
| <i>of which: carried at cost</i>   | -             | -            |
| <i>of which: designated at fair value - level 1</i>                      | -             | -            |
| <i>of which: designated at fair value - level 2</i>                      | -             | -            |
| <i>of which: designated at fair value - level 3</i>                      | -             | -            |
| <b>D. Liabilities associated with discontinued operations</b>            |               |              |
| D.1 Financial liabilities at amortised cost                              | -             | -            |
| D.2 Financial liabilities held for trading                               | -             | -            |
| D.3 Financial liabilities designated at fair value                       | -             | -            |
| D.4 Provisions   | -             | -            |
| D.5 Other liabilities  | -             | -            |
| <b>Total (D)</b>   | <b>-</b>      | <b>-</b>     |
| <i>of which: carried at cost</i>   | -             | -            |
| <i>of which: designated at fair value - level 1</i>                      | -             | -            |
| <i>of which: designated at fair value - level 2</i>                      | -             | -            |
| <i>of which: designated at fair value - level 3</i>                      | -             | -            |

## Part B - Balance sheet - Assets

Sub-item "A.1 Financial assets" mainly includes non-performing loans that will be sold during 2023.

Sub-item "A.2 Equity investments" is composed by stake into Risanamento S.p.A. (€13 million). It must be noted that December 2021 data have been restated following exit of UniCredit Leasing S.p.A. (€370 million at December 2021), reclassified into Equity Investments during 2022 as a consequence of the decision not to proceed to its sale.

## Section 12 - Other assets - Item 120

## 12.1 Other assets: breakdown

| ITEMS/VALUES  | AMOUNTS AS AT |              |
|---|---------------|--------------|
|   | 31.12.2022    | 31.12.2021   |
| Margin with derivatives clearers (non-interest bearing)                                       | -             | -            |
| Gold, silver and precious metals  | 54            | 52           |
| Accrued income and prepaid expenses other than capitalised income                             | 327           | 252          |
| Positive value of management agreements (so-called servicing assets)                          | -             | -            |
| Cash and other valuables held by cashier  | 123           | 125          |
| - Current account cheques being settled, drawn on third parties                               | 122           | 125          |
| - Current account cheques payable by group banks, cleared and in the process of being debited | 1             | -            |
| - Money orders, bank drafts and equivalent securities   | -             | -            |
| - Coupons, securities due on demand, revenue stamps and miscellaneous valuables               | -             | -            |
| Interest and changes to be debited to   | -             | -            |
| - Customers   | -             | -            |
| - Banks   | -             | -            |
| Items in transit between branches not yet allocated to destination accounts                   | -             | 10           |
| Items in processing   | 151           | 128          |
| Items deemed definitive but not-attributable to other items                                   | 1,589         | 1,364        |
| - Securities and coupons to be settled  | 76            | 48           |
| - Other transactions  | 1,513         | 1,316        |
| Adjustments for unpaid bills and notes  | 323           | 4            |
| Tax items other than those included in item 110   | 3,455         | 1,432        |
| Commercial credits pursuant to IFRS15   | 280           | 47           |
| Other items   | 330           | 423          |
| <b>Total</b>  | <b>6,632</b>  | <b>3,837</b> |

It should be noted that, as at 31 December 2021, into the item "Gold, silver and precious metals" are recognised, at their fair value of €54 million, the precious stones (diamonds) repurchased from customers within the "customer care" initiative promoted by the Bank regarding this topic.

Item "Accrued income and prepaid expenses other than capitalised income" includes the contract assets recognised in accordance with IFRS15.

In this context accrued income represents the portion of the performance obligation already satisfied through the services provided by the Bank and that will be settled in the future periods in accordance with contractual provisions.

The aggregate amount of revenues from services to customers related to the portion of performance obligations not yet satisfied, and therefore not represented in the table above, is of a non-material amount and relates to performance obligations expected to be satisfied by the following year end reporting date.

It should be noted that during the period there have not been significant changes in the accrued income and prepaid expenses not included in the carrying amount of the relevant financial assets.

## Part B - Balance sheet - Assets

## Periodic change of accrued income/expenses and prepaid expenses/income

(€ million)

|   | AMOUNTS AS AT 31.12.2022            |                                      |
|---|-------------------------------------|--------------------------------------|
|   | ACCRUED INCOME AND PREPAID EXPENSES | ACCRUED EXPENSES AND DEFERRED INCOME |
| <b>Opening balance</b>  | <b>252</b>                          | <b>155</b>                           |
| <b>Increases</b>  | <b>94</b>                           | <b>99</b>                            |
| a) Changes due to business combinations   | 3                                   | -                                    |
| b) Cumulative catch-up adjustments to revenue that affect the corresponding contract asset or contract liability, including adjustments arising from a change in the measure of progress, a change in an estimate of the transaction price (including any changes in the assessment of whether an estimate of variable consideration is constrained) or a contract modification (IFRS15 Par. 118.b) | -                                   | -                                    |
| c) Reversal of impairment of a contract asset (IFRS15 Par. 118.c)   | -                                   | X                                    |
| d) Change in the time frame for a right to consideration to become unconditional (ie for a contract asset to be reclassified to a receivable) (IFRS15 Par. 118.d)   | -                                   | -                                    |
| e) Change in the time frame for a performance obligation to be satisfied (ie for the recognition of revenue arising from a contract liability) (IFRS15 Par. 118.e)  | -                                   | -                                    |
| f) Other  | 91                                  | 99                                   |
| <b>Decreases</b>  | <b>19</b>                           | <b>36</b>                            |
| a) Changes due to business combinations   | -                                   | -                                    |
| b) Cumulative catch-up adjustments to revenue that affect the corresponding contract asset or contract liability, including adjustments arising from a change in the measure of progress, a change in an estimate of the transaction price (including any changes in the assessment of whether an estimate of variable consideration is constrained) or a contract modification (IFRS15 Par. 118.b) | -                                   | -                                    |
| c) Impairment of a contract asset (IFRS15 Par. 118.c)   | -                                   | X                                    |
| d) Change in the time frame for a right to consideration to become unconditional (ie for a contract asset to be reclassified to a receivable) (IFRS15 Par. 118.d)   | -                                   | -                                    |
| e) Change in the time frame for a performance obligation to be satisfied (ie for the recognition of revenue arising from a contract liability) (IFRS15 Par. 118.e)  | -                                   | -                                    |
| f) Other  | 19                                  | 36                                   |
| <b>Closing balance</b>  | <b>327</b>                          | <b>218</b>                           |

Note that the item "f) other" include (i) the deferral of income and expenses related to performance obligation that have already been paid but not yet satisfied as well as the recognition in P&L of the amount previously deferred in accordance with the progressive satisfaction of the performance obligation and (ii) the accrual in P&L of the amounts due as a result of the satisfaction of a performance obligation for which the payment is contractually postponed as well as their subsequent settlement.

## Part B - Balance sheet - Liabilities

## Liabilities

## Section 1 - Financial liabilities at amortised cost - Item 10

## 1.1 Financial liabilities at amortised cost: breakdown by product of deposits from banks

(€ million)

| TYPE OF TRANSACTIONS/VALUES   | AMOUNTS AS AT 31.12.2022 |            |               |               | AMOUNTS AS AT 31.12.2021 |            |               |               |
|---|--------------------------|------------|---------------|---------------|--------------------------|------------|---------------|---------------|
|   | BOOK VALUE               | FAIR VALUE |               |               | BOOK VALUE               | FAIR VALUE |               |               |
|   |                          | LEVEL 1    | LEVEL 2       | LEVEL 3       |                          | LEVEL 1    | LEVEL 2       | LEVEL 3       |
| 1. Deposits from central banks  | 48,323                   | X          | X             | X             | 56,844                   | X          | X             | X             |
| 2. Deposits from banks  | 26,290                   | X          | X             | X             | 29,421                   | X          | X             | X             |
| 2.1 Current accounts and demand deposits                              | 2,692                    | X          | X             | X             | 3,806                    | X          | X             | X             |
| 2.2 Time deposits   | 4,028                    | X          | X             | X             | 4,294                    | X          | X             | X             |
| 2.3 Loans   | 19,549                   | X          | X             | X             | 21,299                   | X          | X             | X             |
| 2.3.1 Repos   | 17,315                   | X          | X             | X             | 18,790                   | X          | X             | X             |
| 2.3.2 Other   | 2,234                    | X          | X             | X             | 2,509                    | X          | X             | X             |
| 2.4 Liabilities relating to commitments to repurchase treasury shares | -                        | X          | X             | X             | -                        | X          | X             | X             |
| 2.5 Lease deposits  | 7                        | X          | X             | X             | 7                        | X          | X             | X             |
| 2.6 Other deposits  | 14                       | X          | X             | X             | 15                       | X          | X             | X             |
| <b>Total</b>  | <b>74,613</b>            | <b>-</b>   | <b>66,828</b> | <b>7,451</b>  | <b>86,265</b>            | <b>-</b>   | <b>78,783</b> | <b>7,492</b>  |
| <b>Total Level 1, Level 2 and Level 3</b>                             |                          |            |               | <b>74,279</b> |                          |            |               | <b>86,275</b> |

“Deposits from central banks” include TLTRO III facilities for €48 billion, of which €5 billion subscribed in March 2021 and €43 billion (reduced by €8 billion in respect of December 2021, following partial redemption occurred at the end of 2022) already existing at December 2020 (refer to the paragraph “TLTRO”, Notes to the accounts, Part A - Accounting policies, Section 4 - Other matters).

Deposits from banks are not carried based at their fair value, which is only shown in order to meet disclosure requirements. Fair value measurements have been classified according to a hierarchy of levels reflecting the observability of the valuations input. For further information see the paragraph “A.4 - Information on fair value”, Notes to the accounts Part A - Accounting policies.

## 1.2 Financial liabilities at amortised cost: breakdown by product of deposits from customers

(€ million)

| TYPE OF TRANSACTION/VALUES   | AMOUNTS AS AT 31.12.2022 |            |               |                | AMOUNTS AS AT 31.12.2021 |            |               |                |
|--|--------------------------|------------|---------------|----------------|--------------------------|------------|---------------|----------------|
|  | BOOK VALUE               | FAIR VALUE |               |                | BOOK VALUE               | FAIR VALUE |               |                |
|  |                          | LEVEL 1    | LEVEL 2       | LEVEL 3        |                          | LEVEL 1    | LEVEL 2       | LEVEL 3        |
| 1. Current accounts and demand deposits                              | 188,372                  | X          | X             | X              | 198,332                  | X          | X             | X              |
| 2. Time deposits   | 5,509                    | X          | X             | X              | 583                      | X          | X             | X              |
| 3. Loans   | 19,884                   | X          | X             | X              | 22,807                   | X          | X             | X              |
| 3.1 Repos  | 18,022                   | X          | X             | X              | 21,815                   | X          | X             | X              |
| 3.2 Other  | 1,862                    | X          | X             | X              | 992                      | X          | X             | X              |
| 4. Liabilities relating to commitments to repurchase treasury shares | -                        | X          | X             | X              | -                        | X          | X             | X              |
| 5. Lease deposits  | 998                      | X          | X             | X              | 1,067                    | X          | X             | X              |
| 6. Other deposits  | 3,557                    | X          | X             | X              | 3,239                    | X          | X             | X              |
| <b>Total</b>   | <b>218,320</b>           | <b>-</b>   | <b>22,449</b> | <b>195,766</b> | <b>226,028</b>           | <b>-</b>   | <b>22,180</b> | <b>203,866</b> |
| <b>Total Level 1, Level 2 and Level 3</b>                            |                          |            |               | <b>218,215</b> |                          |            |               | <b>226,046</b> |

Deposits from customers are not carried at fair value, which is presented solely for the purpose of fulfilling financial disclosure requirements. Fair value measurements have been classified according to a hierarchy of levels reflecting the observability of the valuations input. The fair value of demand items was estimated to be equal to their net book value by exercising the option provided for by IFRS7.29. According to this assumption, demand items were classified as Level 3 in the fair value hierarchy. For further information see the paragraph “A.4 - Information on fair value”, Notes to the accounts, Part A - Accounting policies.

## Part B - Balance sheet - Liabilities

### 1.3 Financial liabilities at amortised cost: breakdown by product of debt securities in issue

(€ million)

| TYPE OF SECURITIES/VALUES                 | AMOUNTS AS AT 31.12.2022 |               |               |               | AMOUNTS AS AT 31.12.2021 |               |               |               |
|---|--------------------------|---------------|---------------|---------------|--------------------------|---------------|---------------|---------------|
|   | BOOK VALUE               | FAIR VALUE    |               |               | BOOK VALUE               | FAIR VALUE    |               |               |
|   |                          | LEVEL 1       | LEVEL 2       | LEVEL 3       |                          | LEVEL 1       | LEVEL 2       | LEVEL 3       |
| <b>A. Debt securities</b>                 |                          |               |               |               |                          |               |               |               |
| 1. Bonds                                  | 43,472                   | 27,995        | 12,411        | -             | 47,922                   | 32,064        | 17,397        | -             |
| 1.1 Structured                            | 400                      | 124           | 209           | -             | 417                      | 134           | 278           | -             |
| 1.2 Other                                 | 43,072                   | 27,871        | 12,202        | -             | 47,505                   | 31,930        | 17,119        | -             |
| 2. Other securities                       | 3,591                    | -             | 881           | 2,715         | 9,802                    | -             | 70            | 9,738         |
| 2.1 Structured                            | 46                       | -             | 43            | -             | 44                       | -             | 50            | -             |
| 2.2 Other                                 | 3,545                    | -             | 838           | 2,715         | 9,758                    | -             | 20            | 9,738         |
| <b>Total</b>                              | <b>47,063</b>            | <b>27,995</b> | <b>13,292</b> | <b>2,715</b>  | <b>57,724</b>            | <b>32,064</b> | <b>17,467</b> | <b>9,738</b>  |
| <b>Total Level 1, Level 2 and Level 3</b> |                          |               |               | <b>44,002</b> |                          |               |               | <b>59,269</b> |

Sub-items "1.1 structured" of bonds and "2.1. Structured" of other securities totally amount to €446 million and represent 0.95% of the total. They mainly relate to interest-rate linked instruments with highly correlated derivative component, identified in accordance with the Mifid classification rules.

Issued bonds change due to joint effect of maturities and new issuances and as a consequence of buy-backs realised in the period.

The fair value of derivatives embedded in structured securities, presented in item 20 of Assets and item 20 of Liabilities and included in Trading derivatives - Others, amounted to a net balance of €13 million negative.

Fair value measurements solely for financial disclosure purposes only are classified according to a hierarchy of levels reflecting the observability of the inputs used. For further information see the paragraph "A.4 - Information on fair value", Notes to the accounts, Part A - Accounting policies.

### 1.4 Breakdown of subordinated debts/securities

(€ million)

|                         | AMOUNTS AS AT |              |
|-------------------------|---------------|--------------|
|                         | 31.12.2022    | 31.12.2021   |
| Deposits from banks     | -             | -            |
| Deposits from customers | -             | -            |
| Debt securities         | 7,247         | 9,421        |
| <b>Total</b>            | <b>7,247</b>  | <b>9,421</b> |

### 1.5 Breakdown of structured debts

(€ million)

|                         | AMOUNTS AS AT |            |
|-------------------------|---------------|------------|
|                         | 31.12.2022    | 31.12.2021 |
| Deposits from banks     | -             | -          |
| Deposits from customers | 2             | -          |
| <b>Total</b>            | <b>2</b>      | <b>-</b>   |

The debts are taken as part of ordinary operations with customers.

## Part B - Balance sheet - Liabilities

## 1.6 Amounts payable under finance leases

| TIME BUCKET  | 31.12.2022     |                  | 31.12.2021     |                  |
|--|----------------|------------------|----------------|------------------|
|  | CASH OUTFLOWS  |                  | CASH OUTFLOWS  |                  |
|  | FINANCE LEASES | OPERATING LEASES | FINANCE LEASES | OPERATING LEASES |
| Up to 1 year                                       | -              | 208              | -              | 209              |
| 1 year to 2 years                                  | -              | 194              | -              | 194              |
| 2 year to 3 years                                  | -              | 179              | -              | 184              |
| 3 year to 4 years                                  | -              | 161              | -              | 172              |
| 4 year to 5 years                                  | -              | 118              | -              | 154              |
| Over 5 years                                       | -              | 190              | -              | 273              |
| <b>Total Lease Payments to be made</b>             | -              | <b>1,050</b>     | -              | <b>1,186</b>     |
| <b>RECONCILIATION WITH DEPOSITS</b>                |                |                  |                |                  |
| Unearned finance expenses (-) (Discounting effect) | -              | 45               | -              | 112              |
| <b>Lease deposits</b>                              | -              | <b>1,005</b>     | -              | <b>1,074</b>     |

It should be noted that table "1.6 Amounts payable under finance leases" reports the maturity analysis based on time bucket of the lease liability as requested by IFRS16 and the concurrent Circular No.262 of 22 December 2005 of Banca d'Italia (and subsequent amendments).

## Section 2 - Financial liabilities held for trading - Item 20

## 2.1 Financial liabilities held for trading: breakdown by product

| TYPE OF TRANSACTIONS/VALUES               | NOMINAL VALUE | AMOUNTS AS AT 31.12.2022 |               |               |              | FAIR VALUE* | NOMINAL VALUE | AMOUNTS AS AT 31.12.2021 |               |              |             |
|---|---------------|--------------------------|---------------|---------------|--------------|-------------|---------------|--------------------------|---------------|--------------|-------------|
|   |               | FAIR VALUE               |               |               | FAIR VALUE*  |             |               | FAIR VALUE               |               |              | FAIR VALUE* |
|   |               | LEVEL 1                  | LEVEL 2       | LEVEL 3       |              |             |               | LEVEL 1                  | LEVEL 2       | LEVEL 3      |             |
| <b>A. Cash liabilities</b>                |               |                          |               |               |              |             |               |                          |               |              |             |
| 1. Deposits from banks                    | -             | 222                      | -             | -             | 222          | -           | 254           | -                        | -             | 254          |             |
| 2. Deposits from customers                | -             | 4,679                    | -             | -             | 4,679        | -           | 4,591         | -                        | -             | 4,591        |             |
| 3. Debt securities                        | -             | -                        | -             | -             | -            | -           | -             | -                        | -             | -            |             |
| 3.1 Bonds                                 | -             | -                        | -             | -             | -            | -           | -             | -                        | -             | -            |             |
| 3.1.1 Structured                          | -             | -                        | -             | -             | X            | -           | -             | -                        | -             | X            |             |
| 3.1.2 Other                               | -             | -                        | -             | -             | X            | -           | -             | -                        | -             | X            |             |
| 3.2 Other securities                      | -             | -                        | -             | -             | -            | -           | -             | -                        | -             | -            |             |
| 3.2.1 Structured                          | -             | -                        | -             | -             | X            | -           | -             | -                        | -             | X            |             |
| 3.2.2 Other                               | -             | -                        | -             | -             | X            | -           | -             | -                        | -             | X            |             |
| <b>Total (A)</b>                          | -             | <b>4,901</b>             | -             | -             | <b>4,901</b> | -           | <b>4,845</b>  | -                        | -             | <b>4,845</b> |             |
| <b>B. Derivatives instruments</b>         |               |                          |               |               |              |             |               |                          |               |              |             |
| 1. Financial derivatives                  | X             | 14                       | 14,914        | 890           | X            | X           | 11            | 8,570                    | 210           | X            |             |
| 1.1 Trading derivatives                   | X             | 14                       | 14,201        | 356           | X            | X           | 11            | 8,357                    | 11            | X            |             |
| 1.2 Linked to fair value option           | X             | -                        | 680           | 521           | X            | X           | -             | 148                      | 181           | X            |             |
| 1.3 Other                                 | X             | -                        | 33            | 13            | X            | X           | -             | 65                       | 18            | X            |             |
| 2. Credit derivatives                     | X             | -                        | -             | -             | X            | X           | -             | -                        | -             | X            |             |
| 2.1 Trading derivatives                   | X             | -                        | -             | -             | X            | X           | -             | -                        | -             | X            |             |
| 2.2 Linked to fair value option           | X             | -                        | -             | -             | X            | X           | -             | -                        | -             | X            |             |
| 2.3 Other                                 | X             | -                        | -             | -             | X            | X           | -             | -                        | -             | X            |             |
| <b>Total (B)</b>                          | <b>X</b>      | <b>14</b>                | <b>14,914</b> | <b>890</b>    | <b>X</b>     | <b>X</b>    | <b>11</b>     | <b>8,570</b>             | <b>210</b>    | <b>X</b>     |             |
| <b>Total (A+B)</b>                        | <b>X</b>      | <b>4,915</b>             | <b>14,914</b> | <b>890</b>    | <b>X</b>     | <b>X</b>    | <b>4,856</b>  | <b>8,570</b>             | <b>210</b>    | <b>X</b>     |             |
| <b>Total Level 1, Level 2 and Level 3</b> |               |                          |               | <b>20,719</b> |              |             |               |                          | <b>13,636</b> |              |             |

Note:

Fair value\* = Fair value calculated excluding the value changes due to the change of credit worthiness of the issuer compared to the issue date.

"Deposit from banks" and "Deposit from customers" are referred to technical overdrafts in respect of which no nominal amount was attributed. They are fed by the recognition of technical overdrafts typical of primary dealer and market-maker transactions in government bonds.

## Part B - Balance sheet - Liabilities

"Financial derivatives: other" comprises derivatives that, for economic purposes are associated with Banking Book instruments. Fair value evolution of outstanding derivatives, further to volumes, is also influenced by growing dynamic of interest rates.

Valuations at fair value were classified according to a hierarchy of levels reflecting the observability of the valuations input. For further information see the paragraph "A.4 - Information on fair value", Notes to the accounts, Part A - Accounting policies.

### 2.2 Detail of financial liabilities held for trading: subordinated liabilities

Subordinated trading financial liabilities do not exist.

### 2.3 Detail of financial liabilities held for trading: structured debts

Structured trading financial liabilities do not exist.

## Section 3 - Financial liabilities designated at fair value - Item 30

### 3.1 Financial liabilities designated at fair value: breakdown by product

(€ million)

| TYPE OF TRANSACTIONS/VALUES               | AMOUNTS AS AT 31.12.2022 |            |              |              |              | AMOUNTS AS AT 31.12.2021 |            |              |              |              |
|---|--------------------------|------------|--------------|--------------|--------------|--------------------------|------------|--------------|--------------|--------------|
|   | NOMINAL VALUE            | FAIR VALUE |              |              | FAIR VALUE*  | NOMINAL VALUE            | FAIR VALUE |              |              | FAIR VALUE*  |
|   |                          | LEVEL 1    | LEVEL 2      | LEVEL 3      |              |                          | LEVEL 1    | LEVEL 2      | LEVEL 3      |              |
| <b>1. Deposits from banks</b>             | -                        | -          | -            | -            | -            | -                        | -          | -            | -            | -            |
| 1.1 Structured                            | -                        | -          | -            | -            | X            | -                        | -          | -            | -            | X            |
| 1.2 Other                                 | -                        | -          | -            | -            | X            | -                        | -          | -            | -            | X            |
| <i>of which:</i>                          |                          |            |              |              |              |                          |            |              |              |              |
| - loan commitments given                  | -                        | X          | X            | X            | X            | -                        | X          | X            | X            | X            |
| - financial guarantees given              | -                        | X          | X            | X            | X            | -                        | X          | X            | X            | X            |
| <b>2. Deposits from customers</b>         | -                        | -          | -            | -            | -            | -                        | -          | -            | -            | -            |
| 2.1 Structured                            | -                        | -          | -            | -            | X            | -                        | -          | -            | -            | X            |
| 2.2 Other                                 | -                        | -          | -            | -            | X            | -                        | -          | -            | -            | X            |
| <i>of which:</i>                          |                          |            |              |              |              |                          |            |              |              |              |
| - loan commitments given                  | -                        | X          | X            | X            | X            | -                        | X          | X            | X            | X            |
| - financial guarantees given              | -                        | X          | X            | X            | X            | -                        | X          | X            | X            | X            |
| <b>3. Debt securities</b>                 | <b>6,078</b>             | -          | <b>5,168</b> | <b>195</b>   | <b>5,304</b> | <b>4,045</b>             | -          | <b>3,854</b> | <b>257</b>   | <b>3,990</b> |
| 3.1 Structured                            | 6,078                    | -          | 5,168        | 195          | X            | 4,045                    | -          | 3,854        | 257          | X            |
| 3.2 Other                                 | -                        | -          | -            | -            | X            | -                        | -          | -            | -            | X            |
| <b>Total</b>                              | <b>6,078</b>             | -          | <b>5,168</b> | <b>195</b>   | <b>5,304</b> | <b>4,045</b>             | -          | <b>3,854</b> | <b>257</b>   | <b>3,990</b> |
| <b>Total Level 1, Level 2 and Level 3</b> |                          |            |              | <b>5,363</b> |              |                          |            |              | <b>4,111</b> |              |

Note:

Fair value\* = Fair value calculated excluding the value changes due to the change of credit worthiness of the issuer compared to the issue date.

Item "Debt securities - Structured" includes "Certificates" (structured debt securities) issued by UniCredit S.p.A. starting from the first quarter of 2016. These securities are classified as measured at fair value their embedded derivative component not being separable.

Valuations at fair value were classified according to a hierarchy of levels reflecting the observability of the valuations input. For further information see the paragraph "A.4 - Information on fair value", Notes to the accounts, Part A - Accounting policies.

### 3.2 Detail of financial liabilities designated at fair value: subordinated liabilities

Subordinated financial liabilities designated at fair value do not exist.



## Part B - Balance sheet - Liabilities

## Section 4 - Hedging derivatives - Item 40

## 4.1 Hedging derivatives: breakdown by type of hedging and by levels

(€ million)

|   | AMOUNTS AS AT 31.12.2022 |            |               |               | AMOUNTS AS AT 31.12.2021 |            |              |              |
|---|--------------------------|------------|---------------|---------------|--------------------------|------------|--------------|--------------|
|   | NOTIONAL AMOUNT          | FAIR VALUE |               |               | NOTIONAL AMOUNT          | FAIR VALUE |              |              |
|   |                          | LEVEL 1    | LEVEL 2       | LEVEL 3       |                          | LEVEL 1    | LEVEL 2      | LEVEL 3      |
| <b>A. Financial derivatives</b>           | <b>309,119</b>           | <b>336</b> | <b>15,839</b> | <b>52</b>     | <b>246,277</b>           | <b>51</b>  | <b>4,777</b> | <b>15</b>    |
| 1) Fair value                             | 294,482                  | 336        | 14,740        | 13            | 234,325                  | 51         | 4,348        | -            |
| 2) Cash flows                             | 14,637                   | -          | 1,099         | 39            | 11,952                   | -          | 429          | 15           |
| 3) Net investment in foreign subsidiaries | -                        | -          | -             | -             | -                        | -          | -            | -            |
| <b>B. Credit derivatives</b>              | <b>-</b>                 | <b>-</b>   | <b>-</b>      | <b>-</b>      | <b>-</b>                 | <b>-</b>   | <b>-</b>     | <b>-</b>     |
| 1) Fair value                             | -                        | -          | -             | -             | -                        | -          | -            | -            |
| 2) Cash flows                             | -                        | -          | -             | -             | -                        | -          | -            | -            |
| <b>Total</b>                              | <b>309,119</b>           | <b>336</b> | <b>15,839</b> | <b>52</b>     | <b>246,277</b>           | <b>51</b>  | <b>4,777</b> | <b>15</b>    |
| <b>Total Level 1, Level 2 and Level 3</b> |                          |            |               | <b>16,227</b> |                          |            |              | <b>4,843</b> |

Fair value evolution of outstanding derivatives, further to volumes, is also influenced by growing dynamic of interest rates.

Valuations at fair value were classified according to a hierarchy of levels reflecting the observability of the inputs used in the measurements. For further information see the paragraph "A.4 - Information on fair value", Notes to the accounts, Part A - Accounting policies.

## 4.2 Hedging derivatives: breakdown by hedged portfolios and type of hedging

(€ million)

| TRANSACTIONS/HEDGE TYPES   | AMOUNTS AS AT 31.12.2022           |                                |                   |             |             |          |               |             |             |             |                     |
|--|------------------------------------|--------------------------------|-------------------|-------------|-------------|----------|---------------|-------------|-------------|-------------|---------------------|
|  | FAIR VALUE                         |                                |                   |             |             |          |               | CASH FLOW   |             |             | FOREIGN INVESTMENTS |
|  | MICRO-HEDGE                        |                                |                   |             |             |          |               | MACRO-HEDGE | MICRO-HEDGE | MACRO-HEDGE |                     |
|  | DEBT SECURITIES AND INTEREST RATES | EQUITY AND EQUITY INDICES RISK | CURRENCY AND GOLD | CREDIT RISK | COMMODITIES | OTHER    |               |             |             |             |                     |
| 1. Financial assets at fair value through other comprehensive income | 289                                | -                              | -                 | -           | X           | X        | X             | -           | X           | X           |                     |
| 2. Financial assets at amortised cost                                | 83                                 | X                              | -                 | -           | X           | X        | X             | -           | X           | X           |                     |
| 3. Portfolio   | X                                  | X                              | X                 | X           | X           | X        | 1,023         | X           | 488         | X           |                     |
| 4. Other transactions  | -                                  | -                              | 27                | -           | -           | -        | X             | -           | X           | -           |                     |
| <b>Total assets</b>  | <b>372</b>                         | <b>-</b>                       | <b>27</b>         | <b>-</b>    | <b>-</b>    | <b>-</b> | <b>1,023</b>  | <b>-</b>    | <b>488</b>  | <b>-</b>    |                     |
| 1. Financial liabilities   | -                                  | X                              | -                 | -           | -           | -        | X             | -           | X           | X           |                     |
| 2. Portfolio   | X                                  | X                              | X                 | X           | X           | X        | 13,667        | X           | 650         | X           |                     |
| <b>Total liabilities</b>   | <b>-</b>                           | <b>-</b>                       | <b>-</b>          | <b>-</b>    | <b>-</b>    | <b>-</b> | <b>13,667</b> | <b>-</b>    | <b>650</b>  | <b>-</b>    |                     |
| 1. Expected transactions   | X                                  | X                              | X                 | X           | X           | X        | X             | -           | X           | X           |                     |
| 2. Financial assets and liabilities portfolio                        | X                                  | X                              | X                 | X           | X           | X        | -             | X           | -           | -           |                     |

## Part B - Balance sheet - Liabilities

## Section 5 - Value adjustment of hedged financial liabilities - Item 50

## 5.1 Changes to hedged financial liabilities

| CHANGES TO HEDGED LIABILITIES/GROUP COMPONENTS | AMOUNTS AS AT   |            |
|--|-----------------|------------|
|  | 31.12.2022      | 31.12.2021 |
| 1. Positive changes to financial liabilities   | 803             | 1,636      |
| 2. Negative changes to financial liabilities   | (13,542)        | (976)      |
| <b>Total</b>                                   | <b>(12,739)</b> | <b>660</b> |

(€ million)

Change in the item is mainly attributable to the evolution in the markets interest rate curves observed in 2022.

## Section 6 - Tax liabilities - Item 60

See the paragraph "Section 10 - Tax assets and tax liabilities - Item 100 (Assets) and Item 60 (Liabilities)", Notes to the accounts, Part B - Balance sheet, Asset.

## Section 7 - Liabilities associated with assets classified as held for sale - Item 70

Refer to the paragraph "Section 11 - Non current assets and disposal groups classified as held for sale and Liabilities associated with assets classified as held for sale- Item 110 (Assets) and Item 70 (Liabilities)", Notes to the accounts, Part B - Balance sheet, Asset.

## Section 8 - Other liabilities - Item 80

## 8.1 Other liabilities: breakdown

| ITEMS/VALUES  | AMOUNTS AS AT |              |
|---|---------------|--------------|
|   | 31.12.2022    | 31.12.2021   |
| Liabilities in respect of financial guarantees issued   | -             | -            |
| Accrued expenses and deferred income other than those to be capitalised for the financial liabilities concerned | 218           | 155          |
| Negative value of management agreements (so-called servicing assets)  | -             | -            |
| Payment agreements based on the value of own capital instruments classified as deposits pursuant to IFRS2       | -             | -            |
| Other liabilities due to employees  | 1,365         | 1,467        |
| Other liabilities due to other staff  | 2             | 5            |
| Other liabilities due to Directors and Statutory Auditors   | -             | -            |
| Interest and amounts to be credited to  | -             | -            |
| - Customers   | -             | -            |
| - Banks   | -             | -            |
| Items in transit between branches and not yet allocated to destination accounts                                 | 14            | 6            |
| Available amounts to be paid to others  | -             | -            |
| Items in processing   | 245           | 109          |
| Entries relating to securities transactions   | 384           | 113          |
| Definitive items but not attributable to other lines  | 3,697         | 2,735        |
| - Accounts payable - suppliers  | 861           | 570          |
| - Provisions for tax withholding on accrued interest, bond coupon payments or dividends                         | 3             | 6            |
| - Other entries   | 2,833         | 2,159        |
| Liabilities for miscellaneous entries related to tax collection service   | -             | -            |
| Adjustments for unpaid portfolio entries  | -             | 1,205        |
| Tax items different from those included in item 60  | 876           | 1,033        |
| Other entries   | 137           | 115          |
| <b>Total</b>  | <b>6,938</b>  | <b>6,943</b> |

(€ million)

Item "Accrued expenses and deferred income other than those to be capitalised for the financial liabilities" includes the contract liabilities recognised in accordance with IFRS15.

## Part B - Balance sheet - Liabilities

In this context, deferred income represents the portion of performance obligations not yet satisfied through the services provided by the Bank but already settled during the period or in previous periods.

The majority of this amount relates to performance obligations expected to be satisfied by the following year end reporting date.

For information about the changes in deferred income and accrued expenses occurred in the period refer to the paragraph "Section 12 - Other assets - Item 120", Notes to the accounts, Part B - Balance sheet, Assets.

### Section 9 - Provision for employee severance pay - Item 90

The "TFR" provision for Italy-based employee benefits is to be constructed as a "post-retirement defined benefit". Its recognition in financial statements has required the estimate, through actuarial techniques, of the amount of benefit accrued by employees and its discount to present value. The calculation of this benefit has been performed by an external actuary using "projected unit credit" method (refer to the paragraph "Part A.2 - Main items of the accounts", Notes to the accounts, Part A - Accounting policies).

#### 9.1 Provisions for employee severance pay: annual changes

|  | CHANGES IN |            |
|--|------------|------------|
|  | 2022       | 2021       |
| <b>A. Opening balance</b>              | <b>491</b> | <b>557</b> |
| <b>B. Increases</b>                    | <b>44</b>  | <b>18</b>  |
| B.1 Provisions for the year            | 4          | 3          |
| B.2 Other increases                    | 40         | 15         |
| <i>of which: business combinations</i> | 20         | -          |
| <b>C. Reductions</b>                   | <b>174</b> | <b>84</b>  |
| C.1 Severance payments                 | 65         | 84         |
| C.2 Other decreases                    | 109        | -          |
| <i>of which: business combinations</i> | -          | -          |
| <b>D. Closing Balance</b>              | <b>361</b> | <b>491</b> |

#### 9.2 Other information

|   | CHANGES IN  |           |
|---|-------------|-----------|
|   | 2022        | 2021      |
| <b>Cost Recognised in P&amp;L:</b>                            | <b>4</b>    | <b>3</b>  |
| - Current Service Cost  | -           | -         |
| - Interest Cost on the DBO                                    | 4           | 3         |
| - Settlement (gains)/losses                                   | -           | -         |
| - Past Service Cost   | -           | -         |
| <b>Remeasurement Effects (Gains) Losses Recognised in OCI</b> | <b>(89)</b> | <b>14</b> |
| <b>Annual weighted average assumptions</b>                    |             |           |
| - Discount rate   | 3.80%       | 0.75%     |
| - Price inflation   | 2.15%       | 1.60%     |

The financial duration of the commitments is 10 years; the balance of the negative Revaluation reserves net of tax changed from -€139 million at 31 December 2021 to -€87 million at 31 December 2022 (included the effects related to the merger of UniCredit Services and Cordusio SIM). A change of -25 basis points in the discount rate would result in an increase in liabilities of €9 million (+2.45%); an equivalent increase in the rate, on the other hand, would result in a reduction in liabilities of €9 million (-2.39%). A change of -25 basis points in the inflation rate would result in a reduction in liabilities of €5 million (-1.51%); an equivalent increase in the rate, on the other hand, would result in an increase in liabilities of €6 million (+1.54%).

## Part B - Balance sheet - Liabilities

## Section 10 - Provisions for risks and charges - Item 100

## 10.1 Provisions for risks and charges: breakdown

(€ million)

| ITEMS/COMPONENTS  | AMOUNTS AS AT |              |
|---|---------------|--------------|
|   | 31.12.2022    | 31.12.2021   |
| 1. Provisions for credit risk on commitments and financial guarantees given | 467           | 419          |
| 2. Provisions for other commitments and other guarantees given              | -             | -            |
| 3. Pensions and other post-retirement benefit obligations                   | 65            | 61           |
| 4. Other provisions for risks and charges                                   | 1,420         | 1,494        |
| 4.1 Legal and tax disputes  | 316           | 445          |
| 4.2 Staff expenses  | 703           | 588          |
| 4.3 Other   | 401           | 461          |
| <b>Total</b>  | <b>1,952</b>  | <b>1,974</b> |

To cover liabilities that may result from pending lawsuits (excluding labor disputes and tax cases), UniCredit S.p.A. has set aside a provision for risks and charges of €296 million (€428 million at 31 December 2021). More details are included in the paragraph "Part E - Information on risks and risks of hedging policies", Notes to the accounts.

Evolution of provisions for risk and charges referred to staff is affected by business combinations occurred in the year.

## 10.2 Provisions for risks and charges: annual changes

(€ million)

|  | CHANGES IN 2022   |   |  | TOTAL        |
|--|---|---|--|--------------|
|  | PROVISIONS FOR OTHER OFF-BALANCE SHEET COMMITMENTS AND OTHER GUARANTEES GIVEN | PENSION AND POST-RETIREMENT BENEFIT OBLIGATIONS | OTHER PROVISIONS FOR RISKS AND CHARGES |              |
| <b>A. Opening balance</b>                    | -   | 61  | 1,494                                  | <b>1,555</b> |
| <b>B. Increases</b>                          | -   | 135   | 680                                    | <b>815</b>   |
| B.1 Provisions for the year                  | -   | 8   | 428                                    | 436          |
| B.2 Changes due to the passing time          | -   | 2   | 5                                      | 7            |
| B.3 Differences due to discount-rate changes | -   | -   | -                                      | -            |
| B.4 Other changes                            | -   | 125   | 247                                    | 372          |
| <i>of which: business combinations</i>       | -   | 118   | 68                                     | 186          |
| <b>C. Decreases</b>                          | -   | 131   | 754                                    | <b>885</b>   |
| C.1 Use during the year                      | -   | -   | 351                                    | 351          |
| C.2 Differences due to discount-rate changes | -   | -   | 11                                     | 11           |
| C.3 Other changes                            | -   | 131   | 392                                    | 523          |
| <i>of which: business combinations</i>       | -   | 8   | 2                                      | 10           |
| <b>D. Closing balance</b>                    | -   | 65  | 1,420                                  | <b>1,485</b> |

More details about annual changes for pensions and post-retirement benefit obligation are presented in the paragraph "10.5 - Pensions and other postretirement defined benefit obligations", Notes to the accounts, Part B - Balance sheet - Liabilities, Section 10 - Provision for risks and charges - Item 100.

## 10.3 Provisions for credit risk on commitments and financial guarantees given

(€ million)

|                            | AMOUNTS AS AT 31.12.2022   |           |            |  |            |
|----------------------------|--|-----------|------------|--|------------|
|                            | PROVISIONS FOR CREDIT RISK ON COMMITMENTS AND FINANCIAL GUARANTEES GIVEN |           |            |  | TOTAL      |
|                            | STAGE 1  | STAGE 2   | STAGE 3    | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS |            |
| Loan commitments given     | 38   | 18        | 43         | -  | 99         |
| Financial guarantees given | 33   | 77        | 258        | -  | 368        |
| <b>Total</b>               | <b>71</b>  | <b>95</b> | <b>301</b> | <b>-</b>   | <b>467</b> |

## Part B - Balance sheet - Liabilities

More details on provisions for commitments and guarantees given are presented in to the paragraph “10.3 Provisions for credit risk on commitments and financial guarantees given” and “10.4 Provisions on other commitments and other issued guarantees”, Notes to the accounts Part B - Balance sheet - Liabilities, Section 10 - Provision for risks and charges - Item 100.

### 10.4 Provisions on other commitments and other issued guarantees

No data to be disclosed.

### 10.5 Pensions and other post-retirement defined-benefit obligations

#### 1. Pensions and other post-retirement benefit obligations

According to IAS19, obligations arising from defined-benefit plans are determined using the “projected unit credit” method, while segregated assets are measured at fair value at Balance sheet reporting date. The balance sheet obligation is the result of the deficit or surplus (i.e. the difference between obligations and assets) net of any impacts of the asset ceiling; actuarial gains and losses are recognised in shareholders' equity and shown in a specific item of revaluation reserves in the financial year in which they are recorded.

The actuarial assumptions used to determine obligations vary from country to country and from plan to plan; the discount rate is determined, depending on the currency of denomination of the commitments and the maturity of the liability, by reference to market yields at the balance sheet date on a basket of “high quality corporate bonds”.

In light of evolving common interpretation about “high quality corporate bonds” identification and persisting interest rates decreasing trend, UniCredit group refined its Discount Rate setting methodology by referencing AA rated corporate bonds basket. In addition, it is worth to mention that, instead of econometric models, a Nelson Siegel methodology has been applied in modelling the yield-curve expressed by the basket of securities (adjusted above the last liquid point, defined as the average maturity of the last 5 available bonds, relying on the slope of a Treasury curve build with AA Govies).

The balance of the negative Revaluation reserves, net of deferred taxes, changed from -€87 million at 31 December 2021 to -€127 million at 31 December 2022 (included the effects related to the merger of UniCredit Services).

The Annexes provide details of Internal Fund movements and include statements of changes in funds with segregated assets pursuant to Art.2117 of the Italian Civil Code, as well as explanatory notes thereto.

## Part B - Balance sheet - Liabilities

### 2. Changes of net defined benefit liability/asset and any reimbursement rights

#### 2.1 Breakdown of defined benefit net obligation

|  | (€ million) |            |
|--|-------------|------------|
|  | 31.12.2022  | 31.12.2021 |
| Current value of the defined benefit obligation                        | 424         | 252        |
| Current value of the plan assets                                       | (359)       | (191)      |
| <b>Deficit/(Surplus)</b>   | <b>65</b>   | <b>61</b>  |
| Irrecoverable surplus (effect of asset ceiling)                        | -           | -          |
| <b>Net defined benefit liability/(asset) as of the period end date</b> | <b>65</b>   | <b>61</b>  |

#### 2.2 Changes in defined benefit obligations

|  | (€ million) |            |
|--|-------------|------------|
|  | 31.12.2022  | 31.12.2021 |
| Initial defined benefit obligation                                     | 252         | 320        |
| Current service cost   | 8           | 1          |
| Settlement (gain)/loss   | -           | (14)       |
| Past service cost  | -           | -          |
| Interest expense on the defined benefit obligation                     | 7           | 2          |
| Write-downs for actuarial (gains)/losses on defined benefit plans      | (180)       | (3)        |
| Employees' contributions for defined benefit plans                     | -           | -          |
| Disbursements from plan assets   | (25)        | (24)       |
| Disbursements directly paid by the fund                                | (4)         | -          |
| Settlements  | -           | (33)       |
| Other increases (decreases)  | 366         | 3          |
| <b>Net defined benefit liability/(asset) as of the period end date</b> | <b>424</b>  | <b>252</b> |

#### 2.3 Changes to plan assets

|  | (€ million) |            |
|--|-------------|------------|
|  | 31.12.2022  | 31.12.2021 |
| Initial fair value of plan assets  | 191         | 222        |
| Interest income on plan assets   | 5           | 1          |
| Administrative expenses paid from plan assets  | -           | -          |
| Write-downs on the fair value of plan assets for actuarial gains (losses) on the discount rate | (83)        | -          |
| Employer contributions   | 18          | 21         |
| Disbursements from plan assets   | (25)        | (23)       |
| Settlements  | -           | (33)       |
| Other increases (decreases)  | 253         | 3          |
| <b>Final fair value of plan assets</b>   | <b>359</b>  | <b>191</b> |

### 3. Main plan asset classes

|                              | (€ million) |            |
|------------------------------|-------------|------------|
|                              | 31.12.2022  | 31.12.2021 |
| 1. Shares                    | 57          | 20         |
| 2. Bonds                     | 53          | 41         |
| 3. Units in investment funds | 212         | 102        |
| 4. Real estate properties    | 1           | 2          |
| 5. Derivative instruments    | -           | -          |
| 6. Other assets              | 36          | 26         |
| <b>Total</b>                 | <b>359</b>  | <b>191</b> |

## Part B - Balance sheet - Liabilities

## 4. Significant actuarial assumptions used to determine the current value of defined benefit obligation

|   | 31.12.2022 | 31.12.2021 |
|---|------------|------------|
|   | %          | %          |
| Discount rate                                   | 3.85       | 0.93       |
| Expected return on plan assets                  | 3.85       | 0.93       |
| Expected compensation increase rate             | 2.52       | 1.63       |
| Future increases relating to pension treatments | 2.04       | 1.51       |
| Expected inflation rate                         | 2.36       | 2.02       |

## 5. Impact of changes in financial/demographic assumptions on DBOs and financial duration

|  | (€ million) |
|--|-------------|
|  | 31.12.2022  |
| - Impact of changes in financial/demographic assumptions on DBOs |             |
| <b>A. Discount rate</b>  |             |
| A1. -25 basis points   | 13          |
|  | 3.17%       |
| A2. +25 basis points   | (13)        |
|  | -2.99%      |
| <b>B. Future increase rate relating to pension treatments</b>    |             |
| B1. -25 basis points   | (8)         |
|  | -2.01%      |
| B2. +25 basis points   | 9           |
|  | 2.10%       |
| <b>C. Mortality</b>  |             |
| C.1 Life expectancy + 1 year                                     | 15          |
|  | 3.69%       |
| - Financial duration (years)                                     | 12.4        |

## 10.6 Provisions for risks and charges - other provisions

|  | AMOUNTS AS AT |            |
|--|---------------|------------|
|  | 31.12.2022    | 31.12.2021 |
| <b>4.3 Other provisions for risks and charges - other</b>      |               |            |
| Real estate risks/charges                                      | -             | -          |
| Restructuring costs  | -             | -          |
| Allowances payable to agents                                   | 4             | 6          |
| Disputes regarding financial instruments and derivatives       | 5             | 6          |
| Costs for liabilities arising from equity investment disposals | 12            | 14         |
| Other  | 380           | 435        |
| <b>Total</b>   | <b>401</b>    | <b>461</b> |

Other Provisions include:

- the ones posted in order to cope with the probable risks of loss related to the purchases of diamonds, that could be carried out under action of "customer care" promoted by the Bank. To complete the information more details are included in the paragraph "E. Other claims by customers", Notes to the accounts, Part E - Information about risks and hedging policies, Section 5 - Operational risk, Qualitative information;
- those referring to cover the risks related to certain standard contractual terms contained in the documentary frameworks (i.e. reps & warranties), including securitisation transactions with derecognition of non-performing loans, signed with the SPVs, of which UniCredit S.p.A. is Originator, pending the analysis and assessments to be completed within the deadlines established.

## Section 11 - Redeemable shares - Item 120

No data to be disclosed.

## Part B - Balance sheet - Liabilities

## Section 12 - Shareholders' equity - Item 110, 130, 140, 150, 160, 170 and 180

Further information about shareholders' equity are disclosed in the paragraph "Part F - Shareholders' equity", Notes to the accounts.

## 12.1 "Share capital" and "treasury shares": breakdown

|                           | AMOUNTS AS AT 31.12.2022 |                     | AMOUNTS AS AT 31.12.2021 |                     |
|---------------------------|--------------------------|---------------------|--------------------------|---------------------|
|                           | ISSUED SHARES            | UNDERWRITTEN SHARES | ISSUED SHARES            | UNDERWRITTEN SHARES |
|                           | (€ million)              |                     |                          |                     |
| <b>A. Share capital</b>   |                          |                     |                          |                     |
| A.1 Ordinary shares       | 21,220                   | -                   | 21,133                   | -                   |
| A.2 Savings shares        | -                        | -                   | -                        | -                   |
| <b>Total A</b>            | <b>21,220</b>            | <b>-</b>            | <b>21,133</b>            | <b>-</b>            |
| <b>B. Treasury shares</b> |                          |                     |                          |                     |
| B.1 Ordinary shares       | -                        | -                   | (199)                    | -                   |
| B.2 Savings shares        | -                        | -                   | -                        | -                   |
| <b>Total B</b>            | <b>-</b>                 | <b>-</b>            | <b>(199)</b>             | <b>-</b>            |

Share capital, which as of 31 December 2021 was represented by No.2,226,129,520 ordinary shares, in 2022 changed due to a free share capital increase by €87 million resolved on 15 February 2022 by UniCredit's Board of Directors by issuing No.6,811,312 ordinary shares to be granted to the employees of UniCredit group. During the year 2022 a total of No.297,671,091 ordinary shares were cancelled, without reduction of the share capital, following the completion of the treasury share buyback programmes aimed at remunerating the shareholders ("Second Buy-Back Programme with reference to the 2020 financial year and "First and Second Tranche of the Buy-Back Programme 2021").

As a result of the above at 31 December 2022 the share capital of UniCredit S.p.A. amounts to €21,220 million represented by No.1,935,269,741 ordinary shares with no nominal value.

## 12.2 Share capital - Number of shares: annual changes

| ITEMS/TYPES   | CHANGES IN 2022      |          |
|---|----------------------|----------|
|   | ORDINARY             | SAVINGS  |
| <b>A. Issued shares as at the beginning of the year</b> | <b>2,226,129,520</b> | <b>-</b> |
| - Fully paid  | 2,226,129,520        | -        |
| - Not fully paid  | -                    | -        |
| A.1 Treasury shares (-)                                 | (15,048,642)         | -        |
| A.2 Shares outstanding: opening balance                 | 2,211,080,878        | -        |
| <b>B. Increases</b>                                     | <b>6,811,312</b>     | <b>-</b> |
| B.1 New issues  | 6,811,312            | -        |
| - Against payment                                       | -                    | -        |
| - Business combinations                                 | -                    | -        |
| - Bonds converted                                       | -                    | -        |
| - Warrants exercised                                    | -                    | -        |
| - Other   | -                    | -        |
| - Free  | 6,811,312            | -        |
| - To employees  | 6,811,312            | -        |
| - To directors  | -                    | -        |
| - Other   | -                    | -        |
| B.2 Sales of treasury shares                            | -                    | -        |
| B.3 Other changes                                       | -                    | -        |
| <b>C. Decreases</b>                                     | <b>282,622,449</b>   | <b>-</b> |
| C.1 Cancellation  | -                    | -        |
| C.2 Purchase of treasury shares                         | 282,622,449          | -        |
| C.3 Business transferred                                | -                    | -        |
| C.4 Other changes                                       | -                    | -        |
| <i>of which: business combinations</i>                  | -                    | -        |
| <b>D. Shares outstanding: closing balance</b>           | <b>1,935,269,741</b> | <b>-</b> |
| D.1 Treasury shares (+)                                 | -                    | -        |
| D.2 Shares outstanding as at the end of the year        | 1,935,269,741        | -        |
| - Fully paid  | 1,935,269,741        | -        |
| - Not fully paid  | -                    | -        |



## Part B - Balance sheet - Liabilities

The item "Purchase of treasury shares" reports the shares purchased in execution of the share buy-back programs aimed at remunerating the shareholders carried out during the year 2022; the treasury shares purchased were totally cancelled in the year, including the No.15,048,642 treasury shares outstanding at the beginning of the year; in detail:

- purchase of No.33,487,579 shares to complete the "Second Buy-Back Programme" launched in December 2021 and concluded on 28 February 2022 pursuant to the authorization issued by Shareholders' Meeting of 15 April 2021; the shares purchased under this program relating to the remuneration of the year 2020, were canceled on 2 March 2022 including the shares purchased in the previous year.;
- purchase of No.249,134,870 shares following the completion of the "Buy-Back Programme 2021" (First and Second Tranche) pursuant to the resolutions of the shareholders' meetings of 8 April 2022 and 14 September 2022; the shares purchased upon completion of the two tranches were canceled on 19 July 2022 (first tranche) and 14 December 2022 (second tranche).

### 12.3 Capital: other information

Shares have no face value pursuant to the resolution passed by the Extraordinary Shareholders' Meeting on 15 December 2011.

Outstanding ordinary shares relating to the usufruct contract signed with Mediobanca S.p.A. on UniCredit shares for the issuance of convertible securities denominated "Cashes" amount to No.9,675,640 (issued in the context of the January 2009 capital increase) provides for Euribor-linked discretionary payments contingent also on the payment of dividends on ordinary shares. The voting right cannot be exercised on these shares.

### 12.4 Reserves from profits: other information

|                   | AMOUNTS AS AT |              |
|-------------------|---------------|--------------|
|                   | 31.12.2022    | 31.12.2021   |
| Legal reserve     | 1,518         | 1,518        |
| Statutory reserve | 15,754        | 6,828        |
| Other reserves    | 1,346         | 1,079        |
| <b>Total</b>      | <b>18,618</b> | <b>9,425</b> |

(€ million)

The Legal reserve in overall includes, in addition to the amount of €1,518 million, also the amount of €2,738 million classified among other reserves (not from profits) through a withdrawal from the "Share premium reserve" as resolved by the Shareholders' Meeting of 11 May 2013, 13 May 2014, 14 April 2016 and 15 April 2021 in order to replenish the Legal reserve above the limit set by Art.2430 of the Italian Civil Code.

### 12.5 Equity instruments: composition and annual changes

The item is entirely composed by Additional Tier 1 bond issuances placed between 2014 and 2021 net of the related issue costs (a total of eight issues). During 2022 an early repayment of equity instruments placed in 2016 was carried out for a total nominal value of €500 million.

## Part B - Balance sheet - Liabilities

## 12.6 Other Information

## Valuation reserves: breakdown

(€ million)

| ITEM/TYPES   | AMOUNTS AS AT |            |
|--|---------------|------------|
|  | 31.12.2022    | 31.12.2021 |
| 1. Equity instruments designated at fair value through other comprehensive income                    | (231)         | (260)      |
| 2. Financial assets (other than equity instruments) at fair value through other comprehensive income | 163           | 407        |
| 3. Hedging of equity instruments at fair value through other comprehensive income                    | -             | -          |
| 4. Financial liabilities at fair value through profit or loss (changes in own credit risk)           | (45)          | (87)       |
| 5. Hedging instruments (non-designated elements)   | -             | -          |
| 6. Property, plant and equipment   | 740           | 699        |
| 7. Intangible assets   | -             | -          |
| 8. Hedges of foreign investments   | -             | -          |
| 9. Cash-flow hedges  | 18            | (14)       |
| 10. Exchange differences   | -             | -          |
| 11. Non-current assets classified as held for sale   | 1             | -          |
| 12. Actuarial gains (losses) on defined-benefit plans  | (211)         | (228)      |
| 13. Part of valuation reserves of investments valued at net equity                                   | -             | -          |
| 14. Special revaluation laws   | 277           | 277        |
| <b>Total</b>   | <b>712</b>    | <b>794</b> |

The following table, in accordance with article 2427, paragraph 7-bis, of the Italian Civil Code, provides details on the origin, possible uses and availability of distribution of shareholders' equity, as well as the summary of its use in the three previous financial years.

## Part B - Balance sheet - Liabilities

## Breakdown of Shareholders' Equity (with indication of availability and distribution)

| ITEMS   | AMOUNT        | PERMITTED USES <sup>(1)</sup> | AVAILABLE PORTION | SUMMARY OF USE IN THE THREE PREVIOUS FINANCIAL YEARS |                      |
|---|---------------|-------------------------------|-------------------|--|----------------------|
|   |               |                               |                   | TO COVER LOSSES                                      | OTHER REASONS        |
| Share capital   | 21,220        | -                             | -                 |  |                      |
| Share premium   | 2,516         | A, B, C                       | 2,516             | 3,287  | 7,421 <sup>(1)</sup> |
| <b>Reserves:</b>  | <b>23,707</b> |                               |                   |  |                      |
| Legal reserve   | 4,256         | B <sup>(2)</sup>              | 4,256             | -  | -                    |
| Reserve for treasury shares   | -             | -                             | -                 | -  | -                    |
| Statutory reserves  | 15,754        | A, B, C                       | 15,754            | -  | 877 <sup>(3)</sup>   |
| Reserves arising out of transfer of assets  | 420           | A, B, C <sup>(4)</sup>        | 420               | -  | -                    |
| Reserves related to the medium-term incentive programme for Group staff           | 86            | - <sup>(5)</sup>              | -                 | -  | 225 <sup>(14)</sup>  |
| Reserve related to equity-settled plans   | 957           | A, B, C <sup>(6)</sup>        | 756               | -  | -                    |
| Reserve related to business combinations (IFRS3)                                  | 2,093         | A, B, C <sup>(7)</sup>        | 2,093             | -  | -                    |
| Reserve pursuant to Art.1, C.984 Legislative Decree 145/2018                      | 145           | A, B, C <sup>(8)</sup>        | 145               | -  | -                    |
| Reserve related to business combinations within the Group                         | 701           | A, B, C <sup>(9)</sup>        | 701               | -  | -                    |
| Reserve pursuant to Art.6, paragraph 2 Legislative Decree 38/2005                 | 453           | B <sup>(10)</sup>             | 453               | -  | -                    |
| Reserve for share purchase transactions   | -             | -                             | -                 | -  | -                    |
| Other reserves  | 50            | A, B, C                       | 50                | -  | -                    |
| Negative components of shareholders' equity                                       | (1,208)       | - <sup>(11)</sup>             | (1,208)           | -  | -                    |
| <b>Revaluation reserves:</b>  | <b>712</b>    |                               |                   |  |                      |
| Monetary equalisation reserve under L.576/75                                      | 4             | A, B, C <sup>(12)</sup>       | 4                 | -  | -                    |
| Monetary revaluation reserve under L.72/83  | 85            | A, B, C <sup>(12)</sup>       | 85                | -  | -                    |
| Asset revaluation reserve under L.408/90  | 29            | A, B, C <sup>(12)</sup>       | 29                | -  | -                    |
| Property revaluation reserve under L.413/91                                       | 159           | A, B, C <sup>(12)</sup>       | 159               | -  | -                    |
| Financial assets and liabilities at fair value through other comprehensive income | (113)         | - <sup>(13)</sup>             | -                 | -  | -                    |
| Reserve for property plant and equipment  | 741           | - <sup>(13)</sup>             | -                 | -  | -                    |
| Cash-flow hedges reserve  | 18            | - <sup>(13)</sup>             | -                 | -  | -                    |
| Asset held for sale   | 1             | -                             | -                 | -  | -                    |
| Reserve for actuarial gains (losses) on employee defined -benefit plans           | (212)         | - <sup>(13)</sup>             | -                 | -  | -                    |
| <b>Total</b>  | <b>48,155</b> |                               | <b>26,213</b>     | <b>3,287</b>   | <b>8,523</b>         |
| <b>Portion not allowed in distribution</b>  |               |                               | <b>4,709</b>      |  |                      |
| <b>Remaining portion available for distribution<sup>(*)</sup></b>                 |               |                               | <b>21,504</b>     |  |                      |

## Notes:

(\*) A: for capital increase; B: to cover losses; C: distribution to shareholders.

(\*\*) Share premium reserve is considered distributable as the legal reserve is at the level of one-fifth of the share capital, as per article 2430 of the Italian Civil Code; the distributable overall amount is net of negative items.

(1) Reserve used for coverage negative reserves (€3,956 million); to increase the Legal reserve (€55 million) and for the allocation to the unavailable reserve for buyback (€3,410 million).

(2) Reserve available to cover losses only after the utilisation of other reserves, except for the reserves pursuant to article 6, paragraph 2, of Legislative Decree 38/2005; the reserve includes €2,738 million from Share premium reserve as approved by the Ordinary Shareholders' Meetings of 11 May 2013, 13 May 2014, 14 April 2016 and 15 April 2021.

(3) Reserve used to cover negative reserves (€280 million), for allocation to the reserve pursuant to Art. 6 of Legislative Decree 38/2005 (€168 million), for allocation to the reserve related to the medium-term incentive programme for Group staff (€161 million) and for distribution of dividends (€268 million).

(4) The reserve includes €215 million distributable according to the procedure established article 2445 of the Italian Civil Code; in case of utilization to cover losses, profits may not be distributed until the reserve is restored to its full amount or is reduced by the corresponding amount.

(5) The shareholders' meeting can resolve the removal of the constraint making it available and distributable

(6) These reserves set up in application of the accounting standard IFRS2 are unavailable as long as the related plans are vested.

(7) The Reserve from business combination (IFRS3), generated with the acquisition of the shareholdings UniCredit Bank AG and UniCredit Bank Austria AG, is fully available due to the write-downs recognised through profit and loss in the previous years on these shareholdings and covered without using the reserve in question. A portion of this reserve equal to €653 million is to be considered restricted in tax suspension due to the tax realignment of the properties carried out pursuant to Art.110 of the D.L. 2020/104. In the event of distribution of the reserve, the related restricted portion will be subject to taxation at the ordinary rate.

(8) Reserve in suspension of tax established with withdrawal of the statutory reserve; in case of distribution will be subject to taxation at the ordinary rate.

(9) The reserve includes the surplus from the merger of the subsidiaries UniCredit Bank Ireland Public Limited Company (€295 million) and UniCredit Services S.C.p.A. (€180 million).

(10) Reserve from profit non distributable; includes retained earnings connected with the application of the fair value model on investment properties (€75 million); if the reserve is used to cover losses, profits cannot be distributed until this reserve has been replenished by allocating profits from future years.

(11) Negative components affect the availability and distributability of positive reserves of the shareholders' equity.

(12) If case of use to cover losses, profits may not be distributed until the reserve is restored to its full amount or is reduced by the corresponding amount by resolution of the extraordinary Shareholders' Meeting Resolution, without application of the provisions of the second and third paragraphs of article 2445 of the Italian Civil Code. If the reserve is not recognised under share capital, it may only be reduced by resolution adopted in application of the provisions of the second and third paragraphs of article 2445 of the Italian Civil Code.

(13) The reserve, when positive, is not available pursuant to article 6 of Legislative Decree 38/2005.

(14) Reserve used for free capital increase with respect to allocation of performance shares connected to the personnel incentive plan.

## Part B - Balance sheet - Liabilities

In detail the composition of negative components of shareholders' equity:

| ITEMS   | (€ million)<br>31.12.2022 |
|---|---------------------------|
| Reserve for payments of AT1 and Cashes  | (377)                     |
| Reserve for capital increase costs  | (308)                     |
| Reserve for the unsustainable deferred tax assets relating to tax losses carried forward linked to equity items | (113)                     |
| Financial instruments at fair value through other comprehensive income  | (268)                     |
| Reserve relating to business combination within the Group and other negative reserves                           | (142)                     |
| <b>Total</b>  | <b>(1,208)</b>            |

The negative reserves from business combinations within the Group includes the negative equity impact arising from merger transactions, transfer of business unit carried out with subsidiaries; during the year 2022 were recognised the negative differences from the merger of Cordusio SIM S.p.A. (-€12 million) and Crivelli S.r.l. (-€4 million).

## Part B - Balance sheet - Liabilities

## Other information

## 1. Commitments and financial guarantees given (different from those designated at fair value)

(€ million)

|   | AMOUNTS AS AT 31.12.2022                                       |              |            |   |               | AMOUNTS AS AT |
|---|--|--------------|------------|---|---------------|---------------|
|   | NOTIONAL AMOUNTS OF COMMITMENTS AND FINANCIAL GUARANTEES GIVEN |              |            |   |               | 31.12.2021    |
|   | STAGE 1  | STAGE 2      | STAGE 3    | PURCHASED OR<br>ORIGINATED<br>CREDIT-IMPAIRED<br>FINANCIAL ASSETS | TOTAL         | TOTAL         |
| <b>1. Loan commitments given</b>                | <b>20,365</b>  | <b>2,757</b> | <b>247</b> | -   | <b>23,369</b> | <b>24,756</b> |
| a) Central Banks                                | 14   | -            | -          | -   | 14            | 19            |
| b) Governments and other Public Sector Entities | 1,406  | 587          | 18         | -   | 2,011         | 2,596         |
| c) Banks  | 181  | -            | -          | -   | 181           | 721           |
| d) Other financial companies                    | 3,871  | 575          | -          | -   | 4,446         | 4,573         |
| e) Non-financial companies                      | 14,698   | 1,581        | 226        | -   | 16,505        | 16,593        |
| f) Households                                   | 195  | 14           | 3          | -   | 212           | 254           |
| <b>2. Financial guarantees given</b>            | <b>30,935</b>  | <b>8,086</b> | <b>807</b> | -   | <b>39,828</b> | <b>40,822</b> |
| a) Central Banks                                | 4  | -            | -          | -   | 4             | 34            |
| b) Governments and other Public Sector Entities | 436  | 42           | 19         | -   | 497           | 560           |
| c) Banks  | 4,912  | 375          | -          | -   | 5,287         | 5,728         |
| d) Other financial companies                    | 4,875  | 721          | 5          | -   | 5,601         | 6,098         |
| e) Non-financial companies                      | 20,575   | 6,923        | 781        | -   | 28,279        | 28,218        |
| f) Households                                   | 133  | 25           | 2          | -   | 160           | 184           |

## 2. Others commitments and others guarantees given

(€ million)

|   | AMOUNTS AS AT    |                  |
|---|------------------|------------------|
|   | 31.12.2022       | 31.12.2021       |
|   | NOTIONAL AMOUNTS | NOTIONAL AMOUNTS |
| <b>1. Others guarantees given</b>               | -                | -                |
| <i>of which: non-performing loans</i>           | -                | -                |
| a) Central Banks                                | -                | -                |
| b) Governments and other Public Sector Entities | -                | -                |
| c) Banks  | -                | -                |
| d) Other financial companies                    | -                | -                |
| e) Non-financial companies                      | -                | -                |
| f) Households                                   | -                | -                |
| <b>2. Others commitments</b>                    | <b>107,636</b>   | <b>99,295</b>    |
| <i>of which: non-performing loans</i>           | 436              | 739              |
| a) Central Banks                                | 407              | 405              |
| b) Governments and other Public Sector Entities | 1,338            | 1,078            |
| c) Banks  | 14,154           | 12,764           |
| d) Other financial companies                    | 18,427           | 17,962           |
| e) Non-financial companies                      | 67,869           | 61,949           |
| f) Households                                   | 5,441            | 5,137            |

Table "1. Commitments and financial guarantees given" shows commitments and guarantees evaluated according to the IFRS9 requirements. Table "2. Other commitments and others guarantees given" shows commitments and guarantees that are not evaluated according to the IFRS9 requirements. According to the Circular No.262 of 22 December 2005 of Banca d'Italia (and subsequent amendments), the tables also include the revocable commitments and the item "financial guarantees" also includes the commercial ones.

## Part B - Balance sheet - Liabilities

### 3. Assets used to guarantee own liabilities and commitments

| PORTFOLIOS   | AMOUNTS AS AT |            |
|--|---------------|------------|
|  | 31.12.2022    | 31.12.2021 |
| 1. Financial assets at fair value through profit or loss             | 831           | 3,009      |
| 2. Financial assets at fair value through other comprehensive income | 8,576         | 17,644     |
| 3. Financial assets at amortised cost                                | 83,094        | 84,330     |
| 4. Property, plant and equipment                                     | -             | -          |
| <i>of which: inventories of property, plant and equipment</i>        | -             | -          |

### 4. Asset management and trading on behalf of others

| TYPE OF SERVICES   | AMOUNTS AS AT |              |
|--|---------------|--------------|
|  | 31.12.2022    | 31.12.2021   |
| <b>1. Execution of orders on behalf of customers</b>   |               |              |
| a) Purchases   | -             | -            |
| 1. Settled   | -             | -            |
| 2. Unsettled   | -             | -            |
| b) Sales   | -             | -            |
| 1. Settled   | -             | -            |
| 2. Unsettled   | -             | -            |
| <b>2. Individual portfolio management</b>  | 6,433         | 3,600        |
| <b>3. Custody and administration of securities</b>   |               |              |
| a) Third party securities on deposits: relating to depositary bank activities (excluding portfolio management) | -             | -            |
| 1. Securities issued by companies included in consolidation  | -             | -            |
| 2. Other securities  | -             | -            |
| b) Third party securities held in deposits (excluding portfolio management): other                             | 81,328        | 63,104       |
| 1. Securities issued by companies included in consolidation  | 6,836         | 4,033        |
| 2. Other securities  | 74,492        | 59,071       |
| c) Third party securities deposited with third parties   | 81,186        | 62,589       |
| d) Property securities deposited with third parties  | 115,468       | 119,534      |
| <b>4. Other transactions</b>   | <b>6,616</b>  | <b>6,931</b> |

### 5. Financial assets subject to accounting offsetting or under master netting agreements and similar agreements

| INSTRUMENT TYPE       |                   | GROSS AMOUNTS<br>OF FINANCIAL<br>ASSETS<br>(A) | FINANCIAL<br>LIABILITIES<br>OFFSET IN<br>BALANCE SHEET<br>(B) | NET BALANCE<br>SHEET VALUES<br>OF FINANCIAL<br>ASSETS<br>(C=A-B) | RELATED AMOUNTS NOT SUBJECT<br>TO ACCOUNTING OFFSETTING |                                       | NET AMOUNT<br>31.12.2022<br>(F=C-D-E) | NET AMOUNT<br>31.12.2021 |
|-----------------------|-------------------|--|---|--|---|---------------------------------------|---------------------------------------|--------------------------|
|                       |                   |  |   |  | FINANCIAL<br>INSTRUMENTS<br>(D)                         | CASH<br>COLLATERAL<br>RECEIVED<br>(E) |                                       |                          |
| 1. Derivatives        |                   | 28,364   | -   | 28,364   | 25,995  | 1,742                                 | 627                                   | 583                      |
| 2. Reverse repos      |                   | 29,430   | -   | 29,430   | 29,192  | 25                                    | 213                                   | 10,088                   |
| 3. Securities lending |                   | -  | -   | -  | -   | -                                     | -                                     | -                        |
| 4. Others             |                   | -  | -   | -  | -   | -                                     | -                                     | -                        |
| <b>Total</b>          | <b>31.12.2022</b> | <b>57,794</b>                                  | <b>-</b>  | <b>57,794</b>  | <b>55,187</b>   | <b>1,767</b>                          | <b>840</b>                            | <b>X</b>                 |
| <b>Total</b>          | <b>31.12.2021</b> | <b>33,856</b>                                  | <b>-</b>  | <b>33,856</b>  | <b>21,894</b>   | <b>1,291</b>                          | <b>X</b>                              | <b>10,671</b>            |

## Part B - Balance sheet - Liabilities

## 6. Liabilities subject to accounting offsetting or under master netting agreements and similar ones

(€ million)

| INSTRUMENT TYPE         | GROSS AMOUNTS<br>OF FINANCIAL<br>LIABILITIES<br>(A) | FINANCIAL<br>ASSETS OFFSET<br>IN BALANCE<br>SHEET<br>(B) | NET BALANCE<br>SHEET VALUES<br>OF FINANCIAL<br>LIABILITIES<br>(C=A-B) | RELATED AMOUNTS NOT SUBJECT<br>TO ACCOUNTING OFFSETTING |                                       | NET AMOUNT<br>31.12.2022<br>(F=C-D-E) | NET AMOUNT<br>31.12.2021 |
|-------------------------|---|--|---|---|---------------------------------------|---------------------------------------|--------------------------|
|                         |   |  |   | FINANCIAL<br>INSTRUMENTS<br>(D)                         | CASH<br>COLLATERAL<br>RECEIVED<br>(E) |                                       |                          |
| 1. Derivatives          | 30,273  | -  | 30,273  | 26,056  | 2,950                                 | 1,267                                 | 551                      |
| 2. Reverse repos        | 34,799  | -  | 34,799  | 34,692  | 103                                   | 4                                     | 29,317                   |
| 3. Securities lending   | -   | -  | -   | -   | -                                     | -                                     | -                        |
| 4. Others               | -   | -  | -   | -   | -                                     | -                                     | -                        |
| <b>Total 31.12.2022</b> | <b>65,072</b>                                       | <b>-</b>   | <b>65,072</b>   | <b>60,748</b>   | <b>3,053</b>                          | <b>1,271</b>                          | <b>X</b>                 |
| <b>Total 31.12.2021</b> | <b>53,847</b>                                       | <b>-</b>   | <b>53,847</b>   | <b>22,352</b>   | <b>1,627</b>                          | <b>X</b>                              | <b>29,868</b>            |

## 7. Security borrowing transactions

(€ million)

| TYPE OF LENDER             | AMOUNTS AS AT 31.12.2022                                |          |                              |                |
|----------------------------|---|----------|------------------------------|----------------|
|                            | AMOUNTS OF THE SECURITIES BORROWED/TRANSACTION PURPOSES |          |                              |                |
|                            | GIVEN AS COLLATERAL<br>IN OWN FUNDING<br>TRANSACTIONS   | SOLD     | SOLD IN REPO<br>TRANSACTIONS | OTHER PURPOSES |
| A. Banks                   | 1,400   | -        | -                            | 200            |
| B. Financial companies     | -   | -        | -                            | -              |
| C. Insurance companies     | -   | -        | -                            | -              |
| D. Non-financial companies | -   | -        | -                            | -              |
| E. Others                  | 11  | -        | 108                          | 57             |
| <b>Total</b>               | <b>1,411</b>  | <b>-</b> | <b>108</b>                   | <b>257</b>     |

## Part C - Income statement

## Section 1 - Interests - Items 10 and 20

## 1.1 Interest income and similar revenues: breakdown

| ITEMS/TYPES   | YEAR 2022       |              |                    |              | YEAR 2021    |
|---|-----------------|--------------|--------------------|--------------|--------------|
|   | DEBT SECURITIES | LOANS        | OTHER TRANSACTIONS | TOTAL        | TOTAL        |
| <b>1. Financial assets at fair value through profit or loss</b>             | <b>196</b>      | <b>6</b>     | <b>-</b>           | <b>202</b>   | <b>197</b>   |
| 1.1 Financial assets held for trading                                       | 19              | -            | -                  | 19           | 32           |
| 1.2 Financial assets designated at fair value                               | 1               | -            | -                  | 1            | 1            |
| 1.3 Other financial assets mandatorily at fair value                        | 176             | 6            | -                  | 182          | 164          |
| <b>2. Financial assets at fair value through other comprehensive income</b> | <b>319</b>      | <b>-</b>     | <b>X</b>           | <b>319</b>   | <b>355</b>   |
| <b>3. Financial assets at amortised cost</b>                                | <b>572</b>      | <b>4,074</b> | <b>X</b>           | <b>4,646</b> | <b>3,596</b> |
| 3.1 Loans and advances to banks   | 193             | 384          | X                  | 577          | 170          |
| 3.2 Loans and advances to customers   | 379             | 3,690        | X                  | 4,069        | 3,426        |
| <b>4. Hedging derivatives</b>   | <b>X</b>        | <b>X</b>     | <b>(114)</b>       | <b>(114)</b> | <b>(569)</b> |
| <b>5. Other assets</b>  | <b>X</b>        | <b>X</b>     | <b>56</b>          | <b>56</b>    | <b>11</b>    |
| <b>6. Financial liabilities</b>   | <b>X</b>        | <b>X</b>     | <b>X</b>           | <b>438</b>   | <b>817</b>   |
| <b>Total</b>  | <b>1,087</b>    | <b>4,080</b> | <b>(58)</b>        | <b>5,547</b> | <b>4,407</b> |
| <i>of which: interest income on impaired financial assets</i>               | <i>2</i>        | <i>161</i>   | <i>-</i>           | <i>163</i>   | <i>222</i>   |
| <i>of which: interest income on financial lease</i>                         | <i>X</i>        | <i>-</i>     | <i>X</i>           | <i>-</i>     | <i>-</i>     |

The interests on financial assets mandatory at fair value include €99 million referred to the coupon settlement of Additional Tier 1 instruments issued by UniCredit Bank AG subsidiary and €14 million referred to the first coupon settlement of Additional Tier 1 instrument issued by UniCredit Bank Austria AG.

The interests on financial liabilities, contributing to net interest margin, include €228 million arising from TLTRO III facilities (for the calculation of which refer to the paragraph "TLTRO", Notes to the accounts, Part A - Accounting policies, Section 4 - Other matters), matured till 23 November 2022, end of negative interests regime for this instrument, following 27 October 2022 BCE's decision; from that date onward the instrument produces normal interests exposed in table 1.3 Interest expenses and similar charges: composition.

## 1.2 Interest income and similar revenues: other information

## 1.2.1 Interest income from financial assets denominated in currency

| ITEMS                             | YEAR 2022 |     | YEAR 2021 |
|-----------------------------------|-----------|-----|-----------|
|                                   |           |     |           |
| a) Assets denominated in currency |           | 511 | 278       |



## Part C - Income statement

## 1.3 Interest expenses and similar charges: breakdown

| ITEMS/TYPES  | YEAR 2022    |                |                       | TOTAL          | YEAR           |
|--|--------------|----------------|-----------------------|----------------|----------------|
|  | DEBTS        | SECURITIES     | OTHER<br>TRANSACTIONS |                | 2021           |
| <b>1. Financial liabilities at amortised cost</b>        | <b>(548)</b> | <b>(1,286)</b> | <b>X</b>              | <b>(1,834)</b> | <b>(1,680)</b> |
| 1.1 Deposits from central banks                          | (98)         | X              | X                     | (98)           | -              |
| 1.2 Deposits from banks                                  | (184)        | X              | X                     | (184)          | (26)           |
| 1.3 Deposits from customers                              | (266)        | X              | X                     | (266)          | (145)          |
| 1.4 Debt securities in issue                             | X            | (1,286)        | X                     | (1,286)        | (1,509)        |
| <b>2. Financial liabilities held for trading</b>         | <b>-</b>     | <b>(18)</b>    | <b>(68)</b>           | <b>(86)</b>    | <b>(78)</b>    |
| <b>3. Financial liabilities designated at fair value</b> | <b>-</b>     | <b>(11)</b>    | <b>-</b>              | <b>(11)</b>    | <b>(9)</b>     |
| <b>4. Other liabilities and funds</b>                    | <b>X</b>     | <b>X</b>       | <b>(1)</b>            | <b>(1)</b>     | <b>-</b>       |
| <b>5. Hedging derivatives</b>                            | <b>X</b>     | <b>X</b>       | <b>483</b>            | <b>483</b>     | <b>1,023</b>   |
| <b>6. Financial assets</b>                               | <b>X</b>     | <b>X</b>       | <b>X</b>              | <b>(298)</b>   | <b>(500)</b>   |
| <b>Total</b>   | <b>(548)</b> | <b>(1,315)</b> | <b>414</b>            | <b>(1,747)</b> | <b>(1,244)</b> |
| <i>of which: interest expenses on lease deposits</i>     | <i>(11)</i>  | <i>X</i>       | <i>X</i>              | <i>(11)</i>    | <i>(11)</i>    |

The interests on financial liabilities with central banks include €93 million arising from TLTRO III facilities related to the period after 23 November 2022 when the instrument has lost negative interests regime and for whose determination refer to paragraph "TLTRO", Notes to the accounts, Part A - Accounting policies, Section 4 - Other matters.

## 1.4 Interest expenses and similar charges: other information

## 1.4.1 Interest expenses on liabilities denominated in currency

| ITEMS                                  | YEAR 2022 | YEAR 2021 |
|--|-----------|-----------|
| a) Liabilities denominated in currency | (732)     | (547)     |

## 1.5 Differentials relating to hedging operations

| ITEMS  | YEAR 2022  | YEAR 2021  |
|--|------------|------------|
| A. Positive differentials relating to hedging operations | 2,910      | 2,524      |
| B. Negative differentials relating to hedging operations | (2,541)    | (2,070)    |
| <b>C. Net differential (A-B)</b>                         | <b>369</b> | <b>454</b> |

## Part C - Income statement

## Section 2 - Fees and commissions - Items 40 and 50

## 2.1 Fees and commissions income: breakdown

|  | (€ million)  |              |
|--|--------------|--------------|
| TYPE OF SERVICES/VALUES  | YEAR 2022    | YEAR 2021    |
| a) Financial Instruments   | 1,275        | 1,432        |
| 1. Placement of securities   | 1,092        | 1,267        |
| 1.1 Underwriting and/or on the basis of an irrevocable commitment              | -            | -            |
| 1.2 Without irrevocable commitment   | 1,092        | 1,267        |
| 2. Reception and transmission of orders  | 122          | 118          |
| 2.1 Reception and transmission of orders of financial instruments              | 122          | 118          |
| 2.2 Execution of orders on behalf of customers                                 | -            | -            |
| 3. Other fees related to activities linked to financial instruments            | 61           | 47           |
| <i>of which: proprietary Trading</i>   | -            | -            |
| <i>of which: individual portfolio management</i>                               | 61           | 47           |
| b) Corporate Finance   | 10           | 11           |
| 1. M&A advisory  | -            | -            |
| 2. Treasury services   | -            | -            |
| 3. Other fee and commission income in relation to corporate finance activities | 10           | 11           |
| c) Fee based advice  | 9            | 4            |
| d) Clearing and settlement   | -            | -            |
| e) Custody and administration of securities                                    | 8            | 8            |
| 1. Custodian Bank  | -            | -            |
| 2. Other fee and commission income in relation to corporate finance activities | 8            | 8            |
| f) Central administrative services for collective investment                   | -            | -            |
| g) Fiduciary transactions  | -            | -            |
| h) Payment services  | 898          | 784          |
| 1. Current accounts  | -            | -            |
| 2. Credit cards  | 71           | 55           |
| 3. Debits cards and other card payments  | 189          | 147          |
| 4. Transfers and other payment orders  | 267          | 248          |
| 5. Other fees in relation to payment services                                  | 371          | 334          |
| i) Distribution of third party services  | 790          | 748          |
| 1. Collective portfolio management   | -            | -            |
| 2. Insurance products  | 786          | 742          |
| 3. Other products  | 4            | 6            |
| <i>of which: individual portfolio management</i>                               | 1            | 2            |
| j) Structured finance  | -            | -            |
| k) Loan servicing activities   | 44           | 42           |
| l) Loan commitment given   | 27           | 28           |
| m) Financial guarantees  | 224          | 208          |
| <i>of which: credit derivatives</i>  | -            | -            |
| n) Lending transaction   | 239          | 211          |
| <i>of which: factoring services</i>  | -            | -            |
| o) Currency trading  | 151          | 115          |
| p) Commodities   | -            | -            |
| q) Other fee income  | 1,078        | 1,046        |
| <i>of which: management of sharing multilateral trading facilities</i>         | -            | -            |
| <i>of which: management of organized trading systems</i>                       | -            | -            |
| <b>Total</b>   | <b>4,753</b> | <b>4,637</b> |

## Part C - Income statement

Item "a) Financial instruments - 1. Placement of securities" includes placement management fees on investment funds for €1,008 million. Item "q) other fee income" mainly comprise:

- fees for ancillary services linked to current accounts (e.g., token, debt card): €430 million in 2022, €391 million in 2021 (+10%);
- fees for immediate funds availability: €316 million in 2022, €326 million in 2021 (-3%);
- fees for ATM and credit card services not included in collection and payment services: €63 million in 2022, €65 million in 2021 (-2%);
- fees for current accounts keeping: €115 million in 2022, €112 million in 2021 (+3%).

### 2.2 Fees and commissions income: distribution channels of products and services

| CHANNELS/VALUES                       | (€ million)  |              |
|---------------------------------------|--------------|--------------|
|                                       | YEAR 2022    | YEAR 2021    |
| <b>A) Through bank branches</b>       | <b>1,943</b> | <b>2,062</b> |
| 1. Portfolio management               | 61           | 47           |
| 2. Placement of securities            | 1,092        | 1,267        |
| 3. Others' products and services      | 790          | 748          |
| <b>B) Off-site offer</b>              | <b>-</b>     | <b>-</b>     |
| 1. Portfolio management               | -            | -            |
| 2. Placement of securities            | -            | -            |
| 3. Others' products and services      | -            | -            |
| <b>C) Other distribution channels</b> | <b>-</b>     | <b>-</b>     |
| 1. Portfolio management               | -            | -            |
| 2. Placement of securities            | -            | -            |
| 3. Others' products and services      | -            | -            |

### 2.3 Fees and commissions expenses: breakdown

| SERVICES/VALUES  | (€ million)  |              |
|--|--------------|--------------|
|  | YEAR 2022    | YEAR 2021    |
| a) Financial instruments   | (24)         | (22)         |
| <i>of which: trading in financial instruments</i>                        | (7)          | (10)         |
| <i>of which: placement of financial instruments</i>                      | (10)         | (5)          |
| <i>of which: individual Portfolio management</i>                         | (7)          | (7)          |
| - own portfolio  | -            | -            |
| - third party portfolio  | (7)          | (7)          |
| b) Clearing and settlement   | -            | -            |
| c) Custody and administration of securities                              | (38)         | (35)         |
| d) Collection and payment services                                       | (401)        | (317)        |
| <i>of which: debit credit card service and other payment cards</i>       | (354)        | (277)        |
| e) Loan securitisation servicing activities                              | -            | (1)          |
| f) Loan commitment given   | -            | -            |
| g) Financial guarantees received   | (110)        | (77)         |
| <i>of which: credit derivatives</i>                                      | -            | -            |
| h) Off-site distribution of financial instruments, products and services | (7)          | (7)          |
| i) Currencies trading  | -            | (1)          |
| j) Other fees and commissions expenses                                   | (70)         | (84)         |
| <b>Total</b>   | <b>(650)</b> | <b>(544)</b> |

## Part C - Income statement

## Section 3 - Dividend income and similar revenue - Item 70

## 3.1 Dividend income and similar revenues: breakdown

(€ million)

| ITEMS/REVENUES   | YEAR 2022    |                  | YEAR 2021  |                  |
|--|--------------|------------------|------------|------------------|
|  | DIVIDENDS    | SIMILAR REVENUES | DIVIDENDS  | SIMILAR REVENUES |
| A. Financial assets held for trading                                 | -            | -                | -          | -                |
| B. Other financial assets mandatorily at fair value                  | 33           | 21               | 20         | 24               |
| C. Financial assets at fair value through other comprehensive income | 19           | -                | 11         | -                |
| D. Equity investments  | 1,386        | -                | 837        | -                |
| <b>Total</b>   | <b>1,438</b> | <b>21</b>        | <b>868</b> | <b>24</b>        |
| <b>Total dividends and similar revenues</b>                          |              | <b>1,459</b>     |            | <b>892</b>       |

Dividends are recognised in the income statement when distribution is approved.

The item "B. Other financial assets mandatorily at fair value" includes mainly the dividends relating to the shareholding in La Villata S.p.A. Immobiliare di Investimento e Sviluppo for €29 million and Webuild S.p.A. for €3 million, further to €21 million from Investment Funds distributions. The item "C. Financial assets at fair value through other comprehensive income" includes mainly the dividends received relating to the shareholding in Banca d'Italia (€17 million).

Here below the breakdown of dividends on equity investments collected during 2022 and 2021.

## Breakdown of dividends by investments

(€ million)

|  | YEAR 2022    | YEAR 2021  |
|--|--------------|------------|
| UniCredit Bank Czech Republic and Slovakia A.S.                          | 271          | 126        |
| UniCredit Bank AG  | 245          | 400        |
| Zagrebacka Banca DD  | 225          | -          |
| UniCredit Bulbank AD   | 160          | -          |
| UniCredit Bank Hungary ZRT   | 140          | -          |
| UniCredit Allianz Vita S.p.A. Ex Creditras Vita S.p.A.                   | 100          | 45         |
| UniCredit Bank Austria AG  | 60           | -          |
| UniCredit Bank Serbia JSC  | 49           | 18         |
| UniCredit Factoring S.p.A.   | 49           | 38         |
| UniCredit Bank SA  | 47           | -          |
| UniCredit Allianz Assicurazioni S.p.A. Ex Creditras Assicurazioni S.p.A. | 17           | 13         |
| CNP UniCredit Vita S.p.A.  | 10           | 6          |
| Incontra Assicurazioni S.p.A.  | 6            | 6          |
| Pirta Verwaltungs GMBH   | 6            | -          |
| UniCredit Myagents S.r.l.  | 1            | 2          |
| AO UniCredit Bank  | -            | 101        |
| UniCredit Bank Ireland P.l.c.  | -            | 42         |
| UniCredit Banka Slovenija D.D.   | -            | 14         |
| Yapi Ve Kredi Bankasi A.S.   | -            | 10         |
| Camfin S.p.A.  | -            | 8          |
| UniCredit Bank A.D. Banja Luka   | -            | 8          |
| <b>Total</b>   | <b>1,386</b> | <b>837</b> |

## Part C - Income statement

### Section 4 - Gains (Losses) on financial assets and liabilities held for trading - Item 80

#### 4.1 Net gains (losses) on trading: breakdown

| TRANSACTIONS/INCOME ITEMS  | YEAR 2022            |                         |                       |                        | NET PROFIT<br>[(A+B)-(C+D)] |
|--|----------------------|-------------------------|-----------------------|------------------------|-----------------------------|
|  | CAPITAL GAINS<br>(A) | REALISED PROFITS<br>(B) | CAPITAL LOSSES<br>(C) | REALISED LOSSES<br>(D) |                             |
| <b>1. Financial assets held for trading</b>                      | <b>101</b>           | <b>320</b>              | <b>(100)</b>          | <b>(215)</b>           | <b>106</b>                  |
| 1.1 Debt securities  | 101                  | 320                     | (100)                 | (215)                  | 106                         |
| 1.2 Equity instruments   | -                    | -                       | -                     | -                      | -                           |
| 1.3 Units in investment funds                                    | -                    | -                       | -                     | -                      | -                           |
| 1.4 Loans  | -                    | -                       | -                     | -                      | -                           |
| 1.5 Other  | -                    | -                       | -                     | -                      | -                           |
| <b>2. Financial liabilities held for trading</b>                 | <b>-</b>             | <b>-</b>                | <b>-</b>              | <b>-</b>               | <b>-</b>                    |
| 2.1 Debt securities  | -                    | -                       | -                     | -                      | -                           |
| 2.2 Deposits   | -                    | -                       | -                     | -                      | -                           |
| 2.3 Other  | -                    | -                       | -                     | -                      | -                           |
| <b>3. Financial assets and liabilities: exchange differences</b> | <b>X</b>             | <b>X</b>                | <b>X</b>              | <b>X</b>               | <b>(210)</b>                |
| <b>4. Derivatives</b>  | <b>6,084</b>         | <b>6,763</b>            | <b>(6,602)</b>        | <b>(6,700)</b>         | <b>(182)</b>                |
| 4.1 Financial derivatives  | 6,084                | 6,763                   | (6,602)               | (6,700)                | (182)                       |
| - On debt securities and interest rates                          | 5,521                | 3,292                   | (6,113)               | (3,342)                | (642)                       |
| - On equity securities and share indices                         | 147                  | 50                      | (74)                  | (2)                    | 121                         |
| - On currencies and gold   | X                    | X                       | X                     | X                      | 273                         |
| - Other  | 416                  | 3,421                   | (415)                 | (3,356)                | 66                          |
| 4.2 Credit derivatives   | -                    | -                       | -                     | -                      | -                           |
| <i>of which: economic hedges linked to the fair value option</i> | X                    | X                       | X                     | X                      | -                           |
| <b>Total</b>   | <b>6,185</b>         | <b>7,083</b>            | <b>(6,702)</b>        | <b>(6,915)</b>         | <b>(286)</b>                |

Financial derivatives include the ones connected to debt securities financial liabilities at fair value.

### Section 5 - Fair value adjustments in hedge accounting - Item 90

#### 5.1 Net gains (losses) on hedge accounting: breakdown

| INCOME COMPONENT/VALUES  | YEAR 2022 |                 | YEAR 2021      |
|--|-----------|-----------------|----------------|
|  |           |                 |                |
| <b>A. Gains on</b>   |           |                 |                |
| A.1 Fair value hedging instruments                                       |           | 11,681          | 2,292          |
| A.2 Hedged financial assets (in fair value hedge relationship)           |           | 21              | 112            |
| A.3 Hedged financial liabilities (in fair value hedge relationship)      |           | 13,704          | 2,864          |
| A.4 Cash-flow hedging derivatives  |           | 1               | 4              |
| A.5 Assets and liabilities denominated in currency                       |           | -               | -              |
| <b>Total gains on hedging activities (A)</b>                             |           | <b>25,407</b>   | <b>5,272</b>   |
| <b>B. Losses on</b>  |           |                 |                |
| B.1 Fair value hedging instruments                                       |           | (13,772)        | (3,027)        |
| B.2 Hedged financial assets (in fair value hedge relationship)           |           | (11,568)        | (2,154)        |
| B.3 Hedged financial liabilities (in fair value hedge relationship)      |           | (83)            | (94)           |
| B.4 Cash-flow hedging derivatives  |           | (2)             | (4)            |
| B.5 Assets and liabilities denominated in currency                       |           | -               | -              |
| <b>Total losses on hedging activities (B)</b>                            |           | <b>(25,425)</b> | <b>(5,279)</b> |
| <b>C. Net hedging result (A-B)</b>                                       |           | <b>(18)</b>     | <b>(7)</b>     |
| <i>of which: net gains (losses) of hedge accounting on net positions</i> |           | -               | -              |

## Part C - Income statement

The increase in the items gain and losses on the hedging derivatives is mainly attributable to the evolution in the markets interest rate curves observed in 2022.

The item includes for -€29 million the effect of the market risks hedging strategy on Russian subsidiary AO UniCredit Bank, that has been put in place at the climax of the war crisis and terminated by the end of first half of 2022. A similar strategy has been put in place referring to other subsidiaries; in particular, referring to subsidiary UniCredit Bank Hungary Zrt, a positive effect of €12 million has been recognised.

Hedging derivatives evaluation include any eventual "model" adjustment needed to reflect the presence of guarantees and credit risk of counterparties.

### Section 6 - Gains (Losses) on disposals/repurchases - Item 100

#### 6.1 Gains (Losses) on disposal/repurchase: breakdown

| ITEMS/INCOME ITEMS   | YEAR 2022    |              |            | YEAR 2021  |              |             |
|--|--------------|--------------|------------|------------|--------------|-------------|
|  | GAINS        | LOSSES       | NET PROFIT | GAINS      | LOSSES       | NET PROFIT  |
| <b>A. Financial assets</b>   |              |              |            |            |              |             |
| 1. Financial assets at amortised cost                                | 414          | (401)        | 13         | 193        | (120)        | 73          |
| 1.1 Loans and advances to banks                                      | -            | (58)         | (58)       | 2          | -            | 2           |
| 1.2 Loans and advances to customers                                  | 414          | (343)        | 71         | 191        | (120)        | 71          |
| 2. Financial assets at fair value through other comprehensive income | 632          | (429)        | 203        | 239        | (146)        | 93          |
| 2.1 Debt securities  | 632          | (429)        | 203        | 239        | (146)        | 93          |
| 2.2 Loans  | -            | -            | -          | -          | -            | -           |
| <b>Total assets (A)</b>  | <b>1,046</b> | <b>(830)</b> | <b>216</b> | <b>432</b> | <b>(266)</b> | <b>166</b>  |
| <b>B. Financial liabilities at amortised cost</b>                    |              |              |            |            |              |             |
| 1. Deposits from banks   | 262          | (221)        | 41         | -          | -            | -           |
| 2. Deposits from customers   | 4            | (1)          | 3          | 1          | (2)          | (1)         |
| 3. Debt securities in issue  | 43           | (13)         | 30         | -          | (10)         | (10)        |
| <b>Total liabilities (B)</b>   | <b>309</b>   | <b>(235)</b> | <b>74</b>  | <b>1</b>   | <b>(12)</b>  | <b>(11)</b> |
| <b>Total financial assets/liabilities</b>                            |              |              | <b>290</b> |            |              | <b>155</b>  |

Net results on financial assets at amortised cost mainly arise from sale of bonds and, for a lower amount, of both non-performing and performing loans to customers, these last ones aimed to reduce exposures to Russian counterparties after the beginning of the war crisis.

Net gains on financial assets at fair value through other comprehensive income are essentially related to effects of the sale of government bonds, mainly Italian ones.

Net gains from repurchase of debts securities in issue arise from buyback of some issuances before their original maturity. Further, it is included the effect of €41 million originated by the remodulation of contractual terms of TLTRO III facilities occurred in November 2022. Negative 2021 result essentially originated from the accounting effects of the derecognition of issued bonds subscribed by UniCredit Bank Ireland PLC following its merge into UniCredit S.p.A.

## Part C - Income statement

## Section 7 - Net gains (losses) on other financial assets/liabilities at fair value through profit or loss - Item 110

## 7.1 Net gains (losses) on other financial assets/liabilities at fair value through profit or loss: breakdown of financial assets and liabilities designated at fair value

(€ million)

| TRANSACTIONS/INCOME ITEMS  | YEAR 2022            |                         |                       |                        | NET PROFIT<br>[(A+B)-(C+D)] |
|--|----------------------|-------------------------|-----------------------|------------------------|-----------------------------|
|  | CAPITAL GAINS<br>(A) | REALISED PROFITS<br>(B) | CAPITAL LOSSES<br>(C) | REALISED LOSSES<br>(D) |                             |
| <b>1. Financial assets</b>   | -                    | -                       | (48)                  | (5)                    | (53)                        |
| 1.1 Debt securities  | -                    | -                       | (48)                  | (5)                    | (53)                        |
| 1.2 Loans  | -                    | -                       | -                     | -                      | -                           |
| <b>2. Financial liabilities</b>  | 735                  | 39                      | (76)                  | (49)                   | 649                         |
| 2.1 Debt securities  | 735                  | 39                      | (76)                  | (49)                   | 649                         |
| 2.2 Deposits from banks  | -                    | -                       | -                     | -                      | -                           |
| 2.3 Deposits from customers  | -                    | -                       | -                     | -                      | -                           |
| <b>3. Financial assets and liabilities in foreign currency: exchange differences</b> | X                    | X                       | X                     | X                      | -                           |
| <b>Total</b>   | 735                  | 39                      | (124)                 | (54)                   | 596                         |

Financial liabilities represented by debt securities show the economic result of “certificates” (structured debt securities) issued by UniCredit S.p.A. to which are also linked some financial derivatives for economic hedge purposes and whose economic results are included into table reported in the paragraph “4.1 Net gain (losses) on trading: breakdown”, Notes to the accounts, Part C - Income statement, Section 4 - Gain (Losses) on financial assets and liabilities held for trading - Item 80.

## 7.2 Net change in other financial assets/liabilities at fair value through profit or loss: breakdown of other financial assets mandatorily at fair value

(€ million)

| TRANSACTIONS/INCOME ITEMS                        | YEAR 2022            |                         |                       |                        | NET PROFIT<br>[(A+B)-(C+D)] |
|--|----------------------|-------------------------|-----------------------|------------------------|-----------------------------|
|  | CAPITAL GAINS<br>(A) | REALISED PROFITS<br>(B) | CAPITAL LOSSES<br>(C) | REALISED LOSSES<br>(D) |                             |
| <b>1. Financial assets</b>                       | 56                   | 56                      | (751)                 | (36)                   | (675)                       |
| 1.1 Debt securities                              | -                    | 1                       | (606)                 | (36)                   | (641)                       |
| 1.2 Equity securities                            | 13                   | 54                      | (76)                  | -                      | (9)                         |
| 1.3 Units in investment funds                    | 40                   | -                       | (64)                  | -                      | (24)                        |
| 1.4 Loans  | 3                    | 1                       | (5)                   | -                      | (1)                         |
| <b>2. Financial assets: exchange differences</b> | X                    | X                       | X                     | X                      | -                           |
| <b>Total</b>                                     | 56                   | 56                      | (751)                 | (36)                   | (675)                       |

Debt securities into financial assets also include evaluation effects of Additional Tier 1 instruments subscribed by the Bank, among which, for -€379 million, the ones issued by the subsidiary UniCredit Bank AG and subscribed in the fourth quarter 2020 for a nominal amount of €1,700 million and, for -€140 million, the ones issued by the subsidiary UniCredit Bank Austria AG and subscribed in the fourth quarter 2021 for a nominal amount of €600 million.

Equity securities include effects of the evaluation of the interests held in the “Schema Volontario” for which refer to specific comment below table reported in the paragraph “2.5 Financial assets mandatory at fair value: breakdown by product”, Notes to the accounts, Part B - Balance sheet - Assets, Section 2 - Financial assets at fair value through profit or loss - Item 20. Also, evaluation of Yapi Ve Kredi Bankasi A.S. after lose of significative influence is included for -€32 million.

Units in investment funds include economic effects from Atlante fund and Italian Recovery Fund (-€18 million), for which refer to specific disclosure below table reported in the paragraph “2.5 Financial assets mandatory at fair value: breakdown by product”, Notes to the accounts, Part B - Balance sheet - Assets, Section 2 - Financial assets at fair value through profit or loss - Item 20.

## Part C - Income statement

## Section 8 - Net losses/recoveries on credit impairment - Item 130

## 8.1 Net impairment losses for credit risk relating to financial assets at amortised cost: breakdown

(€ million)

| TRANSACTIONS/INCOME ITEMS                 | YEAR 2022   |         |           |         |  |       |             |         |         |  | TOTAL   | YEAR 2021<br>TOTAL |
|---|-------------|---------|-----------|---------|--|-------|-------------|---------|---------|--|---------|--------------------|
|   | WRITE-DOWNS |         |           |         |  |       | WRITE-BACKS |         |         |  |         |                    |
|   | STAGE 1     | STAGE 2 | STAGE 3   |         | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS |       | STAGE 1     | STAGE 2 | STAGE 3 | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS |         |                    |
|   |             |         | WRITE-OFF | OTHER   | WRITE-OFF  | OTHER |             |         |         |  |         |                    |
| <b>A. Loans and advances to banks</b>     | (8)         | (53)    | -         | -       | -  | -     | 4           | 25      | -       | -  | (32)    | 2                  |
| - Loans                                   | (6)         | (53)    | -         | -       | -  | -     | 3           | 25      | -       | -  | (31)    | 4                  |
| - Debt securities                         | (2)         | -       | -         | -       | -  | -     | 1           | -       | -       | -  | (1)     | (2)                |
| <b>B. Loans and advances to customers</b> | (551)       | (1,348) | (37)      | (1,295) | -  | -     | 545         | 827     | 851     | -  | (1,008) | (977)              |
| - Loans                                   | (548)       | (1,347) | (37)      | (1,295) | -  | -     | 540         | 823     | 851     | -  | (1,013) | (989)              |
| - Debt securities                         | (3)         | (1)     | -         | -       | -  | -     | 5           | 4       | -       | -  | 5       | 12                 |
| <b>Total</b>                              | (559)       | (1,401) | (37)      | (1,295) | -  | -     | 549         | 852     | 851     | -  | (1,040) | (975)              |

## 8.1a Net impairment losses for credit risk relating to financial assets at amortised cost subject to Covid-19 measures: breakdown

(€ million)

| TRANSACTIONS/INCOME ITEMS   | YEAR 2022             |              |           |              |   |          | TOTAL      | YEAR 2021<br>TOTAL |
|---|-----------------------|--------------|-----------|--------------|---|----------|------------|--------------------|
|   | NET IMPAIRMENT LOSSES |              |           |              |   |          |            |                    |
|   | STAGE 1               | STAGE 2      | STAGE 3   |              | PURCHASED OR ORIGINATED CREDIT IMPAIRED |          |            |                    |
|   |                       |              | WRITE-OFF | OTHER        | WRITE-OFF                               | OTHER    |            |                    |
| 1. EBA-compliant moratoria loans and advances   | -                     | -            | -         | -            | -                                       | -        | -          | -                  |
| 2. Loans under moratorium no longer compliant to the GL requirements and not valued as forbore exposure | 1                     | -            | -         | -            | -                                       | -        | 1          | (83)               |
| 3. Loans and advances with other forbearance measures   | -                     | -            | -         | 1            | -                                       | -        | 1          | (239)              |
| 4. Newly originated loans and advances  | 20                    | 15           | -         | (43)         | -                                       | -        | (8)        | (69)               |
| <b>Total 12.31.2022</b>   | <b>21</b>             | <b>15</b>    | <b>-</b>  | <b>(42)</b>  | <b>-</b>                                | <b>-</b> | <b>(6)</b> |                    |
| <b>Total 12.31.2021</b>   | <b>4</b>              | <b>(194)</b> | <b>-</b>  | <b>(201)</b> | <b>-</b>                                | <b>-</b> |            | <b>(391)</b>       |

## 8.2 Net change for credit risk relating to financial assets at fair value through other comprehensive income: breakdown

(€ million)

| TRANSACTIONS/INCOME ITEMS         | YEAR 2022   |         |           |       |  |       |             |         |         |  | TOTAL | YEAR 2021<br>TOTAL |
|-----------------------------------|-------------|---------|-----------|-------|--|-------|-------------|---------|---------|--|-------|--------------------|
|                                   | WRITE-DOWNS |         |           |       |  |       | WRITE-BACKS |         |         |  |       |                    |
|                                   | STAGE 1     | STAGE 2 | STAGE 3   |       | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS |       | STAGE 1     | STAGE 2 | STAGE 3 | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS |       |                    |
|                                   |             |         | WRITE-OFF | OTHER | WRITE-OFF  | OTHER |             |         |         |  |       |                    |
| <b>A. Debt securities</b>         | (10)        | -       | -         | -     | -  | -     | 1           | -       | -       | -  | (9)   | (14)               |
| <b>B. Loans</b>                   | -           | -       | -         | -     | -  | -     | -           | -       | -       | -  | -     | -                  |
| - Loans and advances to customers | -           | -       | -         | -     | -  | -     | -           | -       | -       | -  | -     | -                  |
| - Loans and advances to banks     | -           | -       | -         | -     | -  | -     | -           | -       | -       | -  | -     | -                  |
| <b>Total</b>                      | (10)        | -       | -         | -     | -  | -     | 1           | -       | -       | -  | (9)   | (14)               |



## Part C - Income statement

As at 31 December 2022 LLPs impacts include:

- €232 million of write backs related to the update of the macroeconomic scenario (€116 million of write backs including off balance component) ;
- updates to the methodological framework in order to consider the specific risk elements for bullet/balloon portfolios led to the recognition of additional write-downs for 63 million;
- €19 million of write backs million related to the update selling scenario;
- €772 million of write-downs related to classification stage 2 and stage 3 to Cross Border Russian exposures.

In addition to the above geopolitical overlays having a balance of €1.1 billion were recognised, following the new risk assessment the previous overlays, having a balance of €0.5 billion, were subject to.

For additional information on this section refer to the paragraph the Consolidated Financial Statements - Notes to the consolidated account, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk - Qualitative information - 2.3 Methods for measuring expected losses, for further information on the Implications of the geopolitical tensions between Russia and Ukraine, refer to the Notes, Part A - Accounting policies, Section 4 - Other aspects, Implications of the geopolitical tensions between Russia and Ukraine on the Company's Financial.

### Section 9 - Gains/Losses from contractual changes with no cancellations - Item 140

#### 9.1 Gains (Losses) from contractual changes: breakdown

|   | YEAR 2022 |            |          | YEAR 2021  |
|---|-----------|------------|----------|------------|
|   | GAINS     | LOSSES     | TOTAL    | TOTAL      |
| <b>A. Financial assets at amortised costs</b>                               |           |            |          |            |
| A.1 Debt securities   | -         | -          | -        | -          |
| A.2 Loans to banks  | -         | -          | -        | -          |
| A.3 Loans to customers  | 14        | (5)        | 9        | (3)        |
| <b>Total (A)</b>  | <b>14</b> | <b>(5)</b> | <b>9</b> | <b>(3)</b> |
| <b>B. Financial assets at fair value through other comprehensive income</b> |           |            |          |            |
| B.1 Debt securities   | -         | -          | -        | -          |
| B.2 Loans to banks  | -         | -          | -        | -          |
| B.3 Loans to customers  | -         | -          | -        | -          |
| <b>Total (B)</b>  | <b>-</b>  | <b>-</b>   | <b>-</b> | <b>-</b>   |
| <b>Total (A+B)</b>  | <b>14</b> | <b>(5)</b> | <b>9</b> | <b>(3)</b> |

## Part C - Income statement

### Section 10 - Administrative expenses - Item 160

#### 10.1 Staff expenses: breakdown

| TYPE OF EXPENSES/VALUES  | (€ million)    |                |
|--|----------------|----------------|
|  | YEAR 2022      | YEAR 2021      |
| <b>1) Employees</b>  | <b>(3,240)</b> | <b>(2,926)</b> |
| a) Wages and salaries  | (2,087)        | (1,861)        |
| b) Social charges  | (569)          | (513)          |
| c) Severance pay   | (19)           | (18)           |
| d) Social security costs   | -              | -              |
| e) Allocation to employee severance pay provision                          | (10)           | (7)            |
| f) Provision for retirements and similar provisions                        | (10)           | 12             |
| - Defined contribution   | -              | -              |
| - Defined benefit  | (10)           | 12             |
| g) Payments to external pension funds                                      | (160)          | (155)          |
| - Defined contribution   | (160)          | (155)          |
| - Defined benefit  | -              | -              |
| h) Costs arising from share-based payments                                 | (29)           | (40)           |
| i) Other employee benefits   | (356)          | (344)          |
| <b>2) Other non-retired staff</b>  | <b>(5)</b>     | <b>(4)</b>     |
| <b>3) Directors and Statutory Auditors</b>                                 | <b>(5)</b>     | <b>(6)</b>     |
| <b>4) Early retirement costs</b>   | <b>-</b>       | <b>-</b>       |
| <b>5) Recoveries of payments for seconded employees to other companies</b> | <b>43</b>      | <b>59</b>      |
| <b>6) Refund of expenses for seconded employees to the company</b>         | <b>(56)</b>    | <b>(60)</b>    |
| <b>Total</b>   | <b>(3,263)</b> | <b>(2,937)</b> |

The increase in Staff expenses is influenced by the merger in UniCredit S.p.A. of UniCredit Services S.C.p.A. and Cordusio SIM which took part in the year.

#### 10.2 Average number of employees by category

|                              | YEAR 2022     | YEAR 2021     |
|------------------------------|---------------|---------------|
| <b>Employees</b>             | <b>33,365</b> | <b>33,194</b> |
| a) Senior managers           | 681           | 688           |
| b) Managers                  | 16,941        | 17,062        |
| c) Remaining employees staff | 15,743        | 15,444        |
| <b>Other Staff</b>           | <b>-</b>      | <b>-</b>      |
| <b>Total</b>                 | <b>33,365</b> | <b>33,194</b> |

The average number of employees in 2022 increases about 0.5 percent over 2021. The slight average increase is due to the entry of UniCredit Service Scpa's resources occurred in October (about 5,500, including 3,500 on foreign branches), which brought the year-end point number up (37,302 in 2022 versus 32,262 in 2021).

#### 10.3 Defined benefit company retirement funds: costs and revenues

|  | (€ million) |           |
|--|-------------|-----------|
|  | YEAR 2022   | YEAR 2021 |
| Current service cost                             | (8)         | (1)       |
| Settlement gains (losses)                        | -           | 14        |
| Past service cost                                | -           | -         |
| Interest cost on the DBO                         | (7)         | (2)       |
| Interest income on plan assets                   | 5           | 1         |
| Other costs/revenues                             | -           | -         |
| Administrative expenses paid through plan assets | -           | -         |
| <b>Total recognised in profit or loss</b>        | <b>(10)</b> | <b>12</b> |

## Part C - Income statement

## 10.4 Other employee benefits

|                      | (€ million)  |              |
|----------------------|--------------|--------------|
|                      | YEAR 2022    | YEAR 2021    |
| - Seniority premiums | -            | -            |
| - Leaving incentives | (202)        | (243)        |
| - Other              | (154)        | (101)        |
| <b>Total</b>         | <b>(356)</b> | <b>(344)</b> |

The net balance in the sub-item Leaving incentives for 2022 is mainly determined by the update of Strategic Plan that envisages a reduction of the workforce over the plan horizon and the recognition of restructuring costs as at 31 December 2022.

The exits for restructuring will be realised on a voluntary basis, in this regard, an agreement with the Trade Unions has been signed on 1 December 2022.

It should be noted that these expenses are initially recognised as provisions for risks and charges and will be reclassified to "Other liabilities" when a specific debt toward the employees will arise.

## 10.5 Other administrative expenses: breakdown

|  | (€ million)    |                |
|--|----------------|----------------|
| TYPE OF EXPENSES/SECTORS   | YEAR 2022      | YEAR 2021      |
| <b>1) Indirect taxes and duties</b>  | <b>(426)</b>   | <b>(431)</b>   |
| 1a. Settled  | (426)          | (429)          |
| 1b. Unsettled  | -              | (2)            |
| <b>2) Contributions to Resolution Funds and Deposit Guarantee Schemes (DGS)</b>                    | <b>(426)</b>   | <b>(436)</b>   |
| <b>3) Guarantee fee for DTA conversion</b>   | <b>(100)</b>   | <b>(100)</b>   |
| <b>4) Miscellaneous costs and expenses</b>   | <b>(1,399)</b> | <b>(1,534)</b> |
| a) Advertising marketing and communication   | (40)           | (48)           |
| b) Expenses relating to credit risk  | (50)           | (92)           |
| c) Indirect expenses relating to personnel   | (35)           | (24)           |
| d) Information & Communication Technology expenses   | (824)          | (858)          |
| Lease of ICT equipment and software  | (37)           | (13)           |
| Software expenses: lease and maintenance   | (193)          | (9)            |
| ICT communication systems  | (17)           | (6)            |
| Services ICT in outsourcing  | (541)          | (801)          |
| Financial information providers  | (36)           | (29)           |
| e) Consulting and professionals services   | (50)           | (82)           |
| Consulting   | (34)           | (66)           |
| Legal expenses   | (16)           | (16)           |
| f) Real estate expenses  | (178)          | (158)          |
| Premises rentals   | (32)           | (28)           |
| Utilities  | (73)           | (63)           |
| Other real estate expenses   | (73)           | (67)           |
| g) Operating costs   | (222)          | (272)          |
| Surveillance and security services   | (24)           | (59)           |
| Money counting services and transport  | (19)           | -              |
| Printing and stationery  | (8)            | (5)            |
| Postage and transport of documents   | (19)           | (19)           |
| Administrative and logistic services   | (76)           | (116)          |
| Insurance  | (39)           | (35)           |
| Association dues and fees and contributions to the administrative expenses deposit guarantee funds | (22)           | (21)           |
| Other administrative expenses - other  | (15)           | (17)           |
| <b>Total (1+2+3+4)</b>   | <b>(2,351)</b> | <b>(2,501)</b> |

Business combination involving UniCredit Services S.C.p.A. has brought to a redistribution from externalized costs to direct ones.

Expenses related to personnel include the expenses that do not represent remuneration of the working activity of an employee in compliance with IAS19.

## Part C - Income statement

### Contributions to Resolution and Guarantee funds

Reference is made to the paragraph "Contribution to Resolution and Guarantee funds" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part C - Consolidated income statement, Section 12 - Administrative expenses - Item 190, which is herewith quoted entirely.

### Guarantee fees for DTA conversion

Reference is made to the paragraph "Guarantee fees for DTA conversion" of the Company financial statements of UniCredit group, Notes to the consolidated accounts, Part C - Consolidated income statement, Section 12 - Administrative expenses - Item 190, which is herewith quoted entirely.

## Section 11 - Net provisions for risks and charges - Item 170

### 11.1 Net provisions for credit risk from loans commitments and financial guarantees given: breakdown

(€ million)

|                            | YEAR 2022  |                          | TOTAL |
|----------------------------|------------|--------------------------|-------|
|                            | PROVISIONS | SURPLUS<br>REALLOCATIONS |       |
| Loan commitments           | (87)       | 73                       | (14)  |
| Financial guarantees given | (198)      | 164                      | (34)  |

### 11.2 Net provisions for other commitments and guarantees given: breakdown

No data to be disclosed.

### 11.3 Net provisions for risks and charges: breakdown

(€ million)

| ASSETS/INCOME ITEMS        | YEAR 2022    |                          |           | YEAR<br>2021 |
|----------------------------|--------------|--------------------------|-----------|--------------|
|                            | PROVISIONS   | SURPLUS<br>REALLOCATIONS | TOTAL     | TOTAL        |
| <b>1. Other provisions</b> |              |                          |           |              |
| 1.1 Legal disputes         | (110)        | 172                      | 62        | (169)        |
| 1.2 Staff costs            | -            | -                        | -         | -            |
| 1.3 Other                  | (60)         | 87                       | 27        | 28           |
| <b>Total</b>               | <b>(170)</b> | <b>259</b>               | <b>89</b> | <b>(141)</b> |

Provisions for legal disputes are posted to cover potential liabilities that may result from pending lawsuits.

More details on legal disputes are included into the paragraph "B. Legal risks", Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.5 Operational risks

## Part C - Income statement

### Section 12 - Net value adjustments/write-backs on property, plant and equipment - Item 180

#### 12.1 Impairment on property, plant and equipment: breakdown

| ASSETS/INCOME ITEMS   | YEAR 2022           |                          |                    | NET PROFIT<br>(A+B-C) |
|---|---------------------|--------------------------|--------------------|-----------------------|
|   | DEPRECIATION<br>(A) | IMPAIRMENT LOSSES<br>(B) | WRITE-BACKS<br>(C) |                       |
| <b>A. Property, plant and equipment</b>                         |                     |                          |                    |                       |
| <b>A.1 Used in the business</b>                                 | <b>(378)</b>        | <b>(21)</b>              | <b>10</b>          | <b>(389)</b>          |
| - Owned   | (192)               | (3)                      | -                  | (195)                 |
| - Right of use of Leased Assets                                 | (186)               | (18)                     | 10                 | (194)                 |
| <b>A.2 Held for investment</b>                                  | -                   | -                        | -                  | -                     |
| - Owned   | -                   | -                        | -                  | -                     |
| - Right of use of Leased Assets                                 | -                   | -                        | -                  | -                     |
| <b>A.3 Inventories</b>  | -                   | -                        | -                  | -                     |
| <b>Total A</b>  | <b>(378)</b>        | <b>(21)</b>              | <b>10</b>          | <b>(389)</b>          |
| <b>B. Non-current assets and groups of assets held for sale</b> | <b>X</b>            | -                        | -                  | -                     |
| - Used in the business  | X                   | -                        | -                  | -                     |
| - Held for investments  | X                   | -                        | -                  | -                     |
| - Inventories   | X                   | -                        | -                  | -                     |
| <b>Total (A+B)</b>  | <b>(378)</b>        | <b>(21)</b>              | <b>10</b>          | <b>(389)</b>          |

### Section 13 - Net value adjustments/write-backs on intangible assets - Item 190

#### 13.1 Net value adjustments/write-backs on intangible assets: breakdown

| ASSETS/INCOME ITEMS                      | YEAR 2022           |                          |                    | NET PROFIT<br>(A+B-C) |
|--|---------------------|--------------------------|--------------------|-----------------------|
|  | AMORTISATION<br>(A) | IMPAIRMENT LOSSES<br>(B) | WRITE-BACKS<br>(C) |                       |
| <b>A. Intangible assets</b>              |                     |                          |                    |                       |
| <i>of which: software</i>                | (350)               | (36)                     | -                  | (386)                 |
| <b>A.1 Owned</b>                         | <b>(350)</b>        | <b>(36)</b>              | -                  | <b>(386)</b>          |
| - Generated internally by the company    | (294)               | (33)                     | -                  | (327)                 |
| - Other                                  | (56)                | (3)                      | -                  | (59)                  |
| <b>A.2 Right of use of Leased Assets</b> | -                   | -                        | -                  | -                     |
| <b>Total</b>                             | <b>(350)</b>        | <b>(36)</b>              | -                  | <b>(386)</b>          |

### Section 14 - Other operating expenses/income - Item 200

#### 14.1 Other operating expenses: breakdown

| TYPE OF EXPENSE/VALUES                                      | YEAR 2022 |              | YEAR 2021    |
|---|-----------|--------------|--------------|
|   |           |              |              |
| Costs for operating leases                                  | -         | -            | -            |
| Non-deductible tax and other fiscal charges                 | -         | -            | -            |
| Write-downs on leasehold improvements                       | -         | (28)         | (37)         |
| Costs relating to the specific service of financial leasing | -         | -            | -            |
| Other   | -         | (290)        | (277)        |
| <b>Total other operating expenses</b>                       | -         | <b>(318)</b> | <b>(314)</b> |

The sub-item "Other" includes settlements and indemnities for -€128 million and non-deductible VAT for -€55 million.

## Part C - Income statement

## 14.2 Other operating income: breakdown

| (€ million)  |              |            |
|--|--------------|------------|
| TYPE OF REVENUE/VALUES                                 | YEAR 2022    | YEAR 2021  |
| <b>A) Recovery of costs</b>                            | <b>458</b>   | <b>459</b> |
| <b>B) Other revenues</b>                               | <b>971</b>   | <b>181</b> |
| Revenues from administrative services                  | 793          | 49         |
| Revenues from operating leases                         | 8            | 19         |
| Recovery of miscellaneous costs paid in previous years | 5            | 2          |
| Revenues on financial leases activities                | -            | -          |
| Other  | 165          | 111        |
| <b>Total other operating income (A+B)</b>              | <b>1,429</b> | <b>640</b> |

Items "revenues from administrative services" and "Others" increase following the business combination involving UniCredit Services S.C.p.A. that has brought UniCredit S.p.A. to directly produce services towards other Group legal entities.

The sub-item "Others" includes income deriving from the contract of "Collateral" related to the sale of FinecoBank S.p.A. occurred in 2019 for €6 million and the ones deriving from to the review of the terms of the existing business relationship between UniCredit S.p.A. and SIA for €32 million.

## Section 15 - Gains (Losses) of equity investments - Item 220

## 15.1 Profit (Loss) of equity investments: breakdown

| (€ million)           |                |              |
|-----------------------|----------------|--------------|
| INCOME ITEMS/VALUES   | YEAR 2022      | YEAR 2021    |
| <b>A. Income</b>      | <b>2,074</b>   | <b>8,016</b> |
| 1. Revaluations       | -              | -            |
| 2. Gains on disposal  | 313            | 34           |
| 3. Writebacks         | 1,761          | 7,982        |
| 4. Other gains        | -              | -            |
| <b>B. Expenses</b>    | <b>(1,936)</b> | <b>(707)</b> |
| 1. Writedowns         | -              | -            |
| 2. Impairment losses  | (1,936)        | (707)        |
| 3. Losses on disposal | -              | -            |
| 4. Other expenses     | -              | -            |
| <b>Net profit</b>     | <b>138</b>     | <b>7,309</b> |

Gains on disposal include the results from the sale of CNP Vita Assicura S.p.A. for €313 million.

Impairment losses in subsidiaries include UniCredit Bank Austria AG (-€988 million), AO UniCredit Bank (-€939 million), Nuova Compagnia di Partecipazioni S.p.A. (-€4 million), UniCredit Turn Around Management Cee GmbH (-€2 million), Maccorp Italiana S.p.A. (-€2 million).

Writebacks in subsidiaries include UniCredit Bank AG (€1,568 million), UniCredit Leasing S.p.A. (€183 million), CNP UniCredit Vita S.p.A. (€6 million), UniCredit International Luxembourg S.A. (€3 million).

## Part C - Income statement

### Section 16 - Net gains (losses) on property, plant and equipment and intangible assets measured at fair value - Item 230

#### 16.1 Net gains (losses) on property, plant and equipment and intangible assets measured at fair value: breakdown

| ASSETS/INCOME ITEMS                      | YEAR 2022           |                   |                      |                 | NET PROFIT<br>(A-B+C-D) |
|--|---------------------|-------------------|----------------------|-----------------|-------------------------|
|  | REVALUATIONS<br>(A) | WRITEDOWNS<br>(B) | EXCHANGE DIFFERENCES |                 |                         |
|  |                     |                   | POSITIVE<br>(C)      | NEGATIVE<br>(D) |                         |
| <b>A. Property, plant and equipment</b>  | <b>21</b>           | <b>(13)</b>       | -                    | -               | <b>8</b>                |
| <b>A.1 Used in the business</b>          | <b>9</b>            | <b>(3)</b>        | -                    | -               | <b>6</b>                |
| - Owned                                  | 9                   | (3)               | -                    | -               | 6                       |
| - Right of use of Leased Assets          | -                   | -                 | -                    | -               | -                       |
| <b>A.2 Held for investment</b>           | <b>12</b>           | <b>(10)</b>       | -                    | -               | <b>2</b>                |
| - Owned                                  | 12                  | (10)              | -                    | -               | 2                       |
| - Right of use of Leased Assets          | -                   | -                 | -                    | -               | -                       |
| <b>A.3 Inventories</b>                   | -                   | -                 | -                    | -               | -                       |
| <b>B. Intangible assets</b>              | -                   | -                 | -                    | -               | -                       |
| <b>B.1 Owned</b>                         | -                   | -                 | -                    | -               | -                       |
| - Generated internally by the company    | -                   | -                 | -                    | -               | -                       |
| - Other                                  | -                   | -                 | -                    | -               | -                       |
| <b>B.2 Right of use of Leased Assets</b> | -                   | -                 | -                    | -               | -                       |
| <b>Total (A+B)</b>                       | <b>21</b>           | <b>(13)</b>       | -                    | -               | <b>8</b>                |

For further information about the description of effects produced by update of appraisals conducted for fair value evaluation of respective assets, reference is made to the paragraph "Section 9 - Property, plant and equipment - item 90" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part B - Consolidated balance sheet - Assets.

### Section 17 - Goodwill impairment - Item 240

No data to be disclosed.

### Section 18 - Gains (Losses) on disposals on investments - Item 250

#### 18.1 Gains and losses on disposal of investments: breakdown

| INCOME ITEMS/SECTORS   | YEAR 2022 |     | YEAR 2021 |
|------------------------|-----------|-----|-----------|
|                        |           |     |           |
| <b>A. Property</b>     |           |     |           |
| - Gains on disposal    | -         | -   | -         |
| - Losses on disposal   | -         | -   | (1)       |
| <b>B. Other assets</b> |           |     |           |
| - Gains on disposal    | 1         | 1   | 2         |
| - Losses on disposal   | (1)       | (1) | (2)       |
| <b>Net profit</b>      | -         | -   | (1)       |

## Part C - Income statement

### Section 19 - Tax expenses (income) for the period from continuing operations - Item 270

Taxes on income are accounted in accordance with IAS12. The tax charge consists of current and deferred taxes, mainly determined in accordance with the applicable provisions on IRES and IRAP, and CFC separate taxation (Controlled Foreign Companies, i.e., foreign subsidiaries taxed on a transparency basis where specific conditions are met).

IRES is calculated by making specific upward or downward adjustments to the current year profit or loss as resulting from the income statement for determining the taxable income. These tax adjustments are made as required by the provisions of the Italian Income Tax Code (TUIR), in relation to the non-deductibility of certain expenses or the non-taxability of certain revenues.

The IRES tax rate applied to the taxable income is 24%. An additional surcharge of 3.5% applies to banks and financial companies.

The above-mentioned tax adjustments may be "permanent" or "temporary".

The "permanent" adjustments refer to expenses/revenues that are totally or partially non-deductible/non-taxable.

The "temporary" adjustments, on the other hand, relate to expenses or revenues whose deductibility or taxability is deferred to future tax periods on the occurrence of particular events, or distributed in equal quotas over a predefined number of years.

The presence of "temporary" adjustments leads to the recognition of deferred tax assets (for costs to be deducted) or deferred tax liabilities (for revenues to be taxed).

The purpose of the recognition of deferred tax assets and liabilities is to reconcile in the Financial statement the different tax period of relevance established by the TUIR compared to the accounting accrual principle.

For IRES purposes, subject to a specific election to be submitted to the "Agenzia delle Entrate", this tax can be paid on a Tax Group level rather than on an individual basis.

All Italian companies that meet the control pre-requisite can adhere to the Tax Group regime, in order to compute the tax payment on a unique taxable base consisting of the algebraic sum of the taxable amounts of all the companies adhering to the Tax Group regime.

The tax rate applicable to the Tax Group is 24%.

For IRES purposes, is stated a separate taxation "for transparency" on incomes, calculated according to the provisions of the Italian Income Tax Code (TUIR), of the foreign direct and indirect subsidiaries (so-called CFCs: Controlled Foreign Companies) established in countries with a nominal or effective tax rate which is significantly below the Italian corresponding one. The applicable tax rate is 27.5%.

IRAP is levied on productive activities and relevant taxable base corresponds to the algebraic sum of certain items of the Income statement as specifically identified by Legislative Decree No.446 of 1997, which also states further upward and downward adjustments to be made (other than IRES ones). Law of 23 December 2014 No.190 (2015 Stability Law) establishes, starting from 2015, that personnel costs for employees with permanent employment contracts are fully deductible from IRAP in addition to the deductions already established by the so called "cuneo fiscale". Furthermore, in 2016 the full deductibility of the loan loss provisions in the year of accrual in the financial statements was introduced following the entry into force of Art.16 of Law Decree 27 June 2015 No.83.

The tax is calculated by apportioning the overall value of production among the various administrative regions where the productive activities are carried out (for banks the apportionment is made on the basis of the regional distribution of customer's deposits) and applying the respective regional rate to each of the individual portions identified. A national rate of 4.65% is established, to which each region can autonomously add a surcharge up to 0.92%, with an overall theoretical rate of 5.57% (plus a further rate of 0.15% for regions with a deficit in spending on the local welfare sector).

During the year 2022 with the DL 1 March 2022, no 17 the Regulator intervened on the deductibility of write-downs and losses on loans to customers pursuant to Law 214/2011 registered in the financial statements for this purpose or realised through transfers for consideration. After the conversion into Law, it was established that the deduction of the 12% portion for the tax period in progress as at 31 December 2022 is deferred, on a straight-line basis, to the tax period in progress as at 31 December 2023 and to three successive ones and that the 2026 amount can be deducted for 53% in 2022 and for the remaining 47% in 2026.

In addition, the Law of 30 December 2021, no 234 established that it is not possible to own, directly or indirectly, a share of the capital of the Banca d'Italia higher than 5% therefore, increasing the previous limit set at 3%. For the shares which exceeded the right to vote and any other economic and patrimonial right are not admitted. Moreover, with effect from 1 January 2022, in relation to the dividends received in the 2022 financial year relating to the Banca d'Italia equity investments held as at 31 December 2021, in excess of the limit of 3% is applied with a further surcharge of 27.5%.



## Part C - Income statement

The Art.110 of the Law Decree 14 August, 2020, No.104 has established the realignment of the book values to the fiscal values of the Bank assets (by repurposing, as already done in the previous years, the provision introduced by the Art.14 Law 21 November 2000 No.342). The realignment involves tax recognition of the higher book value registered by payment of a substitute tax to the extent of 3%, due in three annual payments. In case of realignment the rule provides to bind a reserve in suspension of tax (for tax purposes) equals to the differential redeemed net of the substitute tax due. In case of distribution such reserve has to be taxed. The higher values redeemed have been assumed as valid for IRES and IRAP purposes as of 1 January 2021.

The realignment has been made on 30 June 2021 by the first annual payment due for the substitute tax. On 29 June 2022 was provided the second annual payment due. The last third annual payment due will be provided within 30 June 2023.

Considering the mentioned Art.110 of the Law Decree 14 August, 2020, No.104, a portion of the Reserve from business combination (IFRS3), equals to €653 million, is to be considered restricted in tax suspension due to the tax realignment.

Taxes on income for 2022 reports a negative amount of €31 million, in comparison with the positive amount of €934 million in 2021.

The amount of the residual tax losses carried forward is equal to €3,919 million of which €3,157 million deriving from accounting items originated in the Income statement and €762 million from Net equity components. Following the sustainability test an additional amount of deferred tax assets limited to €650 million can be registered but €10 million related to the 3.5% IRES additional tax rate were registered on June 2022.

Therefore, the amount of deferred tax assets arising from tax losses booked is equal to €2,428 million of which €1,787 million deriving from accounting items originated in the Income statement and €641 million from Net equity components.

The amount of deferred tax assets arising from tax losses not booked is equal to €1,490 million of which (i) €1,257 million (€1,152 million deriving from accounting items originated in the Income statement and €105 million from Net equity components) related to the 24% IRES ordinary tax rate and (ii) €233 million (€218 million deriving from accounting items originated in the Income statement and €15 million from Net equity components) related to the 3.5% IRES additional tax rate.

Current IRAP tax accrual shows a positive tax base IRAP due is equal to €44 million.

The "ACE" ("Aiuto alla crescita economica") benefit for 2022 is currently estimated in €49 million. Following the interviews that took place with "Agenzia delle Entrate", in particular for what concerns the anti-avoidance rules on the increase of intra-Group loans, tax ruling has been presented in 2022 for the year 2021. "Agenzia delle Entrate" feedback is still pending.

An analogous tax ruling for an amount still to be defined will be presented in 2023 to "Agenzia delle Entrate" also for the year 2022.

During the year 2022, considering that UniCredit tax returns and the Italian tax group perimeter declarations have not admitted the use of the ACE benefit, as provided for by Law Decree 24 June 2014, No.91 (converted with modification by Law 11 August 2014, No.116), a transformation into an IRAP tax credit has been executed of the amount of ACE benefit for 2021 for €31 million as already done in the previous years. The residual credit still to be used for IRAP purposes amounts to €211 million.

The IRAP credit will be used over 5 years in equal installments as provided for by the relevant law, with the possibility to carry forward any unused amount upon the fifth year.

The 2021 and 2022 financial year closed with a profit (€10,366 financial year 2021 and €3,107 financial year 2022) therefore, the conditions to carry out a new transformation of deferred tax assets, for IRES and IRAP, into tax credits are not verified.

In order to preserve for the future the regime of conversion of DTAs into tax credits, and in order to overcome the issues raised by the European Commission in connection to the application of State Aid rules, Art.11 of DL 3 May 2016 No.59 (so-called "Banks Decree" - converted into Law 30 June 2016 No.119), introduced the possibility, starting from 2016 since 2030, to elect for the payment of an annual fee equal to 1.5% levied on an aggregate amount deriving from the difference between:

- the increase in convertible DTAs recognised at the end of the fiscal year and the convertible DTA existing as at 31 December 2007, for IRES tax, and as at 31 December 2012 for IRAP tax, taking into account the amounts already converted into tax credits;
- taxes:
  - IRES paid by Tax Group starting from 1 January 2008;
  - IRAP paid starting from 1 January 2013 by Legal Entities included in Tax Group with convertible DTAs;
  - substitute taxes that generated convertible DTAs.

The whole fee due for the 2022 financial year has been paid on 24 June 2022 by UniCredit S.p.A. (as required by law) for a total amount €103.8 million, of which €99.6 million related to UniCredit S.p.A. itself, €4 million to UniCredit Leasing S.p.A. and €0.2 million to UniCredit Factoring S.p.A.

## Part C - Income statement

### 19.1 Tax expense (income) relating to profit or loss from continuing operations: breakdown

(€ million)

| INCOME ITEMS/SECTORS  | YEAR 2022   | YEAR 2021  |
|---|-------------|------------|
| 1. Current taxes (-)  | (107)       | 7          |
| 2. Change of current taxes of previous years (+/-)                                  | 11          | 12         |
| 3. Reduction of current taxes for the year (+)                                      | -           | 110        |
| 3.bis Reduction of current taxes for the year due tax credit under Law 214/2011 (+) | 164         | 850        |
| 4. Change of deferred tax assets (+/-)  | (106)       | (65)       |
| 5. Change of deferred tax liabilities (+/-)   | 7           | 20         |
| <b>6. Tax expenses for the year (-) (-1+/-2+3+3bis+/-4+/-5)</b>                     | <b>(31)</b> | <b>934</b> |

### 19.2 Reconciliation of theoretical tax charge to actual tax charge

(€ million)

|  | YEAR 2022    | YEAR 2021      |
|--|--------------|----------------|
| <b>Profit (Loss) before tax from continuing operations (income statement item)</b> | <b>3,138</b> | <b>9,377</b>   |
| Theoretical tax rate   | 27.5%        | 27.5%          |
| <b>Theoretical computed taxes on income</b>  | <b>(863)</b> | <b>(2,579)</b> |
| 1. Different tax rates   | -            | -              |
| 2. Non-taxable income - permanent differences                                      | 999          | 2,452          |
| 3. Non-deductible expenses - permanent differences                                 | (496)        | (285)          |
| 4. Different fiscal laws/IRAP  | (73)         | (47)           |
| a) IRAP (italian companies)  | (42)         | (33)           |
| b) Other taxes (foreign companies)   | (31)         | (14)           |
| 5. Previous years and changes in tax rates   | 39           | 111            |
| a) Effects on current taxes  | 5            | 161            |
| - Tax loss carryforward/unused Tax credit  | -            | 110            |
| - Other effects of previous periods  | 5            | 51             |
| b) Effects on deferred taxes   | 34           | (50)           |
| - Changes in tax rates   | -            | -              |
| - New taxes incurred (+) previous taxes revocation (-)                             | -            | -              |
| - True-ups/adjustments of the calculated deferred taxes                            | 34           | (50)           |
| 6. Valuation adjustments and non-recognition of deferred taxes                     | 362          | 1,283          |
| a) Deferred tax assets write-down  | (114)        | (38)           |
| b) Deferred tax assets recognition   | 487          | 1,321          |
| c) Deferred tax assets non-recognition   | -            | -              |
| d) Deferred tax assets non-recognition according to IAS12.39 and 12.44             | -            | -              |
| e) Other   | (11)         | -              |
| 7. Amortisation of goodwill  | -            | -              |
| 8. Non-taxable foreign income  | -            | -              |
| 9. Other differences   | 1            | (1)            |
| <b>Recognised taxes on income</b>  | <b>(31)</b>  | <b>934</b>     |

## Part C - Income statement

### Section 20 - Profit (Loss) after tax from discontinued operations - Item 290

No data to be disclosed in this section.

### Section 21 - Other information

#### Disclosure regarding the transparency of public funding required by article 1, paragraph 125 of the law 124/2017

Pursuant to Art.1, paragraph 125 of law 124/2017, during 2021 UniCredit S.p.A. collected the following public contributions granted by Italian entities:

#### Contributions for the recruitment/stabilisation of personnel deriving from the application of the CCNL of the Credit in force from time to time

| (€ million)  |                          |                            |
|--|--------------------------|----------------------------|
| LENDING ENTITY   | LEGAL ENTITY BENEFICIARY | PUBLIC CONTRIBUTION AMOUNT |
| Fondo Nazionale per il sostegno dell'occupazione nel settore del credito | UNICREDIT S.P.A.         | 4.14                       |
| <b>Total</b>   |                          | <b>4.14</b>                |

#### Contributions for new recruits/stabilisations, introduced by the stability law 2018 (law No.205/2017)

| (€ million)                                 |                          |                            |
|---|--------------------------|----------------------------|
| LENDING ENTITY                              | LEGAL ENTITY BENEFICIARY | PUBLIC CONTRIBUTION AMOUNT |
| Istituto Nazionale della Previdenza Sociale | UNICREDIT S.P.A.         | 0.92                       |
| <b>Total</b>                                |                          | <b>0.92</b>                |

#### Article 8 of Legislative Decree 30/9/2005, n.203 converted, with modifications, from the law 2 December 2005, n.248. Compensatory measures for companies that assign the TFR to supplementary pension schemes and/or to the Fund for the payment of the TFR

| (€ million)                                 |                          |                            |
|---|--------------------------|----------------------------|
| LENDING ENTITY                              | LEGAL ENTITY BENEFICIARY | PUBLIC CONTRIBUTION AMOUNT |
| Istituto Nazionale della Previdenza Sociale | UNICREDIT S.P.A.         | 9.04                       |
| <b>Total</b>                                |                          | <b>9.04</b>                |

#### Result awards decontribution for year 2021 - Decree 50 of 24/4/2017 - article 55; converted into law 96 of 21/6/2017

| (€ million)                                 |                          |                            |
|---|--------------------------|----------------------------|
| LENDING ENTITY                              | LEGAL ENTITY BENEFICIARY | PUBLIC CONTRIBUTION AMOUNT |
| Istituto Nazionale della Previdenza Sociale | UNICREDIT S.P.A.         | 2.97                       |
| <b>Total</b>                                |                          | <b>2.97</b>                |

#### Solidarity Fund for professional reconversion and requalification, for employment support and benefit of employees - Ordinary Section

| (€ million)                                 |                          |                            |
|---|--------------------------|----------------------------|
| LENDING ENTITY                              | LEGAL ENTITY BENEFICIARY | PUBLIC CONTRIBUTION AMOUNT |
| Istituto Nazionale della Previdenza Sociale | UNICREDIT S.P.A.         | 4.43                       |
| <b>Total</b>                                |                          | <b>4.43</b>                |

For further information, refer to the National State Aid Register "Transparency".

## Part C - Income statement

## Section 22 - Earnings per share

## 22.1 and 22.2 Average number of diluted shares and other information

|   | YEAR 2022     | YEAR 2021     |
|---|---------------|---------------|
| Net profit (Loss) (€ million)               | 3,032         | 10,281        |
| Average number of outstanding shares        | 2,069,491,895 | 2,221,699,263 |
| Average number of potential dilutive shares | 19,044,374    | 14,329,935    |
| Average number of diluted shares            | 2,088,536,269 | 2,236,029,199 |
| <b>Earnings per share (€)</b>               | <b>1.465</b>  | <b>4.628</b>  |
| <b>Diluted earnings per share (€)</b>       | <b>1.452</b>  | <b>4.598</b>  |

€74 million has been deducted from the 2022 net profit of €3,107 million due to the disbursements (charged to net equity and referring to the results of the year 2021) in connection with the usufruct contract signed with Mediobanca S.p.A. on UniCredit shares supporting the issuance of convertible securities denominated "Cashes" (€30 million was deducted from 2021 net profit and relating to the last coupon referred to the results of the year 2019).

Net of the average number of treasury shares, considering the shares buyback made during the 2022 (totally cancelled as at 31 December 2022), and of further average No.9,675,640 shares held under a contract of usufruct.

## Part D - Other comprehensive income

## Analytical statement of other comprehensive income

| ITEMS   | YEAR                 |                       |
|---|----------------------|-----------------------|
|   | 2022                 | 2021                  |
| <b>10. Profit (Loss) of the year</b>  | <b>3,106,674,500</b> | <b>10,311,117,362</b> |
| <b>Other comprehensive income not reclassified to profit or loss</b>  |                      |                       |
| 20. Equity instruments designated at fair value through other comprehensive income:                         | 26,995,055           | 91,274,929            |
| a) fair value changes   | 3,294,219            | 66,536,716            |
| b) transfers to other shareholders' equity items  | 23,700,836           | 24,738,213            |
| 30. Financial liabilities designated at fair value through profit or loss (own creditworthiness changes):   | 62,737,788           | 84,727,998            |
| a) fair value changes   | 57,194,142           | 18,128,938            |
| b) transfers to other shareholders' equity items  | 5,543,646            | 66,599,060            |
| 40. Hedge accounting of equity instruments measured at fair value through other comprehensive income:       | -                    | -                     |
| a) fair value change (hedged instrument)  | -                    | -                     |
| b) fair value change (hedging instrument)   | -                    | -                     |
| 50. Property, plant and equipment   | 18,348,962           | 24,051,515            |
| 60. Intangible assets   | -                    | -                     |
| 70. Defined benefit plans   | 194,292,975          | 10,241,546            |
| 80. Non-current assets and disposal groups classified as held for sale                                      | (480,123)            | (2,464,263)           |
| 90. Part of valuation reserves from investments valued at equity method                                     | -                    | -                     |
| 100. Tax expenses (income) relating to items not reclassified to profit or loss                             | (40,308,532)         | 127,709,812           |
| <b>Other comprehensive income reclassified to profit or loss</b>  |                      |                       |
| 110. Foreign investments hedging:   | -                    | -                     |
| a) fair value changes   | -                    | -                     |
| b) reclassification to profit or loss   | -                    | -                     |
| c) other changes  | -                    | -                     |
| 120. Foreign exchange differences:  | -                    | -                     |
| a) value changes  | -                    | -                     |
| b) reclassification to profit or loss   | -                    | -                     |
| c) other changes  | -                    | -                     |
| 130. Cash flow hedging:   | 47,754,014           | 132,676,634           |
| a) fair value changes   | 47,754,014           | 132,676,634           |
| b) reclassification to profit or loss   | -                    | -                     |
| c) other changes  | -                    | -                     |
| <i>of which: net position</i>   | -                    | -                     |
| 140. Hedging instruments (not designated items):  | -                    | -                     |
| a) value changes  | -                    | -                     |
| b) reclassification to profit or loss   | -                    | -                     |
| c) other changes  | -                    | -                     |
| 150. Financial assets (different from equity instruments) at fair value through other comprehensive income: | (299,583,028)        | (136,142,230)         |
| a) fair value changes   | (60,620,359)         | (49,980,489)          |
| b) reclassification to profit or loss:  | (245,151,963)        | (86,726,891)          |
| - impairment losses   | 8,025,913            | 13,405,327            |
| - gains/losses on disposals   | (253,177,876)        | (100,132,218)         |
| c) other changes  | 6,189,294            | 565,150               |
| 160. Non-current assets and disposal groups classified as held for sale:                                    | -                    | -                     |
| a) fair value changes   | -                    | -                     |
| b) reclassification to profit or loss   | -                    | -                     |
| c) other changes  | -                    | -                     |
| 170. Part of valuation reserves from investments valued at equity method:                                   | -                    | -                     |
| a) fair value changes   | -                    | -                     |
| b) reclassification to profit or loss:  | -                    | -                     |
| - impairment losses   | -                    | -                     |
| - gains/losses on disposals   | -                    | -                     |
| c) other changes  | -                    | -                     |
| 180. Tax expenses (income) relating to items reclassified to profit or loss                                 | 39,641,592           | 16,455,236            |
| <b>190. Total other comprehensive income</b>  | <b>49,398,703</b>    | <b>348,531,177</b>    |
| <b>200. Other comprehensive income (Item 10+190)</b>  | <b>3,156,073,203</b> | <b>10,659,648,539</b> |

## Part E - Information on risks and related hedging policies

### Introduction

Reference is made to the paragraph “Introduction”, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, which is herewith quoted entirely.

### Section 1 - Credit risk

#### Qualitative information

##### 1. General aspects

###### **Credit policies**

Reference is made to the paragraph “1. General aspects - Credit policies” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information, which is herewith quoted entirely.

###### **Credit strategies**

Reference is made to the paragraph “1. General aspects - Credit strategies” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information, 2. Credit risk management policies, which is herewith quoted entirely.

###### **Effects arising from Covid-19 pandemic**

Reference is made to the paragraph “1. General Aspects - Effects arising from Covid-19 pandemic” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information, 2. Credit risk management policies, which is herewith quoted entirely.

## Part E - Information on risks and related hedging policies

### 2. Credit risk management policies

#### 2.1 Organisational aspects

In credit risk management, the organisational structure as at 31 December 2022, envisages specific structures and responsibilities at Group and local level. Regarding the Organisational model of the Parent company functions, reference is made to the paragraph “2.1 Organisational aspects” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information, 2. Credit risk management policies, which is herewith quoted entirely.

With specific reference to the Italian perimeter of UniCredit S.p.A., the “Risk Italy” function is responsible for credit risk and non-financial risk oversight: it coordinates and manages the activities of competence regarding the credit granting, credit monitoring, restructuring and workout activities, it is also responsible for analysing and monitoring the riskiness and overall credit quality of the Italian loan portfolio, identifying anomalies in relation to expectations and identifying corrective actions, as well as for the definition and monitoring of the credit strategies both for performing and non-performing loans; it is also in charge of the definition of credit operating rules and policies, consistently with standards defined by Group Risk Management structures, as well as for the identification, management and monitoring of operational risks, supporting the related business functions. The structure is also responsible for the managerial coordination of the credit activities of UniCredit S.p.A. Italian Legal Entities.

The organisational units under “Risk Italy” are the following:

- the “Credit Risk Framework & Rules Italy” structure whose responsibilities include the following activities:
  - designing and maintaining credit processes considering Business and Risk needs, regulatory requirements (requirements definition and user acceptance);
  - definition of relevant credit operating rules and policies, consistent with the strategic guidelines, credit policies and standards/methods defined by the dedicated Group Risk Management structures, collaborating with Business structures;
  - guiding the transformation of lending processes through the prioritization and coordination of dedicated projects and initiatives, including related ICT investments and relevant functions;
  - carrying out mainly second-level controls on the correct execution of the approval and disbursement processes, in line with internal regulations and credit guidelines

The structure consists of the following units:

- “Managerial Models & Credit Engines”;
  - “Origination Individuals Credit Framework”;
  - “Origination Enterprises Credit Framework”;
  - “Credit Administration Framework”;
  - “Monitoring & Npe Framework”;
  - “Credit Products & Policies”;
  - “Credit Processes Controls”;
  - the “Credit Risk Management Italy” structure whose responsibilities include the following activities for the Italian perimeter:
    - providing Top Management with a current view of credit risk;
    - definition and monitoring process of credit strategies (both for performing and non-performing loans), the monitoring, on a periodic basis, of the overall credit portfolio;
    - the AQ planning, the provisions, the RWAs and the capital absorption for performing and non-performing loans;
    - periodical analysis production in order to give to the Top Management a credit risk profile view;
    - performing second level controls on the perimeter of competence.
- The structure consists of the following units:
- “Credit Risk Strategies & Planning Italy”;
  - “Credit Risk Portfolio Analytics Italy”;
  - “Credit Risk Control Italy”;
  - the “Non-Financial Risk Italy” structure whose responsibilities include the following activities for the Italian perimeter of UniCredit S.p.A.:
    - identification, management and monitoring of operational risks, also by executing specific risk assessment activities (e.g., on relevant transactions);
    - identifying, assessing and monitoring the ICT/Cyber and Third-party risks (including outsourcing contracts) in coherence with Group framework.
  - the “Credit Underwriting Italy” structure is responsible for the “Italy” perimeter of UniCredit S.p.A., for Credit Underwriting activities related to Individuals/Freelancers credit products of competence as well as - for credit proposals above Credit Hub’s approval authority, with reference to the Enterprises perimeter - for issuing risk opinions to the competent Business decision-making Bodies and registering their credit decisions in the system.

Moreover, the structure is directly responsible for managing the activities related to the functioning of the Italy Transactional Credit Committee.

The structure consists of the following units:

- “Enterprises Credit Transactions Italy”;
- “Individuals Credit Underwriting Italy”;

## Part E - Information on risks and related hedging policies

- the “Credit Monitoring” structure whose responsibilities include the following activities:
  - ensure the quality of the loan portfolio through performance monitoring of the positions, risk analysis and identification of corrective measures;
  - guarantee the proper execution of the decision-making activities carried out by Central and Territorial structures;
  - support the Business functions in monitoring the credit portfolio of the territorial areas, analysing the performance, and implementing the corrective measures required.
 The structure consists of the following functions:
  - “Credit Monitoring Operations & Support”;
  - “Central Credit Monitoring”;
  - “Territorial Credit Monitoring” composed by 7 Territorial Monitoring Hubs;
  - “Individuals Credit Monitoring & Retail classification”;
  - “Customer Recovery”;
- the “Npe Operational Management Italy” responsible for coordinating and managing the restructuring and workout files of UniCredit S.p.A. related to the non-performing portfolio. The structure consists of the following functions:
  - “Restructuring Italy”;
  - “Risk Analysis & Strategy”;
  - “Credit Recovery Management Italy”;
  - “NPE Operational Activities”;
- in addition, with respect to credit risk, specific committee has been set up, the “Italy Transactional Credit Committee”, which is responsible, within its assigned sub-delegated powers, to evaluate and approve the underwriting and the review of the credit lines and to evaluate and approve the loan loss provisions, asset value adjustments and releases of capital and/or capitalised interests related to performing and non-performing portfolio of UniCredit S.p.A., with the exclusion of Banks, Financial Institutions and Sovereign(FIBS), as well as of the “Investment Banking” segment;
- finally, with reference to non-Financial risks, the “Italy Non-Financial Risks and Controls Committee (INFRCC)” is active, which supports the Head of Italy in the role of steering and monitoring the Non-Financial Risks (NFRs) at Italy level also overseeing the related internal control system (ICS). The INFRCC enables the coordination among the three lines of defense with the aim to identify and share Italy priorities concerning Non-Financial Risks (e.g., events, regulations, or emerging risks), assessing and monitoring the effectiveness of initiatives put in place.

### 2.2 Credit risk management, measurement and control

#### 2.2.1 Credit risk management

Reference is made to the paragraph “2.2.1 Credit risk management” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information, 2. Credit risk management policies, 2.2 Credit risk management, measurement and control, which is herewith quoted entirely.

#### 2.2.2 Risk parameters

Reference is made to the paragraph “2.2.2 Risk parameters” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information, 2. Credit risk management policies, 2.2 Credit risk management, measurement, and control, which is herewith quoted entirely.

#### 2.2.3 Rating systems

Reference is made to the paragraph “2.2.3 Rating systems” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information, 2. Credit risk management policies, 2.2 Credit risk management, measurement and control, which is herewith quoted entirely.

#### 2.2.4 Stress Test

Reference is made to the paragraph “2.2.4 Stress test” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information, 2. Credit risk management policies, 2.2 Credit risk management, measurement, and control, which is herewith quoted entirely.



## Part E - Information on risks and related hedging policies

### 2.3 Measurement methods for expected losses

#### Risk management practices

#### 2.3.1 Staging allocation and Expected Credit Losses calculation

Reference is made to the paragraph “2.3.1 Staging allocation and Expected Credit Losses calculation” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information, 2. Credit risk management policies, which is herewith quoted entirely.

#### 2.3.2 Non-performing exposures

Reference is made to the paragraph “2.3.2 Measurement methods for expected losses - Non-performing exposures” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information, 2. Credit risk management policies, which is herewith quoted entirely.

#### 2.3.3 Selling scenarios

Reference is made to the paragraph “2.3.3 Measurement methods for expected losses - Selling scenario” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information, 2. Credit risk management policies, which is herewith quoted entirely.

#### 2.3.4 Scenarios and Sensitivity

Reference is made to the paragraph “2.3.4 Scenarios and Sensitivity” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information, 2. Credit risk management policies, which is herewith quoted entirely.

#### 2.3.5 Changes due to Covid-19 - Assessment of the Significant Increase of the Credit Risk (SICR)

Reference is made to the paragraph “2.3.5 Changes due to Covid-19 - Assessment of the Significant Increase of the Credit Risk (SICR)” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information, 2. Credit risk management policies, which is herewith quoted entirely.

#### 2.4 Credit risk mitigation technique

Reference is made to the paragraph “2.4 Credit risk mitigation technique” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information, 2. Credit risk management policies, which is herewith quoted entirely.

### 3. Non-performing credit exposures

#### 3.1 Management strategies and policies

In order to ensure a homogeneous approach in the classification of credit exposures for regulatory and reporting purposes, UniCredit has defined guidelines at Group level for the classification of non-performing exposures that refer to the principles reported in the Implementing Technical Standards issued by the Authority European Banking in 2014. This definition of non-performing exposures complements the definition of “default” exposures, disciplined by EBA Guidelines on default definition in line with article 178 of Regulation (EU) 575/2013 of the European Parliament and of the Council (EBA/GL/2016/07) in force since 1 January 2021, and “impaired” exposures defined by IFRS9 Accounting Standards. A substantial alignment within the Group has been pursued between the three definitions, providing the Supervisory Authorities with a harmonized view of these concepts and strengthening the tools available to the Authorities for assessing the asset quality.

The default classification criteria in force since 1 January 2021 include, among the main aspects, harmonized thresholds at European level for past due materiality and additional Unlikely to Pay triggers further regulated by EBA/GL/2016/07 with respect to the high-level provisions of article 178 of Regulation (EU) 575/2013. In this regard, it is highlighted the Distressed Restructuring for credit obligation object of concession, where a maximum threshold for decreasing the Net Present Value of 1% has been set, as well as specific requirements on the contagion effects of default in the case of connected customers (mainly, groups of companies, joint headings between individuals and links between individuals and companies with unlimited liability). In addition, a mandatory minimum probation period before returning to the non-defaulted status has been defined.

## Part E - Information on risks and related hedging policies

Furthermore, in accordance with the provisions of Banca d'Italia in Circular 272/2008, non-performing credit exposures must be classified in one of the following risk classes:

- past-due and/or overdue exposures: problematic exposures that are more than 90 days past due on any material obligation (the latter assessed in line with article 178 (2d) of EU Regulation No.575/2013 and the Technical Standards of the EBA);
- unlikely to pay: the classification in this category is the result of the judgment of the bank about the unlikelihood, without recourse to actions such as realising 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 (or rate) past due and unpaid amount;
- bad loans: exposures to borrowers in a state of insolvency (even when not recognised in a court of law) or in an essentially similar situation, regardless of any loss forecasts made by the bank.

According to the Group rules, all debtors in the bank's portfolio must be mapped in the classes defined by Banca d'Italia, regardless of local reporting which has to be performed according to local accounting standards and/or local supervisory regulations or instructions.

These classification rules are further integrated by accounting principles defined in IFRS9, according to which credit exposures must be allocated in three "stages" (for details see section "Expected loss measurement method" - Section 2). With regard to non-performing exposures, the allocation to "Stage 3" occurs when the customer's status changes into "non-performing". This is a classification at counterparty level and not at transaction level based on specific regulations on the classification of non-performing exposures.

In accordance with article 156 EBA ITS, an exposure must remain classified as non-performing as long as the following criteria (exit criteria) are not met simultaneously:

- the situation of the debtor has improved to the extent that full repayment of the original due amount is likely to be made;
- the debtor does not have any amount past-due by more than 90 days.

Specific exit criteria must be applied in case the forbearance measures are extended to non-performing exposures, listed below:

- the starting date of the observation period of one year is the latest between the adoption of Forbearance measures and the classification as non-performing;
- any past due amount is verified if no past due occurs at debtor level;
- concerns regarding the "full repayment" refer to a judgmental evaluation by the empowered Bodies.

In the non-performing credit exposures management, UniCredit S.p.A. adopts certain strategies that operationally define the activities necessary to achieve the targets defined yearly.

The aforementioned strategies concerning impaired loans include:

- an effective internal restructuring activity, supported by qualified resources with specific skills dedicated to the management of loans classified as unlikely to pay; within these activities, ad-hoc approaches are then envisaged for positions considered strategic or referring to the Corporate and Real Estate segment;
- proactive portfolio management through judicial and extra-judicial procedures managed by internal Workout professionals or assigned to external agencies specialised in credit recovery;
- the recourse of alternative recovery strategies (which UniCredit was one of the first banks to use) based on formalised partnerships aimed at managing positions in the industrial or Real Estate sector;
- disposal of impaired loans as a further strategy for internal recovery both for individual positions and for portfolios of impaired loans, already classified as bad loans and unlikely to pay.

These strategies reflect the main levers for reducing the amount of impaired loans and have led to an important result during 2022, highlighting:

- write-off for €216 million;
- recoveries for €1,419 million;
- disposals for €4,307 million.

Non-Performing Credit stock reduction performed better than expectations underlying previous multiyear plan "UniCredit Unlocked", achieving an improvement in asset quality with an NPE ratio of 2,5% (-183 bps better than expected as a baseline of the updated multiyear plan).

Regarding the management strategies and policies in force for the UniCredit group reference is made to the paragraph "3.1 Management strategies and policies" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 3. Non-performing credit exposures, which is herewith quoted entirely.

## Part E - Information on risks and related hedging policies

### 3.2 Write-off

UniCredit group guidelines for write-offs on financial assets provides that whenever a loan is deemed to be uncollectable/unrecoverable it needs to be identified at the earliest possible opportunity and properly dealt with in accordance with financial regulations. Write-offs can relate to a financial asset in its entirety, or to a portion of it.

In assessing the recoverability of Non-Performing Exposures (NPE) and in determining internal NPE write-off approaches, the following cases, in particular, are taken into account:

- exposures with prolonged arrears: it is assessed the recoverability of an exposure that presents arrears for a prolonged period of time. If, following this assessment, an exposure or part of an exposure is deemed as non-recoverable, it should be written-off in a timely manner, adopting different thresholds predefined on the basis of the different portfolios;
- exposures under insolvency procedure: where the collateralisation of the exposure is low, legal expenses often absorb a significant portion of the proceeds from the bankruptcy procedure and therefore estimated recoveries are expected to be very low;
- a partial write-off may be warranted where there are reasonable elements to demonstrate the debtor's inability to repay the full amount of the debt, i.e. a significant level of debt, even following the implementation of a forbearance treatment and/or the execution of collateral.

Below a non-exhaustive list of hard evidences implying, with high likelihood, the not recoverability of the exposure, to be assessed, for the potential (total or partial) write-off:

- the Bank cannot call the guarantor(s), or his assets are not sufficient for the recovery of the debtor's exposures;
- negative outcome of the judicial and/or out-of-court initiatives with absence of other assets that can be called in the event of un-recoverability of the debtor's exposures;
- impossibility to initiate actions to recover credit;
- current insolvency procedure, from which the procedure itself states that the unsecured exposures will not have redress;
- loans not backed by mortgage security older than 3 years that have not registered repayments/collections during the first 3 years after the NPE classification;
- mortgage loans to private individuals with collaterals already executed or not recoverable (because of legal or administrative defects and if execution is considered not economically viable), if they have been classified as non-performing for more than 7 years, or between 2 and 7 years if the residual debt is less than €110,000.

Specifically, for UniCredit S.p.A. perimeter, write-offs on financial assets still subject to an enforcement procedure amount to €895 million as at 31 December 2022, of which partial write-offs amount to €828 million and total write-offs amount to €67 million. The amount of write-offs (both partial and total) related to the 2022 financial year is €16 million. 2022 write-offs cannot be compared with write-offs amount reported in gross changes in non-performing exposures, because the latter includes "debt forgiveness".

### 3.3 Acquired or originated impaired financial assets

Reference is made to the paragraph "3.3 Acquired or originated impaired financial assets" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information, 3. Non-performing credit exposures, which is herewith quoted entirely.

### 4. Financial assets subject to commercial renegotiations and forborne exposures

Changes in existing financial instruments which determine a modification of contractual conditions might be the result of either:

- commercial initiatives, which may be specific for each customer or applied to portfolio of customers also as a result of dedicated initiatives sponsored by public authorities or banking associations, or
- concessions granted in light of debtor's financial difficulties (Forbearance).

Such changes are accounted on the basis of whether the modification is considered significant or not. In this regard, reference is made to the Part A - Accounting policies, A.2 - Main items of the accounts.

The concessions granted due to debtor's financial difficulties, so-called Forbearance initiatives, are usually considered not significant from an accounting perspective.

### 4.1 Loan categorisation in the risk categories and forborne exposures

Reference is made to the paragraph "4.1 Loan categorization in the risk categories and forborne exposures" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information, 4. Financial assets subject to commercial renegotiations and forborne exposures, which is herewith quoted entirely.

## Part E - Information on risks and related hedging policies

### Quantitative information

In the following tables, the volume of impaired assets according to the IFRS definition is equivalent to the one for non-performing exposures referred to in the EBA standards.

#### A. Credit quality

For the purposes of the disclosure of quantitative information about credit quality, the term “credit exposures” does not include equity instruments and units in investment funds.

##### A.1 Non-performing and performing credit exposure: amounts, write-downs, changes, distribution by business activity

##### A.1.1 Breakdown of financial assets by portfolio and credit quality (carrying value)

(€ million)

| PORTFOLIOS/QUALITY   | BAD EXPOSURES | UNLIKELY TO PAY | NON-PERFORMING PAST-DUE EXPOSURES | PERFORMING PAST-DUE EXPOSURES | OTHER PERFORMING EXPOSURES | TOTAL          |
|--|---------------|-----------------|-----------------------------------|-------------------------------|----------------------------|----------------|
| 1. Financial assets at amortised cost                                | 225           | 2,006           | 341                               | 6,488                         | 250,617                    | 259,677        |
| 2. Financial assets at fair value through other comprehensive income | -             | -               | -                                 | -                             | 25,878                     | 25,878         |
| 3. Financial assets designated at fair value                         | -             | -               | -                                 | -                             | 204                        | 204            |
| 4. Other financial assets mandatorily at fair value                  | -             | 27              | -                                 | 4                             | 2,761                      | 2,792          |
| 5. Financial instruments classified as held for sale                 | 65            | 141             | -                                 | -                             | -                          | 206            |
| <b>Total 31.12.2022</b>  | <b>290</b>    | <b>2,174</b>    | <b>341</b>                        | <b>6,492</b>                  | <b>279,460</b>             | <b>288,757</b> |
| <b>Total 31.12.2021</b>  | <b>513</b>    | <b>3,052</b>    | <b>322</b>                        | <b>3,002</b>                  | <b>301,328</b>             | <b>308,217</b> |

##### A.1.2 Breakdown of financial assets by portfolio and credit quality (gross and net values)

(€ million)

| PORTFOLIOS/QUALITY   | NON-PERFORMING ASSETS |                    |              |                               | PERFORMING ASSETS |                    |                | TOTAL (NET EXPOSURE) |
|--|-----------------------|--------------------|--------------|-------------------------------|-------------------|--------------------|----------------|----------------------|
|  | GROSS EXPOSURE        | OVERALL WRITEDOWNS | NET EXPOSURE | OVERALL PARTIAL WRITE-OFFS(*) | GROSS EXPOSURE    | OVERALL WRITEDOWNS | NET EXPOSURE   |                      |
| 1. Financial assets at amortised cost                                | 4,939                 | 2,367              | 2,572        | 775                           | 259,860           | 2,755              | 257,105        | 259,677              |
| 2. Financial assets at fair value through other comprehensive income | 2                     | 2                  | -            | -                             | 25,938            | 60                 | 25,878         | 25,878               |
| 3. Financial assets designated at fair value                         | -                     | -                  | -            | -                             | X                 | X                  | 204            | 204                  |
| 4. Other financial assets mandatorily at fair value                  | 111                   | 84                 | 27           | 43                            | X                 | X                  | 2,765          | 2,792                |
| 5. Financial instruments classified as held for sale                 | 411                   | 205                | 206          | 9                             | -                 | -                  | -              | 206                  |
| <b>Total 31.12.2022</b>  | <b>5,463</b>          | <b>2,658</b>       | <b>2,805</b> | <b>827</b>                    | <b>285,798</b>    | <b>2,815</b>       | <b>285,952</b> | <b>288,757</b>       |
| <b>Total 31.12.2021</b>  | <b>9,074</b>          | <b>5,187</b>       | <b>3,887</b> | <b>1,724</b>                  | <b>303,170</b>    | <b>2,435</b>       | <b>304,330</b> | <b>308,217</b>       |

Note:

(\*) Value shown for information purposes.

The reduction in impaired credit exposures is mainly due to the Non-performing disposal transactions “Itaca” and “Altea” performed during the first half 2022.

## Part E - Information on risks and related hedging policies

### Itaca transaction

"Itaca transaction" (hereinafter also "Itaca") is part of the plan of disposal of the non-performing assets belonging to the UniCredit group through a market operation. It relates to a set of credit exposures owned by UniCredit S.p.A., classified as Bad loans which, as at 31 December 2021 or, for some debtors, 28 February 2022 (cut-off date), amounted to €0.9 billion in terms of gross book value (€1.1 billion in terms of credit claims), also defined below as the "Portfolio"

Itaca consists of an overall transaction, approved by the Group Financial and Credit Risk Committee on 31 March 2022, realised by 2 phases of process:

- **PHASE 1: securitisation of receivables (Bad loans)** originated by UniCredit S.p.A. (the "Securitization").

On 3 May 2022 the legal transfer of the loan Portfolio from UniCredit S.p.A. (Originator) to Itaca SPV S.r.l. (Assignee) occurred at a price equal to €155 million, subsequently settled on 6 May 2022 through the full subscription by UniCredit S.p.A. of all Asset Backed Securities (named also ABS or Note) (Senior Notes for €125 million, Mezzanine for €24 million and Junior for €6 million) issued by Itaca SPV S.r.l. UniCredit S.p.A. is not involved in any role associated with the recovery or management of collections of securitized receivables as Servicer or Master Servicer or other similar roles within the Securitization transaction, nor has any control over the recovery process on the basis of the contracts in place. Within the transaction, a liquidity line granted to Itaca SPV S.r.l. by UniCredit Bank AG is envisaged for an amount of €21.8 million (qualified as "super-senior" in the Securitization waterfall of payments), to fund upfront and on-going running costs and cover potential maturity mismatches between the payment dates of these costs and cash flows arising from the collections of the loans.

- **PHASE 2: partial sale by UniCredit S.p.A. of the Mezzanine and Junior Notes** to third parties investors not belonging to the UniCredit group. Following a placement process supported by UniCredit Bank AG as Placement Agent, on 24 May 2022 UniCredit S.p.A. accepted a Binding Offer from third parties not belonging to UniCredit group for the purchase of 95% of Notes Mezzanine and Junior (€28.5 million out of the total of €30 million) at a total price of approximately €8.7 million.

Consequently, on 8 June 2022, the sale of 95% of the Mezzanine and Junior Notes to the investors was finalised.

The sale of 95% of the Mezzanine and Junior Securities created the fundamental and substantial conditions for the accounting derecognition (pursuant to the international accounting standards in force) from the UniCredit S.p.A. Balance sheet of the receivables included in the Portfolio of bad loans securitized with Itaca transaction. Indeed, UniCredit S.p.A. has transferred to third parties (outside UniCredit group) the risks and benefits underlying the loan Portfolio subject to sale, since it substantially replaced a Portfolio of impaired credit exposures (bad loans) booked for a gross book value of €0.9 billion with an exposure in Senior Notes (nominal €125 million) with "investment grade" rating, maintaining a residual exposure (5%) in the Mezzanine Tranche (nominal €1.2 million) and Junior (nominal €0.3 million). It is therefore possible to state that after the sale of 95% of the Mezzanine and Junior Notes (i) the Bank is no longer significantly exposed to the variability of the future cash flows of the loan Portfolio, and (ii) the underlying risks/rewards on securitized loans are no longer substantially retained by UniCredit S.p.A. but by third party (outside the UniCredit group) subscribers of the Mezzanine and Junior tranches and (iii) the Bank has neither control over the portfolio nor power to govern the relevant activities of Itaca SPV S.r.l. as it is not Servicer or Master Servicer. The liquidity line granted to Itaca SPV S.r.l. by UniCredit Bank AG does not change the result of the analysis on exposure to variability and risks/rewards since the repayment of the exposure deriving from the use of this line by the Vehicle is "super-senior" to the Senior Tranche.

Consequently, UniCredit, both in the 2022 Individual and Consolidated Financial Statements, proceeded to:

- derecognise the receivables belonging to the loan Portfolio relating to Itaca Transaction,
- recognise the ABS (100% of Senior Note, 5% of Mezzanine and Junior Notes), which were classified in the categories envisaged by IFRS9 considering their characteristics.

As at 31 December 2022, the Senior Note is classified in item "30. Financial asset at fair value through other comprehensive income" for an amount of €124.3 million, while Mezzanine and Junior Note are classified in item "20. Financial assets at fair value through profit or loss" for an amount of €0.6 million and zero million respectively.

## Part E - Information on risks and related hedging policies

### Altea Transaction

During June 2022, through securitisation, UniCredit S.p.A. sold to a special purpose vehicle (Altea SPV S.r.l., "Altea") a portfolio of Unlikely to pay credit exposures amounted to about €2 billion in terms of gross book value, mainly Corporate and SME, for which Prelios acts as Master and Special servicer.

The portfolio include: (i) medium/long term receivables and revolving exposure terminated/revoked, (ii) revolving exposures not terminated/revoked and (iii) potential exposures raising from the guarantees' enforcement/derivatives towards the debtors belonging the Altea perimeter.

Altea consists of an overall transaction, whose execution was approved by the Group Financial and Credit Risk Committee on 24 May 2022, realised as follow described:

#### • PHASE 1: securitisation of receivables

On 1 June 2022 the legal transfer of the loan Portfolio of medium/long term receivables and revolving exposure terminated or revoked (gross book value for about €1.6 billion) from UniCredit S.p.A. (Originator) to Altea SPV S.r.l. (Assignee) occurred at a price equal to €632 million.

On 18 June 2022, with reference to revolving exposures of short term revolving credit facilities not terminated/revoked (gross book value for about €0.3 billion), UniCredit S.p.A. (Originator) sold to Altea SPV S.r.l. (Assignee) the rights to receive the cash flows through a limited recourse loan ("SPV Loan") for €78 million. Under an economic perspective, such SPV Loan represents the price considering that UniCredit S.p.A. would provide to reimburse it limited to the collections received against the related portfolio.

The Altea SPV's rights to receive the cash flows will involve also the exposures raising from the drawing occurred after 18 June 2022 and estimated up to €80 million. Consequently the SPV Loan would increase up to €9 million.

Furthermore, the performed agreements envisage the transfer to Altea SPV S.r.l. of the potential future exposures belonging the Altea perimeter's debtors raising from the guarantees' enforcements and derivatives for an estimated gross book value equal to €0.25 billion, at an estimated consideration of €2 million.

On 21 June 2022 through the full subscription by UniCredit S.p.A. of all Asset Backed Securities (named also ABS or Note) (Senior Notes for €552 million, Mezzanine for €162 million and Junior for €22 million) issued by Altea SPV S.r.l. with the aim to finance the exposures' and the rights' purchase and to set up a cash reserve for an amount of €16 million to fund upfront and on-going running costs and cover potential maturity mismatches between the payment dates of these costs and cash flows arising from the collections of the loans.

UniCredit S.p.A. has not any control over the recovery process on the basis of the contracts in place.

#### • PHASE 2: partial sale by UniCredit S.p.A. of the Mezzanine and Junior Notes to third parties investors not belonging to the UniCredit group.

On 24 and 27 June 2022 UniCredit transferred to third parties not belonging to UniCredit group (mainly to the American fund Christofferson, Robb and Company) the 95% of Notes Mezzanine and Junior (€175 million out of the total of €184 million) at a total price of €175 million. As Originator, UniCredit retained the minimum 5% net economic interest as required by regulation for originators.

It is therefore possible to state that after the sale of 95% of the Mezzanine and Junior Notes (i) the Bank is no longer significantly exposed to the variability of the future cash flows of the loan Portfolio, and (ii) the underlying risks/rewards on securitized loans are no longer substantially retained by UniCredit S.p.A. but by third party (outside the UniCredit group) subscribers of the Mezzanine and Junior tranches and (iii) the Bank has neither control over the portfolio nor power to govern the relevant activities of Altea SPV S.r.l.

Consequently, UniCredit, both in the 2022 Individual and Consolidated Financial Statements, proceeded to:

- derecognise the receivables belonging to the loan Portfolio relating to Altea Transaction,
- recognise the ABS (100% of Senior Note; 5% of Mezzanine and Junior Notes), which have been classified in the categories envisaged by IFRS9 considering their characteristics.

As at 31 December 2022, the Senior Note is classified in item "40. Financial assets at amortized cost" for an amount of €497 million, while Mezzanine and Junior Note are classified in item "20. Financial assets at fair value through profit or loss" for an amount of €7.5 million and zero million respectively.

For more details related to the evaluation of the credit exposure, for what relates specifically to UniCredit S.p.A., refer to paragraph "Aspects relating to the valuation of credit exposures as at 31 December 2022" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 1 - Risks of the accounting consolidated perimeter, which is herewith quoted entirely.

| PORTFOLIOS/QUALITY                   | ASSETS OF EVIDENT LOW CREDIT QUALITY |              | OTHER ASSETS  |
|--------------------------------------|--------------------------------------|--------------|---------------|
|                                      | CUMULATED LOSSES                     | NET EXPOSURE | NET EXPOSURE  |
| 1. Financial assets held for trading | 2                                    | 1            | 18,784        |
| 2. Hedging derivatives               | -                                    | -            | 13,741        |
| <b>Total 31.12.2022</b>              | <b>2</b>                             | <b>1</b>     | <b>32,525</b> |
| <b>Total 31.12.2021</b>              | <b>34</b>                            | <b>42</b>    | <b>18,259</b> |

## Part E - Information on risks and related hedging policies

## A.1.3 Breakdown of financial assets by past-due buckets (carrying value)

(€ million)

| PORTFOLIOS/RISK STAGES   | STAGE 1           |                           |              | STAGE 2           |                           |              | STAGE 3           |                           |              | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS |                           |              |
|--|-------------------|---------------------------|--------------|-------------------|---------------------------|--------------|-------------------|---------------------------|--------------|--|---------------------------|--------------|
|  | FROM 1 TO 30 DAYS | OVER 30 AND UP TO 90 DAYS | OVER 90 DAYS | FROM 1 TO 30 DAYS | OVER 30 AND UP TO 90 DAYS | OVER 90 DAYS | FROM 1 TO 30 DAYS | OVER 30 AND UP TO 90 DAYS | OVER 90 DAYS | FROM 1 TO 30 DAYS  | OVER 30 AND UP TO 90 DAYS | OVER 90 DAYS |
| 1. Financial assets at amortised cost                                | 3,811             | 17                        | 19           | 2,305             | 291                       | 46           | 1,528             | 253                       | 791          | -  | -                         | -            |
| 2. Financial assets at fair value through other comprehensive income | -                 | -                         | -            | -                 | -                         | -            | -                 | -                         | -            | -  | -                         | -            |
| 3. Financial instruments classified as held for sale                 | -                 | -                         | -            | -                 | -                         | -            | 75                | 6                         | 125          | -  | -                         | -            |
| <b>Total 31.12.2022</b>  | <b>3,811</b>      | <b>17</b>                 | <b>19</b>    | <b>2,305</b>      | <b>291</b>                | <b>46</b>    | <b>1,603</b>      | <b>259</b>                | <b>916</b>   | <b>-</b>   | <b>-</b>                  | <b>-</b>     |
| <b>Total 31.12.2021</b>  | <b>1,328</b>      | <b>34</b>                 | <b>15</b>    | <b>1,377</b>      | <b>174</b>                | <b>74</b>    | <b>2,465</b>      | <b>144</b>                | <b>1,246</b> | <b>-</b>   | <b>-</b>                  | <b>1</b>     |

## A.1.4 Financial assets, loan commitments and financial guarantees given: changes in overall impairments and provisions

(€ million)

| SOURCES/RISK STAGES                                   | OVERALL WRITE-DOWNS   |                                    |   |   |                                 |                                 |   |                                    |   |   |                                 |                                 |
|---|---|------------------------------------|---|---|---------------------------------|---------------------------------|---|------------------------------------|---|---|---------------------------------|---------------------------------|
|   | FINANCIAL ASSETS CLASSIFIED IN STAGE 1                            |                                    |   |   |                                 |                                 | FINANCIAL ASSETS CLASSIFIED IN STAGE 2                            |                                    |   |   |                                 |                                 |
|   | CURRENT ACCOUNTS AND DEMAND DEPOSITS WITH BANKS AND CENTRAL BANKS | FINANCIAL ASSETS AT AMORTISED COST | FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME | FINANCIAL INSTRUMENTS CLASSIFIED AS HELD FOR SALE | OF WHICH: INDIVIDUAL IMPAIRMENT | OF WHICH: COLLECTIVE IMPAIRMENT | CURRENT ACCOUNTS AND DEMAND DEPOSITS WITH BANKS AND CENTRAL BANKS | FINANCIAL ASSETS AT AMORTISED COST | FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME | FINANCIAL INSTRUMENTS CLASSIFIED AS HELD FOR SALE | OF WHICH: INDIVIDUAL IMPAIRMENT | OF WHICH: COLLECTIVE IMPAIRMENT |
| <b>Opening balance (gross amount)</b>                 | <b>1</b>  | <b>411</b>                         | <b>52</b>   | <b>7</b>  | <b>2</b>                        | <b>468</b>                      | <b>-</b>  | <b>1,954</b>                       | <b>-</b>  | <b>11</b>   | <b>-</b>                        | <b>1,965</b>                    |
| Increases in acquired or originated financial assets  | -   | 297                                | -   | -   | -                               | 298                             | 1   | 166                                | -   | -   | -                               | 166                             |
| Reversals different from write-offs                   | -   | (86)                               | (1)   | (18)  | -                               | (104)                           | -   | (335)                              | -   | (8)   | -                               | (343)                           |
| Net losses/recoveries on credit impairment            | -   | 96                                 | 8   | 11  | -                               | 115                             | -   | 422                                | -   | (3)   | -                               | 419                             |
| Contractual changes without cancellation              | -   | (3)                                | -   | -   | -                               | (3)                             | -   | (5)                                | -   | -   | -                               | (5)                             |
| Changes in estimation methodology                     | -   | -                                  | -   | -   | -                               | -                               | -   | -                                  | -   | -   | -                               | -                               |
| Write-off not recognised directly in profit or loss   | -   | -                                  | -   | -   | -                               | -                               | -   | (170)                              | -   | -   | -                               | (170)                           |
| Other changes   | -   | 1                                  | 1   | -   | -                               | 1                               | -   | 7                                  | -   | -   | -                               | 6                               |
| <b>Closing balance (gross amount)</b>                 | <b>1</b>  | <b>716</b>                         | <b>60</b>   | <b>-</b>  | <b>2</b>                        | <b>775</b>                      | <b>1</b>  | <b>2,039</b>                       | <b>-</b>  | <b>-</b>  | <b>-</b>                        | <b>2,038</b>                    |
| Recoveries from financial assets subject to write-off | -   | -                                  | -   | -   | -                               | -                               | -   | -                                  | -   | -   | -                               | -                               |
| Write-off recognised directly in profit or loss       | -   | (16)                               | -   | -   | -                               | (16)                            | -   | (16)                               | -   | -   | -                               | (16)                            |

## Part E - Information on risks and related hedging policies

continued: A.1.4 Financial assets, loan commitments and financial guarantees given: changes in overall impairments and provisions

(€ million)

| SOURCES/RISK STAGES                                   | OVERALL WRITE-DOWNS   |                                    |   |   |                                 |                                 |  |   |   |                                 |                                 |
|---|---|------------------------------------|---|---|---------------------------------|---------------------------------|--|---|---|---------------------------------|---------------------------------|
|   | CURRENT ACCOUNTS AND DEMAND DEPOSITS WITH BANKS AND CENTRAL BANKS | ASSETS BELONGING TO THIRD STAGE    |   |   |                                 |                                 | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS |   |   |                                 |                                 |
|   |   | FINANCIAL ASSETS AT AMORTISED COST | FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME | FINANCIAL INSTRUMENTS CLASSIFIED AS HELD FOR SALE | OF WHICH: INDIVIDUAL IMPAIRMENT | OF WHICH: COLLECTIVE IMPAIRMENT | FINANCIAL ASSETS AT AMORTISED COST                       | FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME | FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME | OF WHICH: INDIVIDUAL IMPAIRMENT | OF WHICH: COLLECTIVE IMPAIRMENT |
| Opening balance (gross amount)                        | -   | 4,876                              | 2   | 226   | 3,187                           | 1,917                           | 4  | -   | -   | 1                               | 3                               |
| Increases in acquired or originated financial assets  | -   | 141                                | -   | -   | 83                              | 58                              | -  | -   | -   | -                               | -                               |
| Reversals different from write-offs                   | -   | (2,671)                            | -   | (1,026)   | (1,013)                         | (2,684)                         | (5)  | -   | (2)   | (1)                             | (6)                             |
| Net losses/recoveries on credit impairment            | -   | 337                                | -   | (7)   | 30                              | 301                             | -  | -   | -   | -                               | -                               |
| Contractual changes without cancellation              | -   | (1)                                | -   | -   | (1)                             | -                               | -  | -   | -   | -                               | -                               |
| Changes in estimation methodology                     | -   | -                                  | -   | -   | -                               | -                               | -  | -   | -   | -                               | -                               |
| Write-off not recognised directly in profit or loss   | -   | (179)                              | -   | -   | (156)                           | (23)                            | -  | -   | -   | -                               | -                               |
| Other changes   | -   | (136)                              | -   | 1,013   | (437)                           | 1,313                           | 1  | -   | 2   | -                               | 3                               |
| Closing balance (gross amount)                        | -   | 2,367                              | 2   | 206   | 1,693                           | 882                             | -  | -   | -   | -                               | -                               |
| Recoveries from financial assets subject to write-off | -   | 27                                 | -   | -   | 1                               | 26                              | -  | -   | -   | -                               | -                               |
| Write-off recognised directly in profit or loss       | -   | (37)                               | -   | -   | (17)                            | (21)                            | -  | -   | -   | -                               | -                               |

continued: A.1.4 Financial assets, loan commitments and financial guarantees given: changes in overall impairments and provisions

(€ million)

| SOURCES/RISK STAGES                                   | OVERALL WRITE-DOWNS  |         |         |  | TOTAL   |
|---|--|---------|---------|--|---------|
|   | TOTAL PROVISIONS ON LOANS COMMITMENTS AND FINANCIAL GUARANTEES GIVEN |         |         |  |         |
|   | STAGE 1  | STAGE 2 | STAGE 3 | COMMITMENTS FUNDS AND FINANCIAL GUARANTEES PURCHASED OR ORIGINATED CREDIT-IMPAIRED |         |
| Opening balance (gross amount)                        | 53   | 69      | 297     | -  | 7,963   |
| Increases in acquired or originated financial assets  | 34   | 13      | 43      | -  | 695     |
| Reversals different from write-offs                   | -  | -       | -       | -  | (4,152) |
| Net losses/recoveries on credit impairment            | (16)   | 12      | (39)    | -  | 821     |
| Contractual changes without cancellation              | -  | -       | -       | -  | (9)     |
| Changes in estimation methodology                     | -  | -       | -       | -  | -       |
| Write-off not recognised directly in profit or loss   | -  | -       | -       | -  | (349)   |
| Other changes   | -  | 1       | -       | -  | 890     |
| Closing balance (gross amount)                        | 71   | 95      | 301     | -  | 5,859   |
| Recoveries from financial assets subject to write-off | -  | -       | -       | -  | 27      |
| Write-off recognised directly in profit or loss       | -  | -       | -       | -  | (69)    |



## Part E - Information on risks and related hedging policies

## A.1.5 Financial assets, loan commitments and financial guarantees given: transfers between risk stages (gross values and nominal values)

(€ million)

| PORTFOLIOS/RISK STAGES   | GROSS VALUES/NOMINAL VALUES           |                         |                                       |                         |                                       |                         |
|--|---------------------------------------|-------------------------|---------------------------------------|-------------------------|---------------------------------------|-------------------------|
|  | TRANSFERS BETWEEN STAGE 1 AND STAGE 2 |                         | TRANSFERS BETWEEN STAGE 2 AND STAGE 3 |                         | TRANSFERS BETWEEN STAGE 1 AND STAGE 3 |                         |
|  | FROM STAGE 1 TO STAGE 2               | FROM STAGE 2 TO STAGE 1 | FROM STAGE 2 TO STAGE 3               | FROM STAGE 3 TO STAGE 2 | FROM STAGE 1 TO STAGE 3               | FROM STAGE 3 TO STAGE 1 |
| 1. Financial assets at amortised cost                                | 11,773                                | 17,131                  | 1,015                                 | 476                     | 341                                   | 59                      |
| 2. Financial assets at fair value through other comprehensive income | -                                     | 124                     | -                                     | -                       | -                                     | -                       |
| 3. Financial instruments classified as held for sale                 | -                                     | -                       | 72                                    | -                       | 9                                     | -                       |
| 4. Loan commitments and financial guarantees given                   | 6,307                                 | 5,565                   | 224                                   | 35                      | 86                                    | 3                       |
| <b>Total 31.12.2022</b>  | <b>18,080</b>                         | <b>22,820</b>           | <b>1,311</b>                          | <b>511</b>              | <b>436</b>                            | <b>62</b>               |
| <b>Total 31.12.2021</b>  | <b>39,397</b>                         | <b>5,096</b>            | <b>2,161</b>                          | <b>611</b>              | <b>752</b>                            | <b>136</b>              |

## A.1.5a Other loans and advances subject to Covid-19 measures: transfers between impairment stages (gross value)

(€ million)

| PORTFOLIOS/RISK STAGES   | GROSS VALUES                          |                         |                                       |                         |                                       |                         |
|--|---------------------------------------|-------------------------|---------------------------------------|-------------------------|---------------------------------------|-------------------------|
|  | TRANSFERS BETWEEN STAGE 1 AND STAGE 2 |                         | TRANSFERS BETWEEN STAGE 2 AND STAGE 3 |                         | TRANSFERS BETWEEN STAGE 1 AND STAGE 3 |                         |
|  | FROM STAGE 1 TO STAGE 2               | FROM STAGE 2 TO STAGE 1 | FROM STAGE 2 TO STAGE 3               | FROM STAGE 3 TO STAGE 2 | FROM STAGE 1 TO STAGE 3               | FROM STAGE 3 TO STAGE 1 |
| <b>A. Financial assets at amortised cost</b>   | <b>1,799</b>                          | <b>2,737</b>            | <b>160</b>                            | <b>11</b>               | <b>81</b>                             | <b>4</b>                |
| A.1 EBA-compliant moratoria loans and advances   | -                                     | -                       | -                                     | -                       | -                                     | -                       |
| A.2 Under moratorium no longer compliant to the GL requirements and not valued as forbore exposure | 1                                     | 19                      | -                                     | -                       | -                                     | -                       |
| A.3 Loans and advances with other forbearance measures   | 5                                     | -                       | 1                                     | -                       | -                                     | -                       |
| A.4 Newly originated loans and advances  | 1,793                                 | 2,718                   | 159                                   | 11                      | 81                                    | 4                       |
| <b>B. Financial assets at fair value through other comprehensive income</b>                        | <b>-</b>                              | <b>-</b>                | <b>-</b>                              | <b>-</b>                | <b>-</b>                              | <b>-</b>                |
| B.1 EBA-compliant moratoria loans and advances   | -                                     | -                       | -                                     | -                       | -                                     | -                       |
| B.2 Under moratorium no longer compliant to the GL requirements and not valued as forbore exposure | -                                     | -                       | -                                     | -                       | -                                     | -                       |
| B.3 Loans and advances with other forbearance measures   | -                                     | -                       | -                                     | -                       | -                                     | -                       |
| B.4 Newly originated loans and advances  | -                                     | -                       | -                                     | -                       | -                                     | -                       |
| <b>Total 31.12.2022</b>  | <b>1,799</b>                          | <b>2,737</b>            | <b>160</b>                            | <b>11</b>               | <b>81</b>                             | <b>4</b>                |
| <b>Total 31.12.2021</b>  | <b>6,457</b>                          | <b>1,761</b>            | <b>679</b>                            | <b>24</b>               | <b>116</b>                            | <b>3</b>                |

## Part E - Information on risks and related hedging policies

## A.1.6 On- and off-balance sheet credit exposures with banks: gross and net values

(€ million)

| EXPOSURE TYPES/VALUES                        | AMOUNTS AS AT  |               |            |          |  | 31.12.2022                         |           |           |  |          | NET EXPOSURE   | OVERALL PARTIAL WRITE-OFFS(*) |
|--|----------------|---------------|------------|----------|--|------------------------------------|-----------|-----------|--|----------|----------------|-------------------------------|
|  | GROSS EXPOSURE |               |            |          | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS | OVERALL WRITE-DOWNS AND PROVISIONS |           |           |  |          |                |                               |
|  | STAGE 1        | STAGE 2       | STAGE 3    |          |  | STAGE 1                            | STAGE 2   | STAGE 3   | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS |          |                |                               |
| <b>A. On-balance sheet credit exposures</b>  |                |               |            |          |  |                                    |           |           |  |          |                |                               |
| <b>A.1 On Demand</b>                         | 53,393         | 53,382        | 11         | -        | -  | 2                                  | 1         | 1         | -  | -        | 53,391         | -                             |
| a) Non-performing                            | -              | X             | -          | -        | -  | -                                  | X         | -         | -  | -        | -              | -                             |
| b) Performing                                | 53,393         | 53,382        | 11         | X        | -  | 2                                  | 1         | 1         | X  | -        | 53,391         | -                             |
| <b>A.2 Other</b>                             | 34,252         | 31,834        | 78         | 4        | -  | 36                                 | 10        | 22        | 4  | -        | 34,216         | -                             |
| a) Bad exposures                             | 4              | X             | -          | 4        | -  | 4                                  | X         | -         | 4  | -        | -              | -                             |
| of which: forborne exposures                 | -              | X             | -          | -        | -  | -                                  | X         | -         | -  | -        | -              | -                             |
| b) Unlikely to pay                           | -              | X             | -          | -        | -  | -                                  | X         | -         | -  | -        | -              | -                             |
| of which: forborne exposures                 | -              | X             | -          | -        | -  | -                                  | X         | -         | -  | -        | -              | -                             |
| c) Non-performing past due                   | -              | X             | -          | -        | -  | -                                  | X         | -         | -  | -        | -              | -                             |
| of which: forborne exposures                 | -              | X             | -          | -        | -  | -                                  | X         | -         | -  | -        | -              | -                             |
| d) Performing past due                       | -              | -             | -          | X        | -  | -                                  | -         | -         | X  | -        | -              | -                             |
| of which: forborne exposures                 | -              | -             | -          | X        | -  | -                                  | -         | -         | X  | -        | -              | -                             |
| e) Other performing exposures                | 34,248         | 31,834        | 78         | X        | -  | 32                                 | 10        | 22        | X  | -        | 34,216         | -                             |
| of which: forborne exposures                 | -              | -             | -          | X        | -  | -                                  | -         | -         | X  | -        | -              | -                             |
| <b>Total (A)</b>                             | <b>87,645</b>  | <b>85,216</b> | <b>89</b>  | <b>4</b> | <b>-</b>   | <b>38</b>                          | <b>11</b> | <b>23</b> | <b>4</b>   | <b>-</b> | <b>87,607</b>  | <b>-</b>                      |
| <b>B. Off-balance sheet credit exposures</b> |                |               |            |          |  |                                    |           |           |  |          |                |                               |
| a) Non-performing                            | -              | X             | -          | -        | -  | -                                  | X         | -         | -  | -        | -              | -                             |
| b) Performing                                | 47,470         | 5,112         | 374        | X        | -  | 37                                 | 2         | 35        | X  | -        | 47,433         | -                             |
| <b>Total (B)</b>                             | <b>47,470</b>  | <b>5,112</b>  | <b>374</b> | <b>-</b> | <b>-</b>   | <b>37</b>                          | <b>2</b>  | <b>35</b> | <b>-</b>   | <b>-</b> | <b>47,433</b>  | <b>-</b>                      |
| <b>Total (A+B)</b>                           | <b>135,115</b> | <b>90,328</b> | <b>463</b> | <b>4</b> | <b>-</b>   | <b>75</b>                          | <b>13</b> | <b>58</b> | <b>4</b>   | <b>-</b> | <b>135,040</b> | <b>-</b>                      |

Note:

(\*) Value shown for information purposes.

On-balance sheet exposures to banks include all balance-sheet assets regardless of their belonging portfolio (held-for-trading, assets designed and mandatorily at fair value through profit or loss, assets at fair value through other comprehensive income, assets at amortised cost and assets held for sale). In more details columns Stage 1, Stage 2, Stage 3 and Purchased or Originated Credit-Impaired financial assets include assets at amortised cost, assets at fair value through other comprehensive income, current accounts and demand deposits with banks and central banks and assets held for sale; the overall gross exposures also report held-for-trading, assets designed and mandatorily at fair value through profit or loss. Off-balance sheet exposures to banks comprise guarantees given, irrevocable commitments, derivatives regardless of each transaction's classification category and the revocable commitments to disburse funds.

## Part E - Information on risks and related hedging policies

## A.1.7 On- and off-balance sheet credit exposures with customers: gross and net values

(€ million)

| EXPOSURE TYPES/VALUES                        | AMOUNTS AS AT 31.12.2022 |                |               |  |                                    |              |            |  |              |          |                |                               |
|--|--------------------------|----------------|---------------|--|------------------------------------|--------------|------------|--|--------------|----------|----------------|-------------------------------|
|  | GROSS EXPOSURE           |                |               |  | OVERALL WRITE-DOWNS AND PROVISIONS |              |            |  |              |          | NET EXPOSURE   | OVERALL PARTIAL WRITE-OFFS(*) |
|  | STAGE 1                  | STAGE 2        | STAGE 3       | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS | STAGE 1                            | STAGE 2      | STAGE 3    | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS |              |          |                |                               |
| <b>A. On-balance sheet credit exposures</b>  |                          |                |               |  |                                    |              |            |  |              |          |                |                               |
| a) Bad exposures                             | 994                      | X              | -             | 994  | -                                  | 704          | X          | -  | 704          | -        | 290            | 609                           |
| of which: forborne exposures                 | 252                      | X              | -             | 252  | -                                  | 164          | X          | -  | 164          | -        | 88             | 77                            |
| b) Unlikely to pay                           | 4,002                    | X              | -             | 3,895  | -                                  | 1,829        | X          | -  | 1,748        | -        | 2,173          | 218                           |
| of which: forborne exposures                 | 2,553                    | X              | -             | 2,528  | -                                  | 1,209        | X          | -  | 1,188        | -        | 1,344          | 208                           |
| c) Non-performing past due                   | 462                      | X              | -             | 459  | -                                  | 122          | X          | -  | 118          | -        | 340            | -                             |
| of which: forborne exposures                 | 6                        | X              | -             | 6  | -                                  | 2            | X          | -  | 2            | -        | 4              | -                             |
| d) Performing past due                       | 6,792                    | 3,888          | 2,899         | X  | -                                  | 299          | 42         | 257  | X            | -        | 6,493          | -                             |
| of which: forborne exposures                 | 621                      | -              | 617           | X  | -                                  | 86           | -          | 86   | X            | -        | 535            | -                             |
| e) Other performing exposures                | 251,492                  | 219,777        | 27,321        | X  | -                                  | 2,483        | 723        | 1,760  | X            | -        | 249,009        | -                             |
| of which: forborne exposures                 | 4,990                    | 20             | 4,961         | X  | -                                  | 475          | -          | 475  | X            | -        | 4,515          | -                             |
| <b>Total (A)</b>                             | <b>263,742</b>           | <b>223,665</b> | <b>30,220</b> | <b>5,348</b>   | <b>-</b>                           | <b>5,437</b> | <b>765</b> | <b>2,017</b>   | <b>2,570</b> | <b>-</b> | <b>258,305</b> | <b>827</b>                    |
| <b>B. Off-balance sheet credit exposures</b> |                          |                |               |  |                                    |              |            |  |              |          |                |                               |
| a) Non-performing                            | 1,490                    | X              | -             | 1,054  | -                                  | 301          | X          | -  | 301          | -        | 1,189          | -                             |
| b) Performing                                | 156,706                  | 46,188         | 10,467        | X  | -                                  | 129          | 69         | 60   | X            | -        | 156,577        | -                             |
| <b>Total (B)</b>                             | <b>158,196</b>           | <b>46,188</b>  | <b>10,467</b> | <b>1,054</b>   | <b>-</b>                           | <b>430</b>   | <b>69</b>  | <b>60</b>  | <b>301</b>   | <b>-</b> | <b>157,766</b> | <b>-</b>                      |
| <b>Total (A+B)</b>                           | <b>421,938</b>           | <b>269,853</b> | <b>40,687</b> | <b>6,402</b>   | <b>-</b>                           | <b>5,867</b> | <b>834</b> | <b>2,077</b>   | <b>2,871</b> | <b>-</b> | <b>416,071</b> | <b>827</b>                    |

## Note:

(\*) Value shown for information purposes.

On-balance sheet exposures to customers include all balance-sheet assets regardless of their belonging portfolio (held-for-trading, assets designed and mandatorily at fair value through profit or loss, assets at fair value through other comprehensive income, assets at amortised cost and assets held for sale). In more details columns Stage1, Stage 2, Stage 3 and Purchased or Originated Credit-Impaired financial assets include assets at amortized cost, assets at fair value through other comprehensive income and assets held for sale; the overall gross exposures also report held-for-trading, assets designed and mandatorily at fair value through profit or loss.

Off-balance sheet exposures to customers comprise guarantees given, irrevocable commitments, derivatives regardless of each transaction's classification category and the revocable commitments to disburse funds.

## Part E - Information on risks and related hedging policies

## A.1.7a Other loans and advances subject to Covid-19 measures: gross and net value

(€ million)

| EXPOSURE TYPES/VALUES   | AMOUNTS AS AT  |         |         |     |   | 31.12.2022          |         |         |    |   | NET EXPOSURE | OVERALL PARTIAL WRITE-OFFS(*) |
|---|----------------|---------|---------|-----|---|---------------------|---------|---------|----|---|--------------|-------------------------------|
|   | GROSS EXPOSURE |         |         |     | PURCHASED OR ORIGINATED CREDIT IMPAIRED | OVERALL WRITE-DOWNS |         |         |    |   |              |                               |
|   | STAGE 1        | STAGE 2 | STAGE 3 |     |   | STAGE 1             | STAGE 2 | STAGE 3 |    |   |              |                               |
| <b>A. Bad loans</b>   | 1              | -       | -       | 1   | -                                       | -                   | -       | -       | -  | - | 1            | -                             |
| a) EBA-compliant moratoria loans and advances   | -              | -       | -       | -   | -                                       | -                   | -       | -       | -  | - | -            | -                             |
| b) Under moratorium no longer compliant to the GL requirements and not valued as forbore exposure | -              | -       | -       | -   | -                                       | -                   | -       | -       | -  | - | -            | -                             |
| c) Loans and advances with other forbearance measures   | -              | -       | -       | -   | -                                       | -                   | -       | -       | -  | - | -            | -                             |
| d) Newly originated loans and advances  | 1              | -       | -       | 1   | -                                       | -                   | -       | -       | -  | - | 1            | -                             |
| <b>B. Unlikely to pay loans</b>   | 286            | -       | -       | 286 | -                                       | 80                  | -       | -       | 80 | - | 206          | -                             |
| a) EBA-compliant moratoria loans and advances   | -              | -       | -       | -   | -                                       | -                   | -       | -       | -  | - | -            | -                             |
| b) Under moratorium no longer compliant to the GL requirements and not valued as forbore exposure | -              | -       | -       | -   | -                                       | -                   | -       | -       | -  | - | -            | -                             |
| c) Loans and advances with other forbearance measures   | 5              | -       | -       | 5   | -                                       | 1                   | -       | -       | 1  | - | 4            | -                             |
| d) Newly originated loans and advances  | 281            | -       | -       | 281 | -                                       | 79                  | -       | -       | 79 | - | 202          | -                             |
| <b>C. Non-performing past due loans</b>   | 18             | -       | -       | 18  | -                                       | 1                   | -       | -       | 1  | - | 17           | -                             |
| a) EBA-compliant moratoria loans and advances   | -              | -       | -       | -   | -                                       | -                   | -       | -       | -  | - | -            | -                             |
| b) Under moratorium no longer compliant to the GL requirements and not valued as forbore exposure | -              | -       | -       | -   | -                                       | -                   | -       | -       | -  | - | -            | -                             |
| c) Loans and advances with other forbearance measures   | -              | -       | -       | -   | -                                       | -                   | -       | -       | -  | - | -            | -                             |
| d) Newly originated loans and advances  | 18             | -       | -       | 18  | -                                       | 1                   | -       | -       | 1  | - | 17           | -                             |
| <b>D. Performing past due loans</b>   | 897            | 624     | 273     | -   | -                                       | 2                   | -       | 1       | -  | - | 895          | -                             |
| a) EBA-compliant moratoria loans and advances   | -              | -       | -       | -   | -                                       | -                   | -       | -       | -  | - | -            | -                             |
| b) Under moratorium no longer compliant to the GL requirements and not valued as forbore exposure | 15             | 15      | -       | -   | -                                       | -                   | -       | -       | -  | - | 15           | -                             |
| c) Loans and advances with other forbearance measures   | -              | -       | -       | -   | -                                       | -                   | -       | -       | -  | - | -            | -                             |
| d) Newly originated loans and advances  | 882            | 609     | 273     | -   | -                                       | 2                   | -       | 1       | -  | - | 880          | -                             |
| <b>E. Other performing exposures loans</b>  | 20,757         | 16,212  | 4,458   | -   | -                                       | 26                  | 9       | 16      | -  | - | 20,731       | -                             |
| a) EBA-compliant moratoria loans and advances   | -              | -       | -       | -   | -                                       | -                   | -       | -       | -  | - | -            | -                             |
| b) Under moratorium no longer compliant to the GL requirements and not valued as forbore exposure | 17             | 14      | 3       | -   | -                                       | -                   | -       | -       | -  | - | 17           | -                             |
| c) Loans and advances with other forbearance measures   | 25             | -       | 25      | -   | -                                       | 1                   | -       | 1       | -  | - | 24           | -                             |
| d) Newly originated loans and advances  | 20,715         | 16,198  | 4,430   | -   | -                                       | 25                  | 9       | 15      | -  | - | 20,690       | -                             |

For further details refer to the table "A.1.5a Other loans and advances subject to Covid-19 measures: gross and net value", Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Quantitative information.

## Part E - Information on risks and related hedging policies

## A.1.8 On-balance sheet exposures with banks: changes in gross non-performing exposures

(€ million)

| SOURCES/CATEGORIES  | CHANGES IN 2022 |                 |                         |
|---|-----------------|-----------------|-------------------------|
|   | BAD EXPOSURES   | UNLIKELY TO PAY | NON-PERFORMING PAST DUE |
| <b>A. Opening balance (gross amount)</b>                            | 4               | -               | -                       |
| <i>of which sold non-cancelled exposures</i>                        | -               | -               | -                       |
| <b>B. Increases</b>   | -               | -               | -                       |
| B.1 Transfers from performing loans                                 | -               | -               | -                       |
| B.2 Transfers from acquired or originated impaired financial assets | -               | -               | -                       |
| <i>of which: business combinations</i>                              | -               | -               | -                       |
| B.3 Transfers from other categories of non-performing exposures     | -               | -               | -                       |
| B.4 Contractual changes with no cancellations                       | -               | -               | -                       |
| B.5 Other increases   | -               | -               | -                       |
| <i>of which: business combinations - mergers</i>                    | -               | -               | -                       |
| <b>C. Reductions</b>  | -               | -               | -                       |
| C.1 Transfers to performing loans                                   | -               | -               | -                       |
| C.2 Write-offs  | -               | -               | -                       |
| C.3 Collections   | -               | -               | -                       |
| C.4 Sale proceeds   | -               | -               | -                       |
| C.5 Losses on disposal  | -               | -               | -                       |
| C.6 Transfers to other non-performing exposures                     | -               | -               | -                       |
| C.7 Contractual changes with no cancellations                       | -               | -               | -                       |
| C.8 Other decreases   | -               | -               | -                       |
| <i>of which: business combinations</i>                              | -               | -               | -                       |
| <b>D. Closing balance (gross amount)</b>                            | 4               | -               | -                       |
| <i>of which sold non-cancelled exposures</i>                        | -               | -               | -                       |

## A.1.8bis Regulatory consolidation - On-balance sheet exposures with banks: changes by credit quality in gross forborne exposures

No data to be disclosed.

## Part E - Information on risks and related hedging policies

## A.1.9 On-balance sheet credit exposures with customers: changes in gross non-performing exposures

| SOURCES/CATEGORIES   | CHANGES IN 2022 |                 |                         |
|--|-----------------|-----------------|-------------------------|
|  | BAD EXPOSURES   | UNLIKELY TO PAY | NON-PERFORMING PAST DUE |
| <b>A. Opening balance (gross amount)</b>                           | <b>2,365</b>    | <b>6,194</b>    | <b>513</b>              |
| <i>of which sold non-cancelled exposures</i>                       | 102             | 519             | 15                      |
| <b>B. Increases</b>  | <b>877</b>      | <b>2,749</b>    | <b>358</b>              |
| B.1 Transfer from performing loans                                 | 272             | 1,966           | 312                     |
| B.2 Transfer from acquired or originated impaired financial assets | -               | -               | -                       |
| <i>of which: business combinations</i>                             | -               | -               | -                       |
| B.3 Transfer from other non-performing exposures                   | 420             | 76              | 10                      |
| B.4 Contractual changes with no cancellations                      | -               | 2               | -                       |
| B.5 Other increases  | 185             | 705             | 36                      |
| <i>of which: business combinations - mergers</i>                   | -               | -               | -                       |
| <b>C. Decreases</b>  | <b>2,248</b>    | <b>4,941</b>    | <b>409</b>              |
| C.1 Transfers to performing loans                                  | 3               | 513             | 110                     |
| C.2 Write-offs   | 142             | 74              | -                       |
| C.3 Collections  | 242             | 1,030           | 148                     |
| C.4 Sale proceeds  | 269             | 1,568           | -                       |
| C.5 Losses on disposals  | 51              | 108             | -                       |
| C.6 Transfers to other non-performing exposures                    | 2               | 353             | 151                     |
| C.7 Contractual changes with no cancellations                      | -               | 1               | -                       |
| C.8 Other decreases  | 1,539           | 1,294           | -                       |
| <i>of which: business combinations</i>                             | -               | -               | -                       |
| <b>D. Closing balance (gross amount)</b>                           | <b>994</b>      | <b>4,002</b>    | <b>462</b>              |
| <i>of which sold non-cancelled exposures</i>                       | 44              | 363             | 9                       |

## A.1.9bis On-balance sheet exposures with customers: changes by credit quality in gross forbore exposures

| SOURCES/QUALITY                                      | CHANGES IN 2022                    |                                |
|--|------------------------------------|--------------------------------|
|  | FORBORNE EXPOSURES: NON-PERFORMING | FORBORNE EXPOSURES: PERFORMING |
| <b>A. Opening balance (gross amount)</b>             | <b>4,820</b>                       | <b>4,772</b>                   |
| <i>of which sold non-cancelled exposures</i>         | 512                                | 396                            |
| <b>B. Increases</b>                                  | <b>1,194</b>                       | <b>4,162</b>                   |
| B.1 Transfers from performing non-forborne exposures | 25                                 | 2,862                          |
| B.2 Transfers from performing forbore exposures      | 500                                | X                              |
| B.3 Transfers from non-performing forbore exposures  | X                                  | 392                            |
| <i>of which: business combinations</i>               | X                                  | -                              |
| B.4 Other increases                                  | 669                                | 908                            |
| <i>of which: business combinations - mergers</i>     | -                                  | -                              |
| <b>C. Reductions</b>                                 | <b>3,203</b>                       | <b>3,323</b>                   |
| C.1 Transfers to performing non-forborne exposures   | X                                  | 717                            |
| C.2 Transfers to performing forbore exposures        | 392                                | X                              |
| C.3 Transfers to non-performing forbore exposures    | X                                  | 500                            |
| C.4 Write-offs                                       | 74                                 | -                              |
| C.5 Collections                                      | 896                                | 2,058                          |
| C.6 Sale proceeds                                    | 534                                | -                              |
| C.7 Losses from disposal                             | 63                                 | -                              |
| C.8 Other reductions                                 | 1,244                              | 48                             |
| <i>of which: business combinations</i>               | -                                  | -                              |
| <b>D. Closing balance (gross amount)</b>             | <b>2,811</b>                       | <b>5,611</b>                   |
| <i>of which sold non-cancelled exposures</i>         | 366                                | 405                            |

## Part E - Information on risks and related hedging policies

## A.1.10 On-balance sheet non-performing credit exposures with banks: changes in overall write-downs

(€ million)

| SOURCES/CATEGORIES  | CHANGES IN 2022      |                             |                 |                             |                         |                             |
|---|----------------------|-----------------------------|-----------------|-----------------------------|-------------------------|-----------------------------|
|   | NON-PERFORMING LOANS |                             | UNLIKELY TO PAY |                             | NON-PERFORMING PAST DUE |                             |
|   | TOTAL                | OF WHICH FORBORNE EXPOSURES | TOTAL           | OF WHICH FORBORNE EXPOSURES | TOTAL                   | OF WHICH FORBORNE EXPOSURES |
| <b>A. Opening balance (gross amount)</b>                            | 4                    | -                           | -               | -                           | -                       | -                           |
| <i>of which sold non-cancelled exposures</i>                        | -                    | -                           | -               | -                           | -                       | -                           |
| <b>B. Increases</b>   | -                    | -                           | -               | -                           | -                       | -                           |
| B.1 Write-downs of acquired or originated impaired financial assets | -                    | X                           | -               | X                           | -                       | X                           |
| <i>of which: business combinations</i>                              | -                    | -                           | -               | -                           | -                       | -                           |
| B.2 Other write-downs   | -                    | -                           | -               | -                           | -                       | -                           |
| B.3 Losses on disposal  | -                    | -                           | -               | -                           | -                       | -                           |
| B.4 Transfers from other categories of non-performing exposures     | -                    | -                           | -               | -                           | -                       | -                           |
| B.5 Contractual changes with no cancellations                       | -                    | X                           | -               | X                           | -                       | X                           |
| B.6 Other increases   | -                    | -                           | -               | -                           | -                       | -                           |
| <i>of which: business combinations - mergers</i>                    | -                    | -                           | -               | -                           | -                       | -                           |
| <b>C. Reductions</b>  | -                    | -                           | -               | -                           | -                       | -                           |
| C.1 Write-backs from valuation                                      | -                    | -                           | -               | -                           | -                       | -                           |
| C.2 Write-backs from collections                                    | -                    | -                           | -               | -                           | -                       | -                           |
| C.3 Gains from disposals  | -                    | -                           | -               | -                           | -                       | -                           |
| C.4 Write-offs  | -                    | -                           | -               | -                           | -                       | -                           |
| C.5 Transfers to other categories of non-performing exposures       | -                    | -                           | -               | -                           | -                       | -                           |
| C.6 Contractual changes with no cancellations                       | -                    | X                           | -               | X                           | -                       | X                           |
| C.7 Other decreases   | -                    | -                           | -               | -                           | -                       | -                           |
| <i>of which: business combinations</i>                              | -                    | -                           | -               | -                           | -                       | -                           |
| <b>D. Closing balance (gross amount)</b>                            | 4                    | -                           | -               | -                           | -                       | -                           |
| <i>of which sold non-cancelled exposures</i>                        | -                    | -                           | -               | -                           | -                       | -                           |

## Part E - Information on risks and related hedging policies

## A.1.11 On-balance sheet non-performing credit exposures with customers: changes in overall write-downs

(€ million)

| SOURCES/CATEGORIES  | CHANGES IN 2022      |                             |                 |                             |                         |                             |
|---|----------------------|-----------------------------|-----------------|-----------------------------|-------------------------|-----------------------------|
|   | NON-PERFORMING LOANS |                             | UNLIKELY TO PAY |                             | NON-PERFORMING PAST DUE |                             |
|   | TOTAL                | OF WHICH FORBORNE EXPOSURES | TOTAL           | OF WHICH FORBORNE EXPOSURES | TOTAL                   | OF WHICH FORBORNE EXPOSURES |
| <b>A. Opening balance (gross amount)</b>                            | <b>1,852</b>         | <b>402</b>                  | <b>3,141</b>    | <b>2,099</b>                | <b>191</b>              | <b>2</b>                    |
| <i>of which sold non-cancelled exposures</i>                        | 49                   | 21                          | 158             | 146                         | 4                       | -                           |
| <b>B. Increases</b>   | <b>813</b>           | <b>251</b>                  | <b>1,240</b>    | <b>647</b>                  | <b>85</b>               | <b>3</b>                    |
| B.1 Write-downs of acquired or originated impaired financial assets | 18                   | X                           | 115             | X                           | 8                       | X                           |
| <i>of which: business combinations</i>                              | -                    | -                           | -               | -                           | -                       | -                           |
| B.2 Other write-downs   | 411                  | 124                         | 751             | 451                         | 38                      | 1                           |
| B.3 Losses on disposal  | 51                   | 11                          | 111             | 52                          | -                       | -                           |
| B.4 Transfers from other categories of non-performing exposures     | 230                  | 95                          | 24              | 3                           | 5                       | -                           |
| B.5 Contractual changes with no cancellations                       | -                    | X                           | 1               | X                           | -                       | X                           |
| B.6 Other increases   | 103                  | 21                          | 238             | 141                         | 34                      | 2                           |
| <i>of which: business combinations - mergers</i>                    | -                    | -                           | -               | -                           | -                       | -                           |
| <b>C. Reductions</b>  | <b>1,961</b>         | <b>489</b>                  | <b>2,552</b>    | <b>1,537</b>                | <b>154</b>              | <b>3</b>                    |
| C.1 Write-backs from valuation                                      | 143                  | 52                          | 562             | 351                         | 2                       | -                           |
| C.2 Write-backs from collections                                    | 49                   | 4                           | 38              | 19                          | 58                      | 1                           |
| C.3 Gains from disposals  | 48                   | 5                           | 145             | 8                           | -                       | -                           |
| C.4 Write-offs  | 142                  | 35                          | 74              | 39                          | -                       | -                           |
| C.5 Transfers to other categories of non-performing exposures       | 1                    | 1                           | 205             | 95                          | 53                      | 2                           |
| C.6 Contractual changes with no cancellations                       | -                    | X                           | 2               | X                           | -                       | X                           |
| C.7 Other decreases   | 1,578                | 392                         | 1,526           | 1,025                       | 41                      | -                           |
| <i>of which: business combinations</i>                              | -                    | -                           | -               | -                           | -                       | -                           |
| <b>D. Closing balance (gross amount)</b>                            | <b>704</b>           | <b>164</b>                  | <b>1,829</b>    | <b>1,209</b>                | <b>122</b>              | <b>2</b>                    |
| <i>of which sold non-cancelled exposures</i>                        | 14                   | 8                           | 135             | 127                         | 2                       | -                           |



## Part E - Information on risks and related hedging policies

## A.2 Classification of credit exposure, of loan commitments and financial guarantees given based on internal and external ratings

## A.2.1 Breakdown of financial assets, loan commitments and financial guarantees given by external rating classes (gross amounts)

(€ million)

| EXPOSURES   | AMOUNT AS AT 31.12.2022 |               |               |              |              |            | NO RATING      | TOTAL          |
|---|-------------------------|---------------|---------------|--------------|--------------|------------|----------------|----------------|
|   | EXTERNAL RATING CLASSES |               |               |              |              |            |                |                |
|   | CLASS 1                 | CLASS 2       | CLASS 3       | CLASS 4      | CLASS 5      | CLASS 6    |                |                |
| <b>A. Financial assets at amortised cost</b>                                |                         |               |               |              |              |            |                |                |
| - Stage 1   | 10,925                  | 10,145        | 51,067        | 1,001        | 1,554        | 37         | 154,834        | 229,563        |
| - Stage 2   | -                       | 36            | 48            | 64           | 93           | 8          | 30,049         | 30,298         |
| - Stage 3   | -                       | -             | -             | -            | 190          | -          | 4,748          | 4,938          |
| - Purchased or Originated Credit-Impaired Financial Assets                  | -                       | -             | -             | -            | -            | -          | -              | -              |
| <b>B. Financial assets at fair value through other comprehensive income</b> |                         |               |               |              |              |            |                |                |
| - Stage 1   | 3,464                   | 6,060         | 14,749        | -            | -            | -          | 1,665          | 25,938         |
| - Stage 2   | -                       | -             | -             | -            | -            | -          | -              | -              |
| - Stage 3   | -                       | -             | -             | -            | -            | -          | 2              | 2              |
| - Purchased or Originated Credit-Impaired Financial Assets                  | -                       | -             | -             | -            | -            | -          | -              | -              |
| <b>C. Financial instruments classified as held for sale</b>                 |                         |               |               |              |              |            |                |                |
| - Stage 1   | -                       | -             | -             | -            | -            | -          | -              | -              |
| - Stage 2   | -                       | -             | -             | -            | -            | -          | -              | -              |
| - Stage 3   | -                       | -             | -             | -            | -            | -          | 412            | 412            |
| - Purchased or Originated Credit-Impaired Financial Assets                  | -                       | -             | -             | -            | -            | -          | -              | -              |
| <b>Total (A+B+C)</b>  | <b>14,389</b>           | <b>16,241</b> | <b>65,864</b> | <b>1,065</b> | <b>1,837</b> | <b>45</b>  | <b>191,710</b> | <b>291,151</b> |
| <b>D. Loan commitments and financial guarantees given</b>                   |                         |               |               |              |              |            |                |                |
| - Stage 1   | 3,435                   | 3,377         | 11,493        | 2,463        | 914          | 12         | 29,606         | 51,300         |
| - Stage 2   | -                       | 175           | 651           | 1,653        | 536          | 48         | 7,780          | 10,843         |
| - Stage 3   | -                       | -             | -             | -            | -            | -          | 1,054          | 1,054          |
| - Purchased or Originated Credit-Impaired Financial Assets                  | -                       | -             | -             | -            | -            | -          | -              | -              |
| <b>Total (D)</b>  | <b>3,435</b>            | <b>3,552</b>  | <b>12,144</b> | <b>4,116</b> | <b>1,450</b> | <b>60</b>  | <b>38,440</b>  | <b>63,197</b>  |
| <b>Total (A+B+C+D)</b>  | <b>17,824</b>           | <b>19,793</b> | <b>78,008</b> | <b>5,181</b> | <b>3,287</b> | <b>105</b> | <b>230,150</b> | <b>354,348</b> |

The table details on- and off-balance sheet credits granted to counterparties rated by external rating agencies, which provide brief assessments of the creditworthiness of different classes of borrowers such as Countries, Banks, Public-Sector Entities, Insurance Companies and (usually large) Enterprises.

The table refers to classification of Circular No.262 of 22 December 2005 of Banca d'Italia (and subsequent amendments); then it provides, for external ratings, 6 classes of creditworthiness.

Rating agencies utilised to fill the table are: Moody's, S&Ps and Fitch.

Where more than one rating agency is available, the most prudential rating is assigned.

Concerning the classification of credit exposure, of loan commitments and financial guarantees given based on internal and external ratings in force for the UniCredit group is made to the paragraph "A.2 Classification of credit exposure based on internal and external ratings", Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Quantitative information, A. Credit quality, which is herewith quoted entirely.

The 33% of rated counterparties were investment grade (from Class 1 to Class 3), referring to highly-rated borrowers.

Unrated exposures, i.e. those with no external rating, were about 65% of the portfolio, due to the fact that a considerable proportion of borrowers were private individuals or SMEs, which are not externally rated.

## Part E - Information on risks and related hedging policies

## A.2.2 Breakdown of financial assets, loan commitments and financial guarantees given by internal rating classes (gross amounts)

(€ million)

| EXPOSURES   | AMOUNT AS AT 31.12.2022 |                |               |               |               |               |              |              |              | NO RATING     | TOTAL          |
|---|-------------------------|----------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|---------------|----------------|
|   | INTERNAL RATING CLASSES |                |               |               |               |               |              |              |              |               |                |
|   | 1                       | 2              | 3             | 4             | 5             | 6             | 7            | 8            | 9            |               |                |
| <b>A. Financial assets at amortised cost</b>                                |                         |                |               |               |               |               |              |              |              |               |                |
| - Stage 1   | 20,087                  | 71,673         | 51,139        | 26,338        | 19,984        | 8,673         | 4,302        | 353          | 16           | 26,998        | 229,563        |
| - Stage 2   | 175                     | 6,824          | 1,161         | 4,037         | 5,828         | 3,899         | 3,737        | 1,984        | 2,007        | 646           | 30,298         |
| - Stage 3   | -                       | -              | -             | -             | -             | -             | -            | -            | -            | 4,938         | 4,938          |
| - Purchased or Originated Credit-Impaired Financial Assets                  | -                       | -              | -             | -             | -             | -             | -            | -            | -            | -             | -              |
| <b>B. Financial assets at fair value through other comprehensive income</b> |                         |                |               |               |               |               |              |              |              |               |                |
| - Stage 1   | 9,238                   | 16,321         | -             | -             | -             | -             | -            | -            | -            | 379           | 25,938         |
| - Stage 2   | -                       | -              | -             | -             | -             | -             | -            | -            | -            | -             | -              |
| - Stage 3   | -                       | -              | -             | -             | -             | -             | -            | -            | -            | 2             | 2              |
| - Purchased or Originated Credit-Impaired Financial Assets                  | -                       | -              | -             | -             | -             | -             | -            | -            | -            | -             | -              |
| <b>C. Financial instruments classified as held for sale</b>                 |                         |                |               |               |               |               |              |              |              |               |                |
| - Stage 1   | -                       | -              | -             | -             | -             | -             | -            | -            | -            | -             | -              |
| - Stage 2   | -                       | -              | -             | -             | -             | -             | -            | -            | -            | -             | -              |
| - Stage 3   | -                       | -              | -             | -             | -             | -             | -            | -            | -            | 412           | 412            |
| - Purchased or Originated Credit-Impaired Financial Assets                  | -                       | -              | -             | -             | -             | -             | -            | -            | -            | -             | -              |
| <b>Total (A+B+C)</b>  | <b>29,500</b>           | <b>94,818</b>  | <b>52,300</b> | <b>30,375</b> | <b>25,812</b> | <b>12,572</b> | <b>8,039</b> | <b>2,337</b> | <b>2,023</b> | <b>33,375</b> | <b>291,151</b> |
| <b>D. Loan commitments and financial guarantees given</b>                   |                         |                |               |               |               |               |              |              |              |               |                |
| - Stage 1   | 9,951                   | 13,895         | 10,238        | 5,048         | 3,213         | 2,456         | 648          | 31           | 1            | 5,819         | 51,300         |
| - Stage 2   | 121                     | 2,194          | 1,205         | 2,551         | 2,743         | 532           | 461          | 400          | 45           | 591           | 10,843         |
| - Stage 3   | -                       | -              | -             | -             | -             | -             | -            | -            | -            | 1,054         | 1,054          |
| - Purchased or Originated Credit-Impaired Financial Assets                  | -                       | -              | -             | -             | -             | -             | -            | -            | -            | -             | -              |
| <b>Total (D)</b>  | <b>10,072</b>           | <b>16,089</b>  | <b>11,443</b> | <b>7,599</b>  | <b>5,956</b>  | <b>2,988</b>  | <b>1,109</b> | <b>431</b>   | <b>46</b>    | <b>7,464</b>  | <b>63,197</b>  |
| <b>Total (A+B+C+D)</b>  | <b>39,572</b>           | <b>110,907</b> | <b>63,743</b> | <b>37,974</b> | <b>31,768</b> | <b>15,560</b> | <b>9,148</b> | <b>2,768</b> | <b>2,069</b> | <b>40,839</b> | <b>354,348</b> |

The table contains on-balance and off-balance sheet exposures grouped according to the counterparties' internal rating. Ratings are assigned to individual counterparties using internally-developed models included in their credit risk management processes.

The internal models validated by the regulators are both "local" and "group-wide" (e.g. for Banks, Multinationals, Countries).

The various rating scales of these models are mapped into a single Group master-scale of 9 classes (illustrated above) based on Probability of Default (PD).

"Investment Grade" portfolio (rating classes 1-3) represents 68% of the exposure managed with an internal rating model (regulatory or managerial), while exposures referring to counterparties without a specific internal model represent 12% of the overall exposure.

## Part E - Information on risks and related hedging policies

## A.3 Distribution of secured credit exposures by type of security

## A.3.1 Secured on-balance and off-balance sheet credit exposures with banks

|  | AMOUNT AS AT 31.12.2022 |              |                      |                        |            |                   |
|--|-------------------------|--------------|----------------------|------------------------|------------|-------------------|
|  | GROSS EXPOSURE          | NET EXPOSURE | COLLATERALS (1)      |                        |            |                   |
|  |                         |              | PROPERTY - MORTGAGES | PROPERTY - LEASE LOANS | SECURITIES | OTHER COLLATERALS |
| <b>1. Secured on-balance sheet credit exposures</b>  |                         |              |                      |                        |            |                   |
| 1.1 Totally secured                                  | 7,943                   | 7,943        | -                    | -                      | 7,656      | -                 |
| <i>of which non-performing</i>                       | -                       | -            | -                    | -                      | -          | -                 |
| 1.2 Partially secured                                | 37                      | 37           | -                    | -                      | -          | -                 |
| <i>of which non-performing</i>                       | -                       | -            | -                    | -                      | -          | -                 |
| <b>2. Secured off-balance sheet credit exposures</b> |                         |              |                      |                        |            |                   |
| 2.1 Totally secured                                  | 2,552                   | 2,552        | -                    | -                      | 2,320      | 2                 |
| <i>of which non-performing</i>                       | -                       | -            | -                    | -                      | -          | -                 |
| 2.2 Partially secured                                | 186                     | 186          | -                    | -                      | -          | 1                 |
| <i>of which non-performing</i>                       | -                       | -            | -                    | -                      | -          | -                 |

continued: A.3.1 Secured on-balance and off-balance sheet credit exposures with banks

|  | AMOUNT AS AT 31.12.2022  |                              |       |                       |                |  |       |                       |                |               |
|--|--------------------------|------------------------------|-------|-----------------------|----------------|--|-------|-----------------------|----------------|---------------|
|  | GUARANTEES (2)           |                              |       |                       |                |  |       |                       |                |               |
|  | CREDIT DERIVATIVES       |                              |       |                       |                | SIGNATURE LOANS (LOANS GUARANTEES)           |       |                       |                |               |
|  | OTHER CREDIT DERIVATIVES |                              |       |                       |                | GOVERNMENTS AND OTHER PUBLIC SECTOR ENTITIES | BANKS | OTHER PUBLIC ENTITIES | OTHER ENTITIES | TOTAL (1)+(2) |
|  | CLN                      | GOVERNMENT AND CENTRAL BANKS | BANKS | OTHER PUBLIC ENTITIES | OTHER ENTITIES |  |       |                       |                |               |
| <b>1. Secured on-balance sheet credit exposures</b>  |                          |                              |       |                       |                |  |       |                       |                |               |
| 1.1 Totally secured                                  | -                        | -                            | -     | -                     | 34             | -  | -     | -                     | 7,690          |               |
| <i>of which non-performing</i>                       | -                        | -                            | -     | -                     | -              | -  | -     | -                     | -              |               |
| 1.2 Partially secured                                | -                        | -                            | -     | -                     | 35             | -  | -     | -                     | 35             |               |
| <i>of which non-performing</i>                       | -                        | -                            | -     | -                     | -              | -  | -     | -                     | -              |               |
| <b>2. Secured off-balance sheet credit exposures</b> |                          |                              |       |                       |                |  |       |                       |                |               |
| 2.1 Totally secured                                  | -                        | -                            | -     | -                     | 4              | 37   | -     | 13                    | 2,376          |               |
| <i>of which non-performing</i>                       | -                        | -                            | -     | -                     | -              | -  | -     | -                     | -              |               |
| 2.2 Partially secured                                | -                        | -                            | -     | -                     | 30             | -  | -     | 67                    | 98             |               |
| <i>of which non-performing</i>                       | -                        | -                            | -     | -                     | -              | -  | -     | -                     | -              |               |

## A.3.2 Secured on-balance and off-balance sheet credit exposures with customers

|  | AMOUNT AS AT 31.12.2022 |              |                      |                        |            |                   |
|--|-------------------------|--------------|----------------------|------------------------|------------|-------------------|
|  | GROSS EXPOSURE          | NET EXPOSURE | COLLATERALS (1)      |                        |            |                   |
|  |                         |              | PROPERTY - MORTGAGES | PROPERTY - LEASE LOANS | SECURITIES | OTHER COLLATERALS |
| <b>1. Secured on-balance sheet credit exposures</b>  |                         |              |                      |                        |            |                   |
| 1.1 Totally secured                                  | 111,045                 | 108,444      | 57,147               | -                      | 23,348     | 3,989             |
| <i>of which non-performing</i>                       | 3,236                   | 1,942        | 1,267                | -                      | 2          | 45                |
| 1.2 Partially secured                                | 22,139                  | 21,610       | 49                   | -                      | 431        | 448               |
| <i>of which non-performing</i>                       | 665                     | 319          | 19                   | -                      | 22         | 3                 |
| <b>2. Secured off-balance sheet credit exposures</b> |                         |              |                      |                        |            |                   |
| 2.1 Totally secured                                  | 30,314                  | 30,225       | 1,767                | -                      | 9,980      | 385               |
| <i>of which non-performing</i>                       | 340                     | 272          | 15                   | -                      | 1          | 17                |
| 2.2 Partially secured                                | 6,039                   | 6,003        | -                    | -                      | 123        | 156               |
| <i>of which non-performing</i>                       | 191                     | 162          | -                    | -                      | -          | 18                |

## Part E - Information on risks and related hedging policies

continued: A.3.2 Secured on-balance and off-balance sheet credit exposures with customers

(€ million)

|  | AMOUNT AS AT 31.12.2022 |                              |       |                       |                |  |       |                       |                | TOTAL (1)+(2) |
|--|-------------------------|------------------------------|-------|-----------------------|----------------|--|-------|-----------------------|----------------|---------------|
|  | CREDIT DERIVATIVES      |                              |       |                       |                | GUARANTEES (2)                               |       |                       |                |               |
|  | CLN                     | OTHER CREDIT DERIVATIVES     |       |                       |                | SIGNATURE LOANS (LOANS GUARANTEES)           |       |                       |                |               |
|  |                         | GOVERNMENT AND CENTRAL BANKS | BANKS | OTHER PUBLIC ENTITIES | OTHER ENTITIES | GOVERNMENTS AND OTHER PUBLIC SECTOR ENTITIES | BANKS | OTHER PUBLIC ENTITIES | OTHER ENTITIES |               |
| <b>1. Secured on-balance sheet credit exposures</b>  |                         |                              |       |                       |                |  |       |                       |                |               |
| 1.1 Totally secured                                  | -                       | -                            | -     | -                     | -              | 11,254                                       | 141   | 1,015                 | 10,284         | 107,178       |
| <i>of which non-performing</i>                       | -                       | -                            | -     | -                     | -              | 312  | 1     | 35                    | 165            | 1,827         |
| 1.2 Partially secured                                | -                       | -                            | -     | -                     | -              | 8,612  | 519   | 35                    | 6,128          | 16,222        |
| <i>of which non-performing</i>                       | -                       | -                            | -     | -                     | -              | 120  | 4     | 1                     | 56             | 225           |
| <b>2. Secured off-balance sheet credit exposures</b> |                         |                              |       |                       |                |  |       |                       |                |               |
| 2.1 Totally secured                                  | -                       | -                            | -     | -                     | -              | 1,999  | 821   | 937                   | 14,037         | 29,926        |
| <i>of which non-performing</i>                       | -                       | -                            | -     | -                     | -              | 4  | 47    | 40                    | 137            | 261           |
| 2.2 Partially secured                                | -                       | -                            | -     | -                     | -              | 1,095  | 230   | 299                   | 1,959          | 3,862         |
| <i>of which non-performing</i>                       | -                       | -                            | -     | -                     | -              | 4  | 8     | -                     | 38             | 68            |

## A.4 Financial and non-financial assets obtained by taking possession of collaterals

(€ million)

|  | CANCELLED CREDIT EXPOSURE | GROSS AMOUNT | OVERALL WRITE-DOWNS | CARRYING VALUE |                                   |
|--|---------------------------|--------------|---------------------|----------------|-----------------------------------|
|  |                           |              |                     |                | OF WHICH OBTAINED DURING THE YEAR |
| <b>A. Property, plant and equipment</b>                                      | -                         | -            | -                   | -              | -                                 |
| A.1 Used in business   | -                         | -            | -                   | -              | -                                 |
| A.2 Held for investment  | -                         | -            | -                   | -              | -                                 |
| A.3 Inventories  | -                         | -            | -                   | -              | -                                 |
| <b>B. Equity instruments and debt securities</b>                             | 167                       | 118          | 41                  | 77             | -                                 |
| <b>C. Other assets</b>   | -                         | -            | -                   | -              | -                                 |
| <b>D. Non-current assets and disposal groups classified as held for sale</b> | -                         | -            | -                   | -              | -                                 |
| D.1 Property, plant and equipment  | -                         | -            | -                   | -              | -                                 |
| D.2 Other assets   | -                         | -            | -                   | -              | -                                 |
| <b>Total 31.12.2022</b>  | 167                       | 118          | 41                  | 77             | -                                 |
| <b>Total 31.12.2021</b>  | 178                       | 129          | 47                  | 83             | 1                                 |

## Part E - Information on risks and related hedging policies

## B. Distribution and concentration of credit exposures

## B.1 Distribution by segment of on-balance and off-balance sheet credit exposures with customers

(€ million)

| EXPOSURES/COUNTERPARTIES                     | GOVERNMENTS AND OTHER PUBLIC SECTOR ENTITIES |                     | FINANCIAL COMPANIES |                     | FINANCIAL COMPANIES (OF WHICH INSURANCE COMPANIES) |                     | NON-FINANCIAL COMPANIES |                     | HOUSEHOLDS    |                     |
|--|--|---------------------|---------------------|---------------------|--|---------------------|-------------------------|---------------------|---------------|---------------------|
|  | NET EXPOSURE                                 | OVERALL WRITE-DOWNS | NET EXPOSURE        | OVERALL WRITE-DOWNS | NET EXPOSURE                                       | OVERALL WRITE-DOWNS | NET EXPOSURE            | OVERALL WRITE-DOWNS | NET EXPOSURE  | OVERALL WRITE-DOWNS |
| <b>A. On-balance sheet credit exposures</b>  |  |                     |                     |                     |  |                     |                         |                     |               |                     |
| A.1 Bad exposures                            | -  | -                   | 1                   | 4                   | -  | -                   | 213                     | 528                 | 76            | 172                 |
| <i>of which: forbore exposures</i>           | -  | -                   | -                   | -                   | -  | -                   | 73                      | 140                 | 15            | 24                  |
| A.2 Unlikely to pay                          | 198  | 19                  | 88                  | 141                 | -  | -                   | 1,193                   | 1,364               | 694           | 305                 |
| <i>of which: forbore exposures</i>           | 7  | 7                   | 58                  | 59                  | -  | -                   | 804                     | 945                 | 475           | 198                 |
| A.3 Non-performing past-due                  | 3  | 1                   | -                   | 4                   | -  | -                   | 23                      | 5                   | 314           | 112                 |
| <i>of which: forbore exposures</i>           | -  | -                   | -                   | -                   | -  | -                   | 1                       | -                   | 3             | 2                   |
| A.4 Performing exposures                     | 62,424                                       | 28                  | 53,288              | 127                 | 193  | -                   | 76,447                  | 1,788               | 63,343        | 839                 |
| <i>of which: forbore exposures</i>           | -  | -                   | 428                 | 18                  | -  | -                   | 3,452                   | 389                 | 1,170         | 154                 |
| <b>Total (A)</b>                             | <b>62,625</b>                                | <b>48</b>           | <b>53,377</b>       | <b>276</b>          | <b>193</b>   | <b>-</b>            | <b>77,876</b>           | <b>3,685</b>        | <b>64,427</b> | <b>1,428</b>        |
| <b>B. Off-balance sheet credit exposures</b> |  |                     |                     |                     |  |                     |                         |                     |               |                     |
| B.1 Non-performing exposures                 | 29   | 8                   | 7                   | 3                   | -  | -                   | 1,117                   | 289                 | 35            | 1                   |
| B.2 Performing exposures                     | 4,725  | -                   | 30,837              | 9                   | 5,048  | -                   | 113,023                 | 119                 | 5,777         | 1                   |
| <b>Total (B)</b>                             | <b>4,754</b>                                 | <b>8</b>            | <b>30,844</b>       | <b>12</b>           | <b>5,048</b>                                       | <b>-</b>            | <b>114,140</b>          | <b>408</b>          | <b>5,812</b>  | <b>2</b>            |
| <b>Total (A+B)</b>                           |  |                     |                     |                     |  |                     |                         |                     |               |                     |
| <b>31.12.2022</b>                            | <b>67,379</b>                                | <b>56</b>           | <b>84,221</b>       | <b>288</b>          | <b>5,241</b>                                       | <b>-</b>            | <b>192,016</b>          | <b>4,093</b>        | <b>70,239</b> | <b>1,430</b>        |
| <b>Total (A+B)</b>                           |  |                     |                     |                     |  |                     |                         |                     |               |                     |
| <b>31.12.2021</b>                            | <b>79,514</b>                                | <b>127</b>          | <b>78,020</b>       | <b>626</b>          | <b>5,437</b>                                       | <b>-</b>            | <b>191,968</b>          | <b>5,030</b>        | <b>70,133</b> | <b>2,242</b>        |

## B.2 Distribution of on-balance and off-balance sheet credit exposures with customers by geographic area

(€ million)

| EXPOSURES/GEOGRAPHIC AREAS                   | ITALY          |                     | OTHER EUROPEAN COUNTRIES |                     | AMERICA      |                     | ASIA         |                     | REST OF THE WORLD |                     |
|--|----------------|---------------------|--------------------------|---------------------|--------------|---------------------|--------------|---------------------|-------------------|---------------------|
|  | NET EXPOSURE   | OVERALL WRITE-DOWNS | NET EXPOSURE             | OVERALL WRITE-DOWNS | NET EXPOSURE | OVERALL WRITE-DOWNS | NET EXPOSURE | OVERALL WRITE-DOWNS | NET EXPOSURE      | OVERALL WRITE-DOWNS |
| <b>A. On-balance sheet credit exposures</b>  |                |                     |                          |                     |              |                     |              |                     |                   |                     |
| A.1 Bad exposures                            | 281            | 624                 | (1)                      | 74                  | 10           | 4                   | -            | 2                   | -                 | -                   |
| A.2 Unlikely to pay                          | 1,643          | 1,321               | 341                      | 501                 | 1            | 5                   | -            | -                   | 188               | 2                   |
| A.3 Non-performing past-due                  | 338            | 122                 | 1                        | -                   | 1            | -                   | -            | -                   | -                 | -                   |
| A.4 Performing exposures                     | 220,062        | 2,161               | 19,716                   | 588                 | 5,948        | 10                  | 8,323        | 23                  | 1,453             | -                   |
| <b>Total (A)</b>                             | <b>222,324</b> | <b>4,228</b>        | <b>20,057</b>            | <b>1,163</b>        | <b>5,960</b> | <b>19</b>           | <b>8,323</b> | <b>25</b>           | <b>1,641</b>      | <b>2</b>            |
| <b>B. Off-balance sheet credit exposures</b> |                |                     |                          |                     |              |                     |              |                     |                   |                     |
| B.1 Non-performing exposures                 | 1,168          | 301                 | 19                       | -                   | 1            | -                   | -            | -                   | -                 | -                   |
| B.2 Performing exposures                     | 138,204        | 105                 | 13,254                   | 23                  | 2,269        | 1                   | 241          | -                   | 392               | -                   |
| <b>Total (B)</b>                             | <b>139,372</b> | <b>406</b>          | <b>13,273</b>            | <b>23</b>           | <b>2,270</b> | <b>1</b>            | <b>241</b>   | <b>-</b>            | <b>392</b>        | <b>-</b>            |
| <b>Total (A+B)</b>                           |                |                     |                          |                     |              |                     |              |                     |                   |                     |
| <b>31.12.2022</b>                            | <b>361,696</b> | <b>4,634</b>        | <b>33,330</b>            | <b>1,186</b>        | <b>8,230</b> | <b>20</b>           | <b>8,564</b> | <b>25</b>           | <b>2,033</b>      | <b>2</b>            |
| <b>Total (A+B)</b>                           |                |                     |                          |                     |              |                     |              |                     |                   |                     |
| <b>31.12.2021</b>                            | <b>366,051</b> | <b>7,313</b>        | <b>35,073</b>            | <b>637</b>          | <b>7,409</b> | <b>27</b>           | <b>9,280</b> | <b>45</b>           | <b>1,823</b>      | <b>2</b>            |

## Part E - Information on risks and related hedging policies

## B.2 Distribution of on-balance and off-balance sheet credit exposures with customers by geographic area - Italy

(€ million)

| EXPOSURES/GEOGRAPHIC AREAS                   | NORTH-WEST ITALY |                        | NORTH-EAST ITALY |                        | CENTRAL ITALY  |                        | SOUTH ITALY AND ISLANDS |                        |
|--|------------------|------------------------|------------------|------------------------|----------------|------------------------|-------------------------|------------------------|
|  | NET EXPOSURE     | OVERALL<br>WRITE-DOWNS | NET EXPOSURE     | OVERALL<br>WRITE-DOWNS | NET EXPOSURE   | OVERALL<br>WRITE-DOWNS | NET EXPOSURE            | OVERALL<br>WRITE-DOWNS |
| <b>A. On-balance sheet credit exposures</b>  |                  |                        |                  |                        |                |                        |                         |                        |
| A.1 Bad exposures                            | 55               | 116                    | 61               | 111                    | 85             | 199                    | 80                      | 198                    |
| A.2 Unlikely to pay                          | 490              | 459                    | 253              | 214                    | 541            | 365                    | 359                     | 283                    |
| A.3 Non-performing past-due                  | 84               | 33                     | 60               | 22                     | 78             | 27                     | 116                     | 40                     |
| A.4 Performing exposures                     | 66,951           | 692                    | 39,043           | 573                    | 91,009         | 431                    | 23,059                  | 465                    |
| <b>Total (A)</b>                             | <b>67,580</b>    | <b>1,300</b>           | <b>39,417</b>    | <b>920</b>             | <b>91,713</b>  | <b>1,022</b>           | <b>23,614</b>           | <b>986</b>             |
| <b>B. Off-balance sheet credit exposures</b> |                  |                        |                  |                        |                |                        |                         |                        |
| B.1 Non-performing exposures                 | 367              | 70                     | 339              | 86                     | 361            | 106                    | 102                     | 39                     |
| B.2 Performing exposures                     | 49,545           | 41                     | 29,039           | 23                     | 50,255         | 32                     | 9,366                   | 8                      |
| <b>Total (B)</b>                             | <b>49,912</b>    | <b>111</b>             | <b>29,378</b>    | <b>109</b>             | <b>50,616</b>  | <b>138</b>             | <b>9,468</b>            | <b>47</b>              |
| <b>Total (A+B)</b>                           |                  |                        |                  |                        |                |                        |                         |                        |
| <b>31.12.2022</b>                            | <b>117,492</b>   | <b>1,411</b>           | <b>68,795</b>    | <b>1,029</b>           | <b>142,329</b> | <b>1,160</b>           | <b>33,082</b>           | <b>1,033</b>           |
| <b>Total (A+B)</b>                           |                  |                        |                  |                        |                |                        |                         |                        |
| <b>31.12.2021</b>                            | <b>120,315</b>   | <b>2,093</b>           | <b>69,330</b>    | <b>1,616</b>           | <b>144,201</b> | <b>1,891</b>           | <b>32,203</b>           | <b>1,714</b>           |

## B.3 Distribution of on-balance and off-balance sheet credit exposures with banks by geographic area

(€ million)

| EXPOSURES/GEOGRAPHIC AREAS                   | ITALY         |                        | OTHER EUROPEAN COUNTRIES |                        | AMERICA      |                        | ASIA         |                        | REST OF THE WORLD |                        |
|--|---------------|------------------------|--------------------------|------------------------|--------------|------------------------|--------------|------------------------|-------------------|------------------------|
|  | NET EXPOSURE  | OVERALL<br>WRITE-DOWNS | NET EXPOSURE             | OVERALL<br>WRITE-DOWNS | NET EXPOSURE | OVERALL<br>WRITE-DOWNS | NET EXPOSURE | OVERALL<br>WRITE-DOWNS | NET EXPOSURE      | OVERALL<br>WRITE-DOWNS |
| <b>A. On-balance sheet credit exposures</b>  |               |                        |                          |                        |              |                        |              |                        |                   |                        |
| A.1 Bad exposures                            | -             | -                      | -                        | -                      | -            | 4                      | -            | -                      | -                 | -                      |
| A.2 Unlikely to pay                          | -             | -                      | -                        | -                      | -            | -                      | -            | -                      | -                 | -                      |
| A.3 Non-performing past-due                  | -             | -                      | -                        | -                      | -            | -                      | -            | -                      | -                 | -                      |
| A.4 Performing exposures                     | 59,039        | 1                      | 24,220                   | 33                     | 1,240        | -                      | 2,869        | -                      | 239               | -                      |
| <b>Total (A)</b>                             | <b>59,039</b> | <b>1</b>               | <b>24,220</b>            | <b>33</b>              | <b>1,240</b> | <b>4</b>               | <b>2,869</b> | <b>-</b>               | <b>239</b>        | <b>-</b>               |
| <b>B. Off-balance sheet credit exposures</b> |               |                        |                          |                        |              |                        |              |                        |                   |                        |
| B.1 Non-performing exposures                 | -             | -                      | -                        | -                      | -            | -                      | -            | -                      | -                 | -                      |
| B.2 Performing exposures                     | 6,023         | -                      | 30,526                   | 32                     | 877          | -                      | 4,730        | 4                      | 1,427             | 1                      |
| <b>Total (B)</b>                             | <b>6,023</b>  | <b>-</b>               | <b>30,526</b>            | <b>32</b>              | <b>877</b>   | <b>-</b>               | <b>4,730</b> | <b>4</b>               | <b>1,427</b>      | <b>1</b>               |
| <b>Total (A+B)</b>                           |               |                        |                          |                        |              |                        |              |                        |                   |                        |
| <b>31.12.2022</b>                            | <b>65,062</b> | <b>1</b>               | <b>54,746</b>            | <b>65</b>              | <b>2,117</b> | <b>4</b>               | <b>7,599</b> | <b>4</b>               | <b>1,666</b>      | <b>1</b>               |
| <b>Total (A+B)</b>                           |               |                        |                          |                        |              |                        |              |                        |                   |                        |
| <b>31.12.2021</b>                            | <b>91,604</b> | <b>2</b>               | <b>38,154</b>            | <b>9</b>               | <b>3,983</b> | <b>4</b>               | <b>7,689</b> | <b>3</b>               | <b>1,453</b>      | <b>1</b>               |

## Part E - Information on risks and related hedging policies

## B.3 Distribution of on-balance and off-balance sheet credit exposures with banks by geographic area - Italy

(€ million)

| EXPOSURES/GEOGRAPHIC AREAS                   | NORTH-WEST ITALY |                        | NORTH-EAST ITALY |                        | CENTRAL ITALY |                        | SOUTH ITALY AND ISLANDS |                        |
|--|------------------|------------------------|------------------|------------------------|---------------|------------------------|-------------------------|------------------------|
|  | NET EXPOSURE     | OVERALL<br>WRITE-DOWNS | NET EXPOSURE     | OVERALL<br>WRITE-DOWNS | NET EXPOSURE  | OVERALL<br>WRITE-DOWNS | NET EXPOSURE            | OVERALL<br>WRITE-DOWNS |
| <b>A. On-balance sheet credit exposures</b>  |                  |                        |                  |                        |               |                        |                         |                        |
| A.1 Bad exposures                            | -                | -                      | -                | -                      | -             | -                      | -                       | -                      |
| A.2 Unlikely to pay                          | -                | -                      | -                | -                      | -             | -                      | -                       | -                      |
| A.3 Non-performing past-due                  | -                | -                      | -                | -                      | -             | -                      | -                       | -                      |
| A.4 Performing exposures                     | 3,859            | 1                      | 1,097            | -                      | 54,083        | -                      | -                       | -                      |
| <b>Total (A)</b>                             | <b>3,859</b>     | <b>1</b>               | <b>1,097</b>     | <b>-</b>               | <b>54,083</b> | <b>-</b>               | <b>-</b>                | <b>-</b>               |
| <b>B. Off-balance sheet credit exposures</b> |                  |                        |                  |                        |               |                        |                         |                        |
| B.1 Non-performing exposures                 | -                | -                      | -                | -                      | -             | -                      | -                       | -                      |
| B.2 Performing exposures                     | 5,406            | -                      | 496              | -                      | 120           | -                      | 1                       | -                      |
| <b>Total (B)</b>                             | <b>5,406</b>     | <b>-</b>               | <b>496</b>       | <b>-</b>               | <b>120</b>    | <b>-</b>               | <b>1</b>                | <b>-</b>               |
| <b>Total (A+B)</b>                           |                  |                        |                  |                        |               |                        |                         |                        |
| <b>31.12.2022</b>                            | <b>9,265</b>     | <b>1</b>               | <b>1,593</b>     | <b>-</b>               | <b>54,203</b> | <b>-</b>               | <b>1</b>                | <b>-</b>               |
| <b>Totale (A+B)</b>                          |                  |                        |                  |                        |               |                        |                         |                        |
| <b>31.12.2021</b>                            | <b>7,538</b>     | <b>1</b>               | <b>934</b>       | <b>-</b>               | <b>83,131</b> | <b>1</b>               | <b>-</b>                | <b>-</b>               |

## B.4 Large exposures

|                                      | 31.12.2022 |
|--------------------------------------|------------|
| a) Amount book value (€ million)     | 255,187    |
| b) Amount weighted value (€ million) | 22,689     |
| c) Number                            | 8          |

The table refers to large exposures as defined by Regulation ((UE) n.575/2013 (CRR) and n. 876/2019 (CRR2).

It is worth mentioning that both the amounts shown in letter a), b), and the number in letter c) in the table above include the exposure towards the Central Government only one time, differently from the requirement in Art.4.1 39 of Regulation (EU) No.575/2013 (CRR), which envisages that in case of exposures towards a group of connected clients formed by a Central Government and other groups of connected clients, such exposure towards the Central Government is repeatedly reported for each group of connected clients in the regulatory reporting.

It should be noted that deferred tax assets towards Central Government were considered as fully exempted and, as a consequence, the weighted amount reported is null.

## Part E - Information on risks and related hedging policies

### C. Securitisation transactions

#### Qualitative information

In 2022 UniCredit S.p.A. carried out 8 new transactions, of which 4 traditional and 4 synthetic ones:

- PEVA (A.R.T.S. Large Corporate S.r.l.) - traditional
- Panthers (Altea SPV S.r.l.) - traditional
- Itaca - traditional
- Consumer IV - traditional
- A.R.T.S. Large Corporate 2022 - synthetic
- A.R.T.S. MidCap 2022 - synthetic
- A.R.T.S. Re.Mo. 2022 - 1 - synthetic
- A.R.T.S. Re.Mo. 2022 - 2 - synthetic.

Details of the transactions, traditional and synthetic, are set out in the tables enclosed in the "Annexes" to the Consolidated financial statements, including also those carried out in previous financial years.

It should also be noted that "self-securitisations" and transactions in warehousing phase are not included in the quantitative tables of this paragraph (C. Securitisation transactions), as required by regulations.

Part of the portfolio are:

- own securitisation transactions, both traditional and synthetic, including also those traditional carried out by the Banks absorbed by UniCredit S.p.A. in previous years, for a book value of €12,500 million as at 31 December 2022;
- securities arising out of securitisation transactions carried out by other companies belonging to the UniCredit group, for a book value of €335 million as at 31 December 2022;
- other third-party securitisation exposures, for a book value of €51million as at 31 December 2022.

#### Quantitative information

#### C.1 - Exposure from the main "in-house" securitisation transaction broken down by type of securitised asset and by type of exposure

(€ million)

| TYPE OF SECURITISED ASSETS/EXPOSURE | BALANCE SHEET EXPOSURE |                         |                |                         |                |                         |
|-------------------------------------|------------------------|-------------------------|----------------|-------------------------|----------------|-------------------------|
|                                     | SENIOR                 |                         | MEZZANINE      |                         | JUNIOR         |                         |
|                                     | CARRYING VALUE         | WRITE-DOWNS/WRITE-BACKS | CARRYING VALUE | WRITE-DOWNS/WRITE-BACKS | CARRYING VALUE | WRITE-DOWNS/WRITE-BACKS |
| <b>A. Totally derecognised</b>      | <b>2,458</b>           | -                       | <b>50</b>      | -                       | <b>21</b>      | -                       |
| A.1 Residential mortgages           | 544                    | -                       | 2              | -                       | -              | -                       |
| A.2 Loans to corporates             | 892                    | -                       | 33             | -                       | 20             | -                       |
| A.3 Loans to SME                    | 1,022                  | -                       | 15             | -                       | 1              | -                       |
| <b>B. Partially derecognised</b>    | -                      | -                       | <b>6</b>       | -                       | <b>11</b>      | <b>(2)</b>              |
| B.1 Loans to SME                    | -                      | -                       | 6              | -                       | 11             | (2)                     |
| <b>C. Not-derecognised</b>          | <b>8,944</b>           | -                       | <b>176</b>     | -                       | <b>836</b>     | <b>36</b>               |
| C.1 Residential mortgages           | 3,041                  | -                       | 88             | -                       | 608            | 35                      |
| C.2 Loans to corporates             | 2,623                  | -                       | -              | -                       | -              | -                       |
| C.3 Loans to SME                    | 3,270                  | -                       | 88             | -                       | 195            | (3)                     |
| C.4 Consumer loans                  | 10                     | -                       | -              | -                       | 33             | 4                       |

Possible write-downs and write-backs, including depreciations and revaluations posted on the income statement or to reserves, refer to financial year 2022 only.



## Part E - Information on risks and related hedging policies

continued: C.1 - Exposure from the main "in-house" securitisation transaction broken down by type of securitised asset and by type of exposure

| TYPE OF SECURITISED ASSETS/EXPOSURE | GUARANTEES GIVEN |                         |              |                         |              |                         |
|-------------------------------------|------------------|-------------------------|--------------|-------------------------|--------------|-------------------------|
|                                     | SENIOR           |                         | MEZZANINE    |                         | JUNIOR       |                         |
|                                     | NET EXPOSURE     | WRITE-DOWNS/WRITE-BACKS | NET EXPOSURE | WRITE-DOWNS/WRITE-BACKS | NET EXPOSURE | WRITE-DOWNS/WRITE-BACKS |
| <b>A. Totally derecognised</b>      | -                | -                       | -            | -                       | -            | -                       |
| A.1 Residential mortgages           | -                | -                       | -            | -                       | -            | -                       |
| A.2 Loans to corporates             | -                | -                       | -            | -                       | -            | -                       |
| A.3 Loans to SME                    | -                | -                       | -            | -                       | -            | -                       |
| <b>B. Partially derecognised</b>    | -                | -                       | -            | -                       | -            | -                       |
| B.1 Loans to SME                    | -                | -                       | -            | -                       | -            | -                       |
| <b>C. Not-derecognised</b>          | -                | -                       | -            | -                       | -            | -                       |
| C.1 Residential mortgages           | -                | -                       | -            | -                       | -            | -                       |
| C.2 Loans to corporates             | -                | -                       | -            | -                       | -            | -                       |
| C.3 Loans to SME                    | -                | -                       | -            | -                       | -            | -                       |
| C.4 Consumer loans                  | -                | -                       | -            | -                       | -            | -                       |

continued: C.1 - Exposure from the main "in-house" securitisation transaction broken down by type of securitised asset and by type of exposure

| TYPE OF SECURITISED ASSETS/EXPOSURE | CREDIT FACILITIES |                         |              |                         |              |                         |
|-------------------------------------|-------------------|-------------------------|--------------|-------------------------|--------------|-------------------------|
|                                     | SENIOR            |                         | MEZZANINE    |                         | JUNIOR       |                         |
|                                     | NET EXPOSURE      | WRITE-DOWNS/WRITE-BACKS | NET EXPOSURE | WRITE-DOWNS/WRITE-BACKS | NET EXPOSURE | WRITE-DOWNS/WRITE-BACKS |
| <b>A. Totally derecognised</b>      | -                 | -                       | -            | -                       | -            | -                       |
| A.1 Residential mortgages           | -                 | -                       | -            | -                       | -            | -                       |
| A.2 Loans to corporates             | -                 | -                       | -            | -                       | -            | -                       |
| A.3 Loans to SME                    | -                 | -                       | -            | -                       | -            | -                       |
| <b>B. Partially derecognised</b>    | -                 | -                       | -            | -                       | -            | -                       |
| B.1 Loans to SME                    | -                 | -                       | -            | -                       | -            | -                       |
| <b>C. Not-derecognised</b>          | -                 | -                       | -            | -                       | -            | -                       |
| C.1 Residential mortgages           | -                 | -                       | -            | -                       | -            | -                       |
| C.2 Loans to corporates             | -                 | -                       | -            | -                       | -            | -                       |
| C.3 Loans to SME                    | -                 | -                       | -            | -                       | -            | -                       |
| C.4 Consumer loans                  | -                 | -                       | -            | -                       | -            | -                       |

**C.2 - Exposure resulting from the main third-party securitisation transactions broken down by type of securitised asset and by type of exposure**

(€ million)

| TYPE OF SECURITISED ASSETS/EXPOSURE | BALANCE-SHEET EXPOSURE |                         |                |                         |                |                         |
|-------------------------------------|------------------------|-------------------------|----------------|-------------------------|----------------|-------------------------|
|                                     | SENIOR                 |                         | MEZZANINE      |                         | JUNIOR         |                         |
|                                     | CARRYING VALUE         | WRITE-DOWNS/WRITE-BACKS | CARRYING VALUE | WRITE-DOWNS/WRITE-BACKS | CARRYING VALUE | WRITE-DOWNS/WRITE-BACKS |
| - Loans to corporates               | 24                     | -                       | -              | -                       | -              | -                       |
| - Loans to SME                      | 1                      | -                       | -              | -                       | 24             | -                       |
| - Leasing                           | 335                    | -                       | -              | -                       | -              | -                       |
| - Other retail exposures            | -                      | -                       | -              | -                       | 2              | -                       |

Possible write-downs and write-backs, including depreciations and revaluations posted on the income statement or to reserves, refer to financial year 2022 only.

## Part E - Information on risks and related hedging policies

continued: C.2 - Exposure resulting from the main third-party securitisation transactions broken down by type of securitised asset and by type of exposure

| TYPE OF SECURITISED ASSETS/EXPOSURE | GUARANTEES GIVEN |                         |              |                         |              |                         |
|-------------------------------------|------------------|-------------------------|--------------|-------------------------|--------------|-------------------------|
|                                     | SENIOR           |                         | MEZZANINE    |                         | JUNIOR       |                         |
|                                     | NET EXPOSURE     | WRITE-DOWNS/WRITE-BACKS | NET EXPOSURE | WRITE-DOWNS/WRITE-BACKS | NET EXPOSURE | WRITE-DOWNS/WRITE-BACKS |
| - Loans to corporates               | -                | -                       | -            | -                       | -            | -                       |
| - Loans to SME                      | -                | -                       | -            | -                       | -            | -                       |
| - Leasing                           | -                | -                       | -            | -                       | -            | -                       |
| - Other retail exposures            | -                | -                       | -            | -                       | -            | -                       |

continued: C.2 - Exposure resulting from the main third-party securitisation transactions broken down by type of securitised asset and by type of exposure

| TYPE OF SECURITISED ASSETS/EXPOSURE | CREDIT FACILITIES |                         |              |                         |              |                         |
|-------------------------------------|-------------------|-------------------------|--------------|-------------------------|--------------|-------------------------|
|                                     | SENIOR            |                         | MEZZANINE    |                         | JUNIOR       |                         |
|                                     | NET EXPOSURE      | WRITE-DOWNS/WRITE-BACKS | NET EXPOSURE | WRITE-DOWNS/WRITE-BACKS | NET EXPOSURE | WRITE-DOWNS/WRITE-BACKS |
| - Loans to corporates               | -                 | -                       | -            | -                       | -            | -                       |
| - Loans to SME                      | -                 | -                       | -            | -                       | -            | -                       |
| - Leasing                           | -                 | -                       | -            | -                       | -            | -                       |
| - Other retail exposures            | -                 | -                       | -            | -                       | -            | -                       |

### C.3 SPVs for securitisations

(€ million)

| NAME OF SECURITISATION/NAME OF VEHICLE              | COUNTRY OF INCORPORATION                      | CONSOLIDATION | ASSETS                |                 |        | LIABILITIES |           |        |
|---|---|---------------|-----------------------|-----------------|--------|-------------|-----------|--------|
|   |   |               | LOANS AND RECEIVABLES | DEBT SECURITIES | OTHERS | SENIOR      | MEZZANINE | JUNIOR |
| Capital Mortgage S.r.l. - CAPITAL MORTGAGE 2007 - 1 | Piazzetta Monte 1 - 37121 Verona              | Y             | 341                   | -               | 56     | 216         | 74        | 67     |
| Cordusio RMBS Securitisation S.r.l.                 | Piazzetta Monte 1 - 37121 Verona              | Y             | 352                   | -               | 15     | 82          | 236       | 2      |
| F-E Mortgages S.r.l. - 2005                         | Piazzetta Monte 1 - 37121 Verona              | Y             | 98                    | -               | 13     | 12          | 37        | 32     |
| ALTEA SPV S.R.L.                                    | VIA VALTELLINA,15/17, 20159 MILANO            | N             | 563                   | -               | 100    | 497         | 148       | 22     |
| ARCOBALENO FINANCE SRL                              | FORO BUONAPARTE,70 20121 MILANO               | N             | 29                    | -               | 3      | -           | -         | 39     |
| ARTS Consumer S.r.l.                                | VIALE DELL'AGRICOLTURA 7, 37135 VERONA        | N             | 789                   | -               | 73     | 682         | 179       | 0      |
| ARTS LARGE CORPORATE S.R.L.                         | VIA VITTORIO ALFIERI 1, 31015 CONEGLIANO (TV) | N             | 933                   | -               | 186    | 1,017       | -         | 89     |
| CREDIARC SPV SRL                                    | FORO BUONAPARTE,70 20121 MILANO               | N             | 9                     | -               | 1      | 1           | -         | 26     |
| FINO 1 SECURITISATION SRL                           | VIALE LUIGI MAJNO 45, 20122 MILANO            | N             | 198                   | -               | 47     | 21          | 70        | 50     |
| FINO 2 SECURITISATION SRL                           | VIALE LUIGI MAJNO 45, 20122 MILANO            | N             | 117                   | -               | 318    | 185         | 201       | 40     |
| ITACA SPV S.R.L.                                    | VIA VITTORIO ALFIERI 1, 31015 CONEGLIANO (TV) | N             | 863                   | -               | 75     | 125         | 24        | 6      |
| OLYMPIA SPV S.R.L.                                  | VIA VITTORIO ALFIERI 1, 31015 Conegliano      | N             | 249                   | -               | 69     | 225         | 26        | 3      |
| QNIF FINANCE SRL                                    | VIA ALESSANDRO PESTALOZZA 12/14, 20131 MILANO | N             | 175                   | -               | 29     | -           | 31        | 123    |
| Pillarstone Italy SPV S.r.l. - Premuda              | Via Pietro Mascagni 14, 20122 MILANO          | N             | 61                    | -               | 35     | 1           | 180       | 91     |
| Pillarstone Italy SPV S.r.l. - Rainbow              | Via Pietro Mascagni 14, 20122 MILANO          | N             | 53                    | -               | 0      | 1           | 51        | 106    |
| PRISMA SPV S.R.L.                                   | VIA MARIO CARUCCI 131, Roma                   | N             | 394                   | -               | 368    | 609         | 80        | 30     |
| Sestante Finance S.r.l.                             | Via Borromei, 5 - 20123 Milano                | N             | 139                   | -               | -      | 89          | 90        | 9      |
| YANEZ SPV S.R.L. - SANDOKAN                         | VIA VITTORIO ALFIERI 1, 31015 Conegliano      | N             | 217                   | -               | 907    | 0           | 196       | 928    |
| YANEZ SPV S.R.L. - SANDOKAN 2                       | VIA VITTORIO ALFIERI 1, 31015 Conegliano      | N             | 237                   | -               | 694    | 0           | 94        | 837    |

### C.4 Special Purpose Vehicles for securitisation not subject to consolidation

Refer to the corresponding paragraph "C.4 Regulatory consolidation - Special Purpose Vehicles for securitisation not subject to consolidation", Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Quantitative information, C. Securitisation transactions, Quantitative information.

### C.5 Servicer activities - "In house" securitisations - Collections of securitised loans and redemptions of securities issued by the special purpose vehicle for securitisation

As at 31 December 2022, the Bank does not perform any servicer activity in its "in house" securitisations in which the assets sold were derecognised from the balance sheet under IFRS9.

## Part E - Information on risks and related hedging policies

**D. Information on structured entities not consolidated for accounting purposes (other than vehicles for securitisation transactions)**

Refer to the corresponding paragraph "B.2 Non-consolidated for accounting purposes structured entities", Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 1 - Risks of the accounting consolidated perimeter, Quantitative information, B. Structured entities (other than entities for securitisation transaction).

**E. Sales transaction****A. Financial assets sold and not fully derecognised****Quantitative information**

Any exposures that, at the reference date, are booked under item "110. Non-current assets and disposal groups classified as held for sale", in the tables below are shown in correspondence of the original accounting portfolio.

**E.1 Financial assets sold and fully recognised and associated financial liabilities: book value**

|   | FINANCIAL ASSETS SOLD AND FULLY RECOGNISED |   |  |                         | ASSOCIATED FINANCIAL LIABILITIES |   |  | (€ million) |
|---|--|---|--|-------------------------|----------------------------------|---|--|-------------|
|   | BOOK VALUE                                 | OF WHICH: SUBJECT TO SECURITISATION TRANSACTION | OF WHICH: SUBJECT TO SALE AGREEMENT WITH REPURCHASE OBLIGATION | OF WHICH NON-PERFORMING | BOOK VALUE                       | OF WHICH: SUBJECT TO SECURITISATION TRANSACTION | OF WHICH: SUBJECT TO SALE AGREEMENT WITH REPURCHASE OBLIGATION |             |
|   |  |   |  |                         |                                  |   |  |             |
| <b>A. Financial assets held for trading</b>                                 | 536  | -   | 536  | X                       | 541                              | -   | 541  |             |
| 1. Debt securities  | 536  | -   | 536  | X                       | 541                              | -   | 541  |             |
| 2. Equity instruments   | -  | -   | -  | X                       | -                                | -   | -  |             |
| 3. Loans  | -  | -   | -  | X                       | -                                | -   | -  |             |
| 4. Derivative instruments   | -  | -   | -  | X                       | -                                | -   | -  |             |
| <b>B. Other financial assets mandatorily at fair value</b>                  | 6  | 6   | -  | 3                       | -                                | -   | -  |             |
| 1. Debt securities  | -  | -   | -  | -                       | -                                | -   | -  |             |
| 2. Equity instruments   | -  | -   | -  | X                       | -                                | -   | -  |             |
| 3. Loans  | 6  | 6   | -  | 3                       | -                                | -   | -  |             |
| <b>C. Financial assets designated at fair value</b>                         | 45   | -   | 45   | -                       | 46                               | -   | 46   |             |
| 1. Debt securities  | 45   | -   | 45   | -                       | 46                               | -   | 46   |             |
| 2. Loans  | -  | -   | -  | -                       | -                                | -   | -  |             |
| <b>D. Financial assets at fair value through other comprehensive income</b> | 5,414                                      | -   | 5,414  | -                       | 5,462                            | -   | 5,462  |             |
| 1. Debt securities  | 5,414                                      | -   | 5,414  | -                       | 5,462                            | -   | 5,462  |             |
| 2. Equity instruments   | -  | -   | -  | X                       | -                                | -   | -  |             |
| 3. Loans  | -  | -   | -  | -                       | -                                | -   | -  |             |
| <b>E. Financial assets at amortised cost</b>                                | 32,252                                     | 16,738  | 15,514   | 399                     | 16,829                           | 1,178   | 15,651   |             |
| 1. Debt securities  | 15,514                                     | -   | 15,514   | -                       | 15,651                           | -   | 15,651   |             |
| 2. Loans  | 16,738                                     | 16,738  | -  | 399                     | 1,178                            | 1,178   | -  |             |
| <b>Total 31.12.2022</b>   | <b>38,253</b>                              | <b>16,744</b>                                   | <b>21,509</b>  | <b>402</b>              | <b>22,878</b>                    | <b>1,178</b>                                    | <b>21,700</b>  |             |
| <b>Total 31.12.2021</b>   | <b>47,770</b>                              | <b>17,668</b>                                   | <b>30,102</b>  | <b>649</b>              | <b>30,885</b>                    | <b>662</b>                                      | <b>30,223</b>  |             |

## Part E - Information on risks and related hedging policies

## E.2 Financial assets sold and partially recognised and associated financial liabilities: book value

(€ million)

|   | ORIGINAL GROSS VALUE<br>OF ASSETS BEFORE SALE | BOOK VALUE OF ASSETS<br>STILL PARTIALLY<br>RECOGNISED | OF WHICH NON-<br>PERFORMING | BOOK VALUE OF<br>ASSOCIATED FINANCIAL<br>LIABILITIES |
|---|---|---|-----------------------------|--|
| <b>A. Financial assets held for trading</b>                                 | -   | -   | X                           | -  |
| 1. Debt securities  | -   | -   | X                           | -  |
| 2. Equity instruments   | -   | -   | X                           | -  |
| 3. Loans  | -   | -   | X                           | -  |
| 4. Derivative instruments   | -   | -   | X                           | -  |
| <b>B. Other financial assets mandatory at fair value</b>                    | -   | -   | -                           | -  |
| 1. Debt securities  | -   | -   | -                           | -  |
| 2. Equity instruments   | -   | -   | X                           | -  |
| 3. Loans  | -   | -   | -                           | -  |
| <b>C. Financial assets designated at fair value</b>                         | -   | -   | -                           | -  |
| 1. Debt securities  | -   | -   | -                           | -  |
| 2. Loans  | -   | -   | -                           | -  |
| <b>D. Financial assets at fair value through other comprehensive income</b> | -   | -   | -                           | -  |
| 1. Debt securities  | -   | -   | -                           | -  |
| 2. Equity instruments   | -   | -   | X                           | -  |
| 3. Loans  | -   | -   | -                           | -  |
| <b>E. Financial assets at amortised cost</b>                                | 60  | 14  | 14                          | 4  |
| 1. Debt securities  | -   | -   | -                           | -  |
| 2. Loans  | 60  | 14  | 14                          | 4  |
| <b>Total 31.12.2022</b>   | <b>60</b>                                     | <b>14</b>   | <b>14</b>                   | <b>4</b>   |
| <b>Total 31.12.2021</b>   | <b>60</b>                                     | <b>14</b>   | <b>14</b>                   | <b>3</b>   |

## E.3 Sale transactions relating to financial liabilities with repayment exclusively based on assets sold and not fully derecognised: fair value

(€ million)

|   | FULLY<br>RECOGNISED | PARTIALLY<br>RECOGNISED | TOTAL         |               |
|---|---------------------|-------------------------|---------------|---------------|
|   |                     |                         | 31.12.2022    | 31.12.2021    |
| <b>A. Financial assets held for trading</b>                                 | -                   | -                       | -             | -             |
| 1. Debt securities  | -                   | -                       | -             | -             |
| 2. Equity instruments   | -                   | -                       | -             | -             |
| 3. Loans  | -                   | -                       | -             | -             |
| 4. Derivative instruments   | -                   | -                       | -             | -             |
| <b>B. Other financial assets mandatorily at fair value</b>                  | 6                   | -                       | 6             | 7             |
| 1. Debt securities  | -                   | -                       | -             | -             |
| 2. Equity instruments   | -                   | -                       | -             | -             |
| 3. Loans  | 6                   | -                       | 6             | 7             |
| <b>C. Financial assets designated at fair value</b>                         | -                   | -                       | -             | -             |
| 1. Debt securities  | -                   | -                       | -             | -             |
| 2. Loans  | -                   | -                       | -             | -             |
| <b>D. Financial assets at fair value through other comprehensive income</b> | -                   | -                       | -             | -             |
| 1. Debt securities  | -                   | -                       | -             | -             |
| 2. Equity instruments   | -                   | -                       | -             | -             |
| 3. Loans  | -                   | -                       | -             | -             |
| <b>E. Financial assets at amortised cost (fair value)</b>                   | 15,493              | 14                      | 15,507        | 17,945        |
| 1. Debt securities  | -                   | -                       | -             | -             |
| 2. Loans  | 15,493              | 14                      | 15,507        | 17,945        |
| <b>Total associated financial assets</b>                                    | <b>15,499</b>       | <b>14</b>               | <b>15,513</b> | <b>17,952</b> |
| <b>Total associated financial liabilities</b>                               | <b>1,126</b>        | <b>4</b>                | <b>X</b>      | <b>X</b>      |
| <b>Total net amount 31.12.2022</b>  | <b>14,373</b>       | <b>10</b>               | <b>14,383</b> | <b>X</b>      |
| <b>Total net amount 31.12.2021</b>  | <b>17,362</b>       | <b>11</b>               | <b>X</b>      | <b>17,373</b> |

## Part E - Information on risks and related hedging policies

## B. Financial assets sold and fully derecognised with recognition of continuing involvement

## Qualitative and quantitative information

At the end of the year there were no disposals of financial assets that had been fully derecognised, which required the recognition of continuing involvement.

## C. Financial assets sold and fully derecognised

## Quantitative information

As at 31 December 2022, the Bank holds asset-backed securities and units in investment funds acquired following the sale of financial assets fully derecognised, carried out in 2022 and in previous years.

These transactions involved the sale of financial assets, mainly consisting of loans both performing and non-performing, by the Bank to securitisation vehicles or investment funds and their derecognition from the financial statements pursuant to IFRS9, following the assessment that the Bank originator itself has substantially transferred the risks and benefits of the assets sold and at the same time has not maintained any control over the same assets.

Instead of these derecognised assets, the asset-backed securities or the units in investment funds received in the same transactions were recognised among the Financial assets.

For further information on each transaction carried out in the 2022 and also in the previous years, with specific regard to UniCredit S.p.A. as Originator, refer to "Annex 3 - Securitizations - qualitative tables" and "Annex 4 - Sales of financial assets to investment funds, receiving as consideration units issued by the same funds - qualitative tables" of Consolidated financial statements of UniCredit group, which is herewith quoted entirely.

## C. Financial assets sold and fully derecognised

(€ million)

|   | ORIGINAL BOOK VALUE OF<br>ASSETS BEFORE SALE | OF WHICH NON-PERFORMING | BOOK VALUE OF THE<br>BALANCE-SHEET EXPOSURE<br>ACQUIRED |
|---|--|-------------------------|---|
| <b>A. Financial assets held for trading</b>                                 | -  | X                       | -   |
| 1. Debt securities  | -  | X                       | -   |
| 2. Equity instruments   | -  | X                       | -   |
| 3. Loans  | -  | X                       | -   |
| 4. Derivative instruments   | -  | X                       | -   |
| <b>B. Other financial assets mandatorily at fair value</b>                  | -  | -                       | -   |
| 1. Debt securities  | -  | -                       | -   |
| 2. Equity instruments   | -  | X                       | -   |
| 3. Loans  | -  | -                       | -   |
| <b>C. Financial assets designated at fair value</b>                         | -  | -                       | -   |
| 1. Debt securities  | -  | -                       | -   |
| 2. Loans  | -  | -                       | -   |
| <b>D. Financial assets at fair value through other comprehensive income</b> | 2  | 2                       | 1   |
| 1. Debt securities  | -  | -                       | -   |
| 2. Equity instruments   | -  | X                       | -   |
| 3. Loans  | 2  | 2                       | 1   |
| <b>E. Financial assets at amortised cost</b>                                | 2,263  | 948                     | 1,650   |
| 1. Debt securities  | -  | -                       | -   |
| 2. Loans  | 2,263  | 948                     | 1,650   |
| <b>Total 31.12.2022</b>   | <b>2,265</b>                                 | <b>950</b>              | <b>1,651</b>  |

The asset-backed securities acquired during the year by such transactions, amounting to €1,651 million, are classified in the Financial assets at amortised cost, in those at fair value through other comprehensive income and in those mandatorily at fair value.

## E.4 Covered bond transaction

Reference is made to the paragraph "D.4 Regulatory consolidation - Covered bond transactions", Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risk of the prudential consolidated perimeter, 1.1 Credit Risk, Quantitative information, D. Sales transactions, which is herewith quoted entirely.

## Part E - Information on risks and related hedging policies

**Information on Sovereign exposures**

With reference to the UniCredit S.p.A. sovereign exposures<sup>117</sup>, the book value of sovereign debt securities as at 31 December 2022 amounted to €53,924 million, of which 92% concentrated in five countries; Italy, with €32,990 million, represents over 61% of the total. For each of the five countries, the following table shows the nominal value, the book value and the fair value of the exposures broken down by portfolio as at 31 December 2022.

**Breakdown of Sovereign Debt Securities by Country and Portfolio**

(€ million)

| COUNTRY/PORTFOLIO   | AMOUNTS AS AT 12.31.2022 |               |               |
|---|--------------------------|---------------|---------------|
|   | NOMINAL VALUE            | BOOK VALUE    | FAIR VALUE    |
| <b>- Italy</b>  | <b>35,125</b>            | <b>32,990</b> | <b>32,916</b> |
| Financial assets at amortised cost                                | 22,285                   | 20,622        | 20,548        |
| Financial assets mandatorily at fair value                        | 50                       | 51            | 51            |
| Financial assets designated at fair value                         | 0                        | 0             | 0             |
| Financial assets/liabilities held for trading (net exposure)      | -1,287                   | -1,125        | -1,125        |
| Financial assets at fair value through other comprehensive income | 14,077                   | 13,442        | 13,442        |
| <b>- Spain</b>  | <b>7,005</b>             | <b>6,563</b>  | <b>6,608</b>  |
| Financial assets at amortised cost                                | 6,922                    | 6,470         | 6,515         |
| Financial assets mandatorily at fair value                        | 0                        | 0             | 0             |
| Financial assets designated at fair value                         | 0                        | 0             | 0             |
| Financial assets/liabilities held for trading (net exposure)      | -17                      | -14           | -14           |
| Financial assets at fair value through other comprehensive income | 100                      | 107           | 107           |
| <b>- Japan</b>  | <b>5,673</b>             | <b>5,582</b>  | <b>5,582</b>  |
| Financial assets at amortised cost                                | 0                        | 0             | 0             |
| Financial assets mandatorily at fair value                        | 0                        | 0             | 0             |
| Financial assets designated at fair value                         | 0                        | 0             | 0             |
| Financial assets/liabilities held for trading (net exposure)      | 0                        | 0             | 0             |
| Financial assets at fair value through other comprehensive income | 5,673                    | 5,582         | 5,582         |
| <b>- United States</b>  | <b>3,656</b>             | <b>3,077</b>  | <b>3,071</b>  |
| Financial assets at amortised cost                                | 1,969                    | 1,451         | 1,445         |
| Financial assets mandatorily at fair value                        | 0                        | 0             | 0             |
| Financial assets designated at fair value                         | 0                        | 0             | 0             |
| Financial assets/liabilities held for trading (net exposure)      | 0                        | 0             | 0             |
| Financial assets at fair value through other comprehensive income | 1,688                    | 1,626         | 1,626         |
| <b>- Portugal</b>   | <b>1,255</b>             | <b>1,243</b>  | <b>1,252</b>  |
| Financial assets at amortised cost                                | 1,255                    | 1,243         | 1,252         |
| Financial assets mandatorily at fair value                        | 0                        | 0             | 0             |
| Financial assets designated at fair value                         | 0                        | 0             | 0             |
| Financial assets/liabilities held for trading (net exposure)      | 0                        | 0             | 0             |
| Financial assets at fair value through other comprehensive income | 0                        | 0             | 0             |
| <b>Total on-balance sheet exposures</b>                           | <b>52,715</b>            | <b>49,455</b> | <b>49,429</b> |

With respect to these exposures, as at 31 December 2022 there were no indications that default have occurred.

<sup>117</sup> 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 at 31 December 2022;  
• ABSs.

## Part E - Information on risks and related hedging policies

The table below shows the classification of bonds belonging to the banking book and their percentage proportion of the total of the portfolio under which they are classified:

**Breakdown of Sovereign Debt Securities by Portfolio (banking book)**

(€ million)

|             | AMOUNTS AS AT 12.31.2022                 |  |   |                                    | TOTAL  |
|-------------|--|--|---|------------------------------------|--------|
|             | FINACIAL ASSETS DESIGNATED AT FAIR VALUE | FINANCIAL ASSETS MANDATORILY AT FAIR VALUE | FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME | FINANCIAL ASSETS AT AMORTISED COST |        |
| Book value  | 174                                      | 54   | 22,465  | 32,368                             | 55,061 |
| % Portfolio | 85.29%                                   | 1.19%                                      | 83.45%  | 12.46%                             |        |

In addition to the exposures to Sovereign debt securities, loans given to central and local governments and governmental bodies must be taken into account.

The table below shows the total amount of the loans as at 31 December 2022:

**Breakdown of Sovereign Loans by Country**

(€ million)

| COUNTRY                                 | AMOUNTS AS AT 12q.31.2022 BOOK VALUE |
|---|--------------------------------------|
| - Italy                                 | 1,999                                |
| - Qatar                                 | 768                                  |
| - Czech Republic                        | 502                                  |
| - Egypt                                 | 209                                  |
| - Kenya                                 | 188                                  |
| - Dominican Republic                    | 37                                   |
| - Angola                                | 32                                   |
| <b>Total on-balance sheet exposures</b> | <b>3,735</b>                         |

It should also be noted that, as at 31 December 2022, there are in addition also loans to Supranational Organisations amounting to €65 million booked in financial assets at amortised cost.

**Other transaction**

With reference to the indications of Banca d'Italia/Consob/IVASS document No.6 of 8 March 2013 - Booking of "long-term structured repos" - instructions, there are no transactions of this kind to report.

**Information on trading book derivative instruments with customers**

The business model governing OTC derivatives trading with customers provides for centralization of market risk in the Group Client Solutions division - Group Client Risk Management, while credit risk is assumed by the Group company which, under the divisional or geographical segmentation model, manages the relevant customer's account.

The Group's operational model provides for customer trading derivatives business to be carried on, as part of each subsidiary's operational independence:

- by the commercial banks and divisions that close transaction in OTC derivatives in order to provide non-institutional clients with products to manage currency, interest-rate and price risk. Under these transactions, the commercial banks transfer their market risks to the Group Client Solutions division by means of equal and opposite contracts, retaining only the relevant counterparty risk. The commercial banks also place or collect orders on behalf of others for investment products with embedded derivatives (e.g. structured bonds);
- by CE/CEE banks, which transact business directly with their customers.

The UniCredit group trades OTC derivatives on a wide range of underlying, e.g. interest rates, currency rates, share prices and indexes, commodities (precious metals, base metals, petroleum and energy materials) and credit rights.

OTC derivatives offer considerable scope for personalization; new payoff profiles can be constructed by combining several OTC derivatives (for example, a plain vanilla IRS with one or more plain vanilla or exotic options). The risk and the complexity of the structures obtained in this manner depend on the respective characteristics of the components (reference parameters and indexation mechanisms) and the way in which they are combined.

## Part E - Information on risks and related hedging policies

Credit and market risk arising from OTC derivatives business is controlled by the Chief Risk Officer competence line (CRO) in the Parent Company and/or in the Division or subsidiary involved. This control is carried out by means of guidelines and policies covering risk management, measurement and controls in terms of principles, rules and processes, as well as by setting VaR limits.

The business with non-institutional clients does not (usually) entail the use of margin calls, whereas with institutional counterparties (dealt with by the CIB Division) recourse may be made to credit-risk mitigation ("CRM") techniques, by using netting and/or collateral agreements.

Write-downs and write-backs of derivatives to take account of counterparty risk are determined in line with the procedure used to assess other credit exposure, specifically:

- performing exposure to customers are mapped by deriving EAD (Exposure at Default) that take into account the Wrong Way Risk and measured with PD (Probability of Default) and LGD (Loss Given Default) implied by current market default rates obtained from credit & loan-credit default swaps, in order to obtain a value in terms of 'expected loss' (EL) to be used for items designated and measured at fair value maximising usage of market's inputs;
- non-performing positions are valued in terms of estimated expected future cash flow according to specific indications of impairment (which are the basis for the calculation of the amount and timing of the cash flow).

Here follows the breakdown of balance-sheet asset item "20. Financial assets at fair value through profit or loss: a) financial assets held for trading" and of balance-sheet liability item "20. Financial liabilities held for trading".

To make the distinction between customers and banking counterparties, the definition contained in Circular No.262 of 22 December 2005 of Banca d'Italia and subsequent amendments (which was used for the preparation of the accounts) was used as a reference.

Structured products were defined as derivative contracts that incorporate in the same instrument forms of contracts that generate exposure to several types of risk (with the exception of cross-currency swaps) and/or leverage effects.

The balance of item "20. Financial assets at fair value through profit or loss: a) financial assets held for trading" with regard to derivative contracts totaled €15,021 million (with a notional value of €188,529 million) including €4,560 million with customers. The notional value of derivatives with customers amounted to €43,398 million, including €1,450 related to structured derivatives (fair value €363 million). The notional value of derivatives with banking counterparties totaled €145,130 million (fair value of €10,461 million) including €1,079 million relating to structured derivatives (fair value of €45 million).

The balance of item "20. Financial liabilities held for trading" with regard to derivative contracts totaled €15,819 million (with a notional value of €188,885 million) including €6,942 million with customers. The notional value of derivatives with customers amounted to €84,129 million, including €962 million in structured derivatives (fair value of €44 million). The notional value of derivatives with banking counterparties totaled €104,756 million (fair value of €8,877 million), including €1,384 million relating to structured derivatives (fair value €366 million).

### **F. Credit risk measurement models**

At 31 December 2022 the expected loss on the credit risk perimeter was 0,52% of total Bank credit exposure. This trend is mitigated by the exposures which have migrated to default and therefore do not enter in the calculation of expected loss and improvement PD and LGD dynamics. Besides, since risk measurement systems tend to be anti-cyclical, this may result in a smaller elasticity to the swift changes of the macroeconomic scenario.

The ratio between credit economic capital (including a component to cover migration risk) and its relative credit exposure amount is 2.98% with reference date end of December 2021.

As far as quantitative information of UniCredit group, reference is made to the Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risk of the prudential consolidated perimeter - Quantitative information - E. Prudential perimeter - Credit risk measurement models.



## Part E - Information on risks and related hedging policies

### Section 2 - Market risk

Reference is made to the paragraph "2.2 Market risk" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risk of the prudential consolidated perimeter, which is herewith quoted entirely.

Below, end of year VaR, SVaR and IRC results of UniCredit S.p.A.

#### Daily VaR on Regulatory Trading book

|                  | 2022       |         |      |     | 2021    |
|------------------|------------|---------|------|-----|---------|
|                  | 12.29.2022 | AVERAGE | MAX  | MIN | AVERAGE |
| UniCredit S.p.A. | 4.58       | 4.1     | 11.3 | 1.8 | 2.5     |

(€ million)

#### SVaR on Regulatory Trading book

|                  | 2022       |         |      |      | 2021    |
|------------------|------------|---------|------|------|---------|
|                  | 12.29.2022 | AVERAGE | MAX  | MIN  | AVERAGE |
| UniCredit S.p.A. | 5.60       | 5.40    | 8.60 | 2.80 | 10.00   |

(€ million)

#### IRC on Regulatory Trading book

|                  | 2022       |         |       |     | 2021    |
|------------------|------------|---------|-------|-----|---------|
|                  | 12.29.2022 | AVERAGE | MAX   | MIN | AVERAGE |
| UniCredit S.p.A. | 16.3       | 48.0    | 119.7 | 0.1 | 94.3    |

(€ million)

### 2.1 Interest rate risk and price risk - Regulatory trading book

#### Qualitative information

##### Interest rate risk

##### A. General aspects

Reference is made to the paragraph "A. General aspects" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.2 Market risk, 2.2.1 Interest rate risk and price risk - Regulatory trading book, Qualitative information, Interest rate risk, which is herewith quoted entirely.

##### B. Operational processes and methods for measuring interest rate risk and price risk

Reference is made to the paragraph "B. Risk management process and measurement methods" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.2 Market risk, 2.2.1 Interest rate risk and price risk - Regulatory trading book, Qualitative information, Interest rate risk, which is herewith quoted entirely.

##### Price risk

##### A. General aspects

Reference is made to the paragraph "A. General aspects" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.2 Market risk, 2.2.1 Interest rate risk and price risk - Regulatory trading book, Qualitative information, Price risk, which is herewith quoted entirely.

##### B. Operational processes and methods for measuring interest rate risk and price risk

Reference is made to the paragraph "B. Risk management process and measurement methods" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.2 Market risk, 2.2.1 Interest rate risk and price risk - Regulatory trading book, Qualitative information, Price risk, which is herewith quoted entirely.

## Part E - Information on risks and related hedging policies

### Quantitative information

#### 1. Regulatory trading portfolio: distribution by residual duration (re-pricing date) of financial assets and liabilities for cash and financial derivatives

The table is not reported since a table showing interest rate sensitivity is described below, in accordance with internal model.

#### 2. Regulatory trading portfolio: distribution of equity exposures and equity indices for the main listing countries

The table is not reported since a table showing price risk sensitivity is described below, in accordance with internal model.

#### 3. Regulatory trading portfolio: internal models and other methods for sensitivity analysis

For both a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyse exposure, also refer to the introduction on internal models.

#### Interest rate risk

Reference is made to the paragraph "Interest rate risk" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.2 Market risk, 2.2.1 Interest rate risk and price risk - Regulatory trading book, Quantitative information, which is herewith quoted entirely.

The tables below show trading book sensitivities.

(€ million)

| INTEREST RATES | +1BP LESS THAN 1 MONTH | +1BP 1 MONTH TO 6 MONTHS | +1BP 6 MONTHS TO 1 YEAR | +1BP 1 YEAR TO 5 YEARS | +1BP 5 YEARS TO 10 YEARS | +1BP 10 YEARS TO 20 YEARS | +1BP OVER 20 YEARS | +1 BP TOTAL | -10 BP | +10 BP | -100 BP | +100 BP | CW   | CCW  |
|----------------|------------------------|--------------------------|-------------------------|------------------------|--------------------------|---------------------------|--------------------|-------------|--------|--------|---------|---------|------|------|
| Total          | -0.0                   | 0.1                      | 0.0                     | 0.1                    | -0.3                     | -0.1                      | 0.3                | 0.1         | -0.8   | 0.7    | -11.2   | 4.1     | -9.3 | 7.4  |
| of which:      |                        |                          |                         |                        |                          |                           |                    |             |        |        |         |         |      |      |
| EUR            | -0.0                   | 0.1                      | -0.0                    | 0.1                    | -0.3                     | -0.1                      | 0.3                | 0.0         | -0.4   | 0.3    | -7.6    | 0.4     | -9.6 | 7.7  |
| USD            | 0.0                    | -0.0                     | 0.0                     | 0.0                    | -0.0                     | -0.0                      | 0.0                | -0.0        | 0.0    | -0.0   | 0.1     | 0.0     | -0.2 | 0.2  |
| GBP            | -0.0                   | 0.0                      | 0.0                     | -0.0                   | 0.0                      | 0.0                       | 0.0                | 0.0         | -0.0   | 0.0    | -0.0    | 0.0     | -0.0 | 0.0  |
| CHF            | -0.0                   | -0.0                     | 0.0                     | 0.0                    | 0.0                      | 0.0                       | 0.0                | 0.0         | -0.0   | 0.0    | -0.0    | 0.0     | -0.0 | 0.0  |
| JPY            | -0.0                   | 0.0                      | 0.0                     | -0.0                   | 0.0                      | 0.0                       | 0.0                | 0.0         | -0.2   | 0.2    | -2.3    | 2.3     | 0.3  | -0.3 |

#### Price risk

Reference is made to the paragraph "Price risk" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.2 Market risk, 2.2.1 Interest rate risk and price risk - Regulatory trading book, Quantitative information, which is herewith quoted entirely.

### 2.2 Interest rate and price risk - Banking book

#### Qualitative information

##### Interest rate risk and price risk

##### A. General aspects, operational processes and methods for measuring interest rate risk and price risk

Reference is made to the paragraph "A. General aspects, operational processes and methods for measuring interest rate risk" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.2 Market risk, 2.2.2 Interest rate risk and price risk - Banking book, Qualitative information, Interest rate risk, which is herewith quoted entirely.

## Part E - Information on risks and related hedging policies

## Quantitative information

## 1. Banking book: breakdown by maturity (repricing date) of financial assets and liabilities

(€ million)

| TYPE/RESIDUAL MATURITY                         | AMOUNTS AS AT 31.12.2022 |                |               |                    |               |               |               | INDEFINITE MATURITY |
|--|--------------------------|----------------|---------------|--------------------|---------------|---------------|---------------|---------------------|
|  | ON DEMAND                | UP TO 3 MONTHS | 3 TO 6 MONTHS | 6 MONTHS TO 1 YEAR | 1 TO 5 YEARS  | 5 TO 10 YEARS | OVER 10 YEARS |                     |
| <b>1. On-balance sheet assets</b>              | <b>71,756</b>            | <b>120,823</b> | <b>22,260</b> | <b>13,972</b>      | <b>61,740</b> | <b>38,379</b> | <b>17,337</b> | -                   |
| 1.1 Debt securities                            | 578                      | 18,947         | 2,759         | 5,948              | 27,259        | 23,871        | 4,300         | -                   |
| - With prepayment option                       | -                        | -              | -             | -                  | -             | -             | -             | -                   |
| - Other  | 578                      | 18,947         | 2,759         | 5,948              | 27,259        | 23,871        | 4,300         | -                   |
| 1.2 Loans to banks                             | 56,558                   | 10,578         | 383           | 686                | 2,180         | 23            | 8             | -                   |
| 1.3 Loans to customers                         | 14,620                   | 91,298         | 19,118        | 7,338              | 32,301        | 14,485        | 13,029        | -                   |
| - Current accounts                             | 6,857                    | 18             | -             | 27                 | 84            | 4             | 1             | -                   |
| - Other loans                                  | 7,763                    | 91,280         | 19,118        | 7,311              | 32,217        | 14,481        | 13,028        | -                   |
| - With prepayment option                       | 1,258                    | 49,258         | 12,491        | 5,490              | 25,794        | 10,654        | 12,157        | -                   |
| - Other  | 6,505                    | 42,022         | 6,627         | 1,821              | 6,423         | 3,827         | 871           | -                   |
| <b>2. On-balance sheet liabilities</b>         | <b>194,796</b>           | <b>50,814</b>  | <b>50,891</b> | <b>8,122</b>       | <b>25,151</b> | <b>10,407</b> | <b>4,447</b>  | -                   |
| 2.1 Deposits from customers                    | 191,084                  | 20,949         | 1,083         | 830                | 1,251         | 723           | 1,698         | -                   |
| - Current accounts                             | 185,002                  | 3,307          | 918           | 671                | -             | -             | -             | -                   |
| - Other  | 6,082                    | 17,642         | 165           | 159                | 1,251         | 723           | 1,698         | -                   |
| - With prepayment option                       | -                        | -              | -             | -                  | -             | -             | -             | -                   |
| - Other  | 6,082                    | 17,642         | 165           | 159                | 1,251         | 723           | 1,698         | -                   |
| 2.2 Deposits from banks                        | 3,271                    | 20,814         | 44,425        | 947                | 5,115         | 10            | 2             | -                   |
| - Current accounts                             | 888                      | -              | -             | -                  | -             | -             | -             | -                   |
| - Other  | 2,383                    | 20,814         | 44,425        | 947                | 5,115         | 10            | 2             | -                   |
| 2.3 Debt securities in issue                   | 440                      | 9,051          | 5,383         | 6,345              | 18,785        | 9,674         | 2,747         | -                   |
| - With prepayment option                       | -                        | 8              | -             | -                  | -             | -             | -             | -                   |
| - Other  | 440                      | 9,043          | 5,383         | 6,345              | 18,785        | 9,674         | 2,747         | -                   |
| 2.4 Other liabilities                          | 1                        | -              | -             | -                  | -             | -             | -             | -                   |
| - With prepayment option                       | -                        | -              | -             | -                  | -             | -             | -             | -                   |
| - Other  | 1                        | -              | -             | -                  | -             | -             | -             | -                   |
| <b>3. Financial derivatives</b>                |                          |                |               |                    |               |               |               |                     |
| 3.1 With underlying security                   |                          |                |               |                    |               |               |               |                     |
| - Option                                       |                          |                |               |                    |               |               |               |                     |
| + Long positions                               | -                        | -              | -             | -                  | -             | -             | -             | -                   |
| + Short positions                              | -                        | -              | -             | -                  | -             | -             | -             | -                   |
| - Other derivatives                            |                          |                |               |                    |               |               |               |                     |
| + Long positions                               | -                        | -              | -             | -                  | -             | -             | -             | -                   |
| + Short positions                              | -                        | -              | -             | -                  | -             | -             | -             | -                   |
| 3.2 Without underlying security                |                          |                |               |                    |               |               |               |                     |
| - Option                                       |                          |                |               |                    |               |               |               |                     |
| + Long positions                               | 450                      | 29,205         | 16,063        | 31,346             | 220,960       | 147,435       | 41,672        | -                   |
| + Short positions                              | 350                      | 18,877         | 14,763        | 31,351             | 227,799       | 149,990       | 44,012        | -                   |
| - Other derivatives                            |                          |                |               |                    |               |               |               |                     |
| + Long positions                               | 5,832                    | 231,837        | 67,374        | 85,510             | 121,149       | 57,399        | 6,308         | -                   |
| + Short positions                              | 3,511                    | 220,284        | 70,183        | 93,567             | 121,079       | 47,983        | 10,706        | -                   |
| <b>4. Other off-balance sheet transactions</b> |                          |                |               |                    |               |               |               |                     |
| + Long positions                               | 3                        | 30,222         | 1,762         | 1,163              | 1,115         | 1,710         | 544           | -                   |
| + Short positions                              | 15,618                   | 20,765         | 65            | 71                 | -             | -             | -             | -                   |

## Part E - Information on risks and related hedging policies

## 1. Banking book: breakdown by maturity (repricing date) of financial assets and liabilities - Currency: euro

| TYPE/RESIDUAL MATURITY                         | AMOUNTS AS AT 31.12.2022 |                |               |                    |               |               |               | (€ million)         |
|--|--------------------------|----------------|---------------|--------------------|---------------|---------------|---------------|---------------------|
|  | ON DEMAND                | UP TO 3 MONTHS | 3 TO 6 MONTHS | 6 MONTHS TO 1 YEAR | 1 TO 5 YEARS  | 5 TO 10 YEARS | OVER 10 YEARS | INDEFINITE MATURITY |
| <b>1. On-balance sheet assets</b>              | <b>69,400</b>            | <b>116,897</b> | <b>21,433</b> | <b>13,473</b>      | <b>55,274</b> | <b>33,090</b> | <b>15,319</b> | -                   |
| 1.1 Debt securities                            | 525                      | 18,181         | 2,753         | 5,948              | 21,835        | 18,914        | 2,347         | -                   |
| - With prepayment option                       | -                        | -              | -             | -                  | -             | -             | -             | -                   |
| - Other  | 525                      | 18,181         | 2,753         | 5,948              | 21,835        | 18,914        | 2,347         | -                   |
| 1.2 Loans to banks                             | 55,166                   | 9,260          | 337           | 431                | 2,161         | 6             | -             | -                   |
| 1.3 Loans to customers                         | 13,709                   | 89,456         | 18,343        | 7,094              | 31,278        | 14,170        | 12,972        | -                   |
| - Current accounts                             | 6,763                    | 18             | -             | 27                 | 84            | 4             | 1             | -                   |
| - Other loans                                  | 6,946                    | 89,438         | 18,343        | 7,067              | 31,194        | 14,166        | 12,971        | -                   |
| - With prepayment option                       | 1,240                    | 49,041         | 11,861        | 5,341              | 25,260        | 10,350        | 12,100        | -                   |
| - Other  | 5,706                    | 40,397         | 6,482         | 1,726              | 5,934         | 3,816         | 871           | -                   |
| <b>2. On-balance sheet liabilities</b>         | <b>190,464</b>           | <b>45,097</b>  | <b>50,817</b> | <b>5,238</b>       | <b>22,536</b> | <b>8,529</b>  | <b>1,883</b>  | -                   |
| 2.1 Deposits from customers                    | 188,582                  | 20,239         | 1,055         | 819                | 1,251         | 723           | 1,698         | -                   |
| - Current accounts                             | 182,656                  | 2,608          | 890           | 666                | -             | -             | -             | -                   |
| - Other  | 5,926                    | 17,631         | 165           | 153                | 1,251         | 723           | 1,698         | -                   |
| - With prepayment option                       | -                        | -              | -             | -                  | -             | -             | -             | -                   |
| - Other  | 5,926                    | 17,631         | 165           | 153                | 1,251         | 723           | 1,698         | -                   |
| 2.2 Deposits from banks                        | 1,501                    | 16,265         | 44,422        | 945                | 5,115         | 10            | 2             | -                   |
| - Current accounts                             | 688                      | -              | -             | -                  | -             | -             | -             | -                   |
| - Other  | 813                      | 16,265         | 44,422        | 945                | 5,115         | 10            | 2             | -                   |
| 2.3 Debt securities in issue                   | 380                      | 8,593          | 5,340         | 3,474              | 16,170        | 7,796         | 183           | -                   |
| - With prepayment option                       | -                        | 8              | -             | -                  | -             | -             | -             | -                   |
| - Other  | 380                      | 8,585          | 5,340         | 3,474              | 16,170        | 7,796         | 183           | -                   |
| 2.4 Other liabilities                          | 1                        | -              | -             | -                  | -             | -             | -             | -                   |
| - With prepayment option                       | -                        | -              | -             | -                  | -             | -             | -             | -                   |
| - Other  | 1                        | -              | -             | -                  | -             | -             | -             | -                   |
| <b>3. Financial derivatives</b>                |                          |                |               |                    |               |               |               |                     |
| 3.1 With underlying security                   |                          |                |               |                    |               |               |               |                     |
| - Option                                       |                          |                |               |                    |               |               |               |                     |
| + Long positions                               | -                        | -              | -             | -                  | -             | -             | -             | -                   |
| + Short positions                              | -                        | -              | -             | -                  | -             | -             | -             | -                   |
| - Other derivatives                            |                          |                |               |                    |               |               |               |                     |
| + Long positions                               | -                        | -              | -             | -                  | -             | -             | -             | -                   |
| + Short positions                              | -                        | -              | -             | -                  | -             | -             | -             | -                   |
| 3.2 Without underlying security                |                          |                |               |                    |               |               |               |                     |
| - Option                                       |                          |                |               |                    |               |               |               |                     |
| + Long positions                               | 450                      | 28,905         | 16,060        | 31,346             | 220,455       | 147,435       | 41,672        | -                   |
| + Short positions                              | 350                      | 18,066         | 14,744        | 31,351             | 227,797       | 149,990       | 44,012        | -                   |
| - Other derivatives                            |                          |                |               |                    |               |               |               |                     |
| + Long positions                               | 5,503                    | 216,079        | 57,823        | 77,002             | 113,589       | 45,133        | 6,308         | -                   |
| + Short positions                              | 2,339                    | 198,551        | 66,641        | 89,449             | 109,132       | 30,003        | 7,759         | -                   |
| <b>4. Other off-balance sheet transactions</b> |                          |                |               |                    |               |               |               |                     |
| + Long positions                               | 3                        | 30,148         | 1,762         | 1,163              | 1,115         | 1,710         | 387           | -                   |
| + Short positions                              | 15,454                   | 20,698         | 65            | 71                 | -             | -             | -             | -                   |

## Part E - Information on risks and related hedging policies

## 1. Banking book: breakdown by maturity (repricing date) of financial assets and liabilities - Currency: other currencies

(€ million)

| TYPE/RESIDUAL MATURITY                         | AMOUNTS AS AT 31.12.2022 |                |               |                    |              |               |               |                     |
|--|--------------------------|----------------|---------------|--------------------|--------------|---------------|---------------|---------------------|
|  | ON DEMAND                | UP TO 3 MONTHS | 3 TO 6 MONTHS | 6 MONTHS TO 1 YEAR | 1 TO 5 YEARS | 5 TO 10 YEARS | OVER 10 YEARS | INDEFINITE MATURITY |
| <b>1. On-balance sheet assets</b>              | <b>2,356</b>             | <b>3,926</b>   | <b>827</b>    | <b>499</b>         | <b>6,466</b> | <b>5,289</b>  | <b>2,018</b>  | -                   |
| 1.1 Debt securities                            | 53                       | 766            | 6             | -                  | 5,424        | 4,957         | 1,953         | -                   |
| - With prepayment option                       | -                        | -              | -             | -                  | -            | -             | -             | -                   |
| - Other  | 53                       | 766            | 6             | -                  | 5,424        | 4,957         | 1,953         | -                   |
| 1.2 Loans to banks                             | 1,392                    | 1,318          | 46            | 255                | 19           | 17            | 8             | -                   |
| 1.3 Loans to customers                         | 911                      | 1,842          | 775           | 244                | 1,023        | 315           | 57            | -                   |
| - Current accounts                             | 94                       | -              | -             | -                  | -            | -             | -             | -                   |
| - Other loans                                  | 817                      | 1,842          | 775           | 244                | 1,023        | 315           | 57            | -                   |
| - With prepayment option                       | 18                       | 217            | 630           | 149                | 534          | 304           | 57            | -                   |
| - Other  | 799                      | 1,625          | 145           | 95                 | 489          | 11            | -             | -                   |
| <b>2. On-balance sheet liabilities</b>         | <b>4,332</b>             | <b>5,717</b>   | <b>74</b>     | <b>2,884</b>       | <b>2,615</b> | <b>1,878</b>  | <b>2,564</b>  | -                   |
| 2.1 Deposits from customers                    | 2,502                    | 710            | 28            | 11                 | -            | -             | -             | -                   |
| - Current accounts                             | 2,346                    | 699            | 28            | 5                  | -            | -             | -             | -                   |
| - Other  | 156                      | 11             | -             | 6                  | -            | -             | -             | -                   |
| - With prepayment option                       | -                        | -              | -             | -                  | -            | -             | -             | -                   |
| - Other  | 156                      | 11             | -             | 6                  | -            | -             | -             | -                   |
| 2.2 Deposits from banks                        | 1,770                    | 4,549          | 3             | 2                  | -            | -             | -             | -                   |
| - Current accounts                             | 200                      | -              | -             | -                  | -            | -             | -             | -                   |
| - Other  | 1,570                    | 4,549          | 3             | 2                  | -            | -             | -             | -                   |
| 2.3 Debt securities in issue                   | 60                       | 458            | 43            | 2,871              | 2,615        | 1,878         | 2,564         | -                   |
| - With prepayment option                       | -                        | -              | -             | -                  | -            | -             | -             | -                   |
| - Other  | 60                       | 458            | 43            | 2,871              | 2,615        | 1,878         | 2,564         | -                   |
| 2.4 Other liabilities                          | -                        | -              | -             | -                  | -            | -             | -             | -                   |
| - With prepayment option                       | -                        | -              | -             | -                  | -            | -             | -             | -                   |
| - Other  | -                        | -              | -             | -                  | -            | -             | -             | -                   |
| <b>3. Financial derivatives</b>                |                          |                |               |                    |              |               |               |                     |
| 3.1 With underlying security                   |                          |                |               |                    |              |               |               |                     |
| - Option                                       |                          |                |               |                    |              |               |               |                     |
| + Long positions                               | -                        | -              | -             | -                  | -            | -             | -             | -                   |
| + Short positions                              | -                        | -              | -             | -                  | -            | -             | -             | -                   |
| - Other derivatives                            |                          |                |               |                    |              |               |               |                     |
| + Long positions                               | -                        | -              | -             | -                  | -            | -             | -             | -                   |
| + Short positions                              | -                        | -              | -             | -                  | -            | -             | -             | -                   |
| 3.2 Without underlying security                |                          |                |               |                    |              |               |               |                     |
| - Option                                       |                          |                |               |                    |              |               |               |                     |
| + Long positions                               | -                        | 300            | 3             | -                  | 505          | -             | -             | -                   |
| + Short positions                              | -                        | 811            | 19            | -                  | 2            | -             | -             | -                   |
| - Other derivatives                            |                          |                |               |                    |              |               |               |                     |
| + Long positions                               | 329                      | 15,758         | 9,551         | 8,508              | 7,560        | 12,266        | -             | -                   |
| + Short positions                              | 1,172                    | 21,733         | 3,542         | 4,118              | 11,947       | 17,980        | 2,947         | -                   |
| <b>4. Other off-balance sheet transactions</b> |                          |                |               |                    |              |               |               |                     |
| + Long positions                               | -                        | 74             | -             | -                  | -            | -             | 157           | -                   |
| + Short positions                              | 164                      | 67             | -             | -                  | -            | -             | -             | -                   |

## Part E - Information on risks and related hedging policies

### 2. Banking book: internal models and other methods for sensitivity analysis

#### Interest Rate Risk

As of 30 December 2022, the interest income sensitivity to an immediate and parallel shift of +100bps was +€283 million, whilst the immediate change to a parallel downward shift of interest rate of -100bp (or less, according to the interest rates level of each currency) was equal to -€73 million.

The sensitivity of the economic value of shareholders' equity to an immediate and parallel change in interest rates ("parallel shift") of +200bps and -200bp was respectively equal to -€1,938 million and +€530 million. The sensitivity to interest rates changes for the worst-of-six "Supervisory Outlier Test", as envisioned by EBA guideline (EBA/GL/2018/02) was equal to -€1,940 million.

#### Template EU IRRBB1 - Interest rate risks on positions not held in the trading book

|                             |                  | (€ million)                             |  |            |  |                                    |  |            |  |
|-----------------------------|------------------|---|--|------------|--|------------------------------------|--|------------|--|
|                             |                  | a                                       |  | b          |  | c                                  |  | d          |  |
|                             |                  | CHANGES OF THE ECONOMIC VALUE OF EQUITY |  |            |  | CHANGES OF THE NET INTEREST INCOME |  |            |  |
| SUPERVISORY SHOCK SCENARIOS |                  | 31.12.2022                              |  | 31.12.2021 |  | 31.12.2022                         |  | 31.12.2021 |  |
| 1                           | Parallel up      | (1,940)                                 |  | (1,168)    |  | 283                                |  | 519        |  |
| 2                           | Parallel down    | 532                                     |  | (532)      |  | (73)                               |  | (107)      |  |
| 3                           | Steeper          | 288                                     |  | 91         |  |                                    |  |            |  |
| 4                           | Flattener        | (802)                                   |  | (592)      |  |                                    |  |            |  |
| 5                           | Short rates up   | (1,228)                                 |  | (719)      |  |                                    |  |            |  |
| 6                           | Short rates down | 462                                     |  | 80         |  |                                    |  |            |  |

### 2.3 Exchange rate risk

#### Qualitative information

##### A. General aspects, risk management processes and measurement methods

Reference is made to the paragraph "A. General aspects, risk management processes and measurement methods" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.2 Market risk, 2.2.3 Exchange rate risk, Qualitative information, which is herewith quoted entirely.

##### B. Hedging exchange rate risk

Reference is made to the paragraph "B. Hedging exchange rate risk" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.2 Market risk, 2.2.3 Exchange rate risk, Qualitative information, which is herewith quoted entirely.

## Part E - Information on risks and related hedging policies

## Quantitative information

## 1. Distribution by currency of assets and liabilities and derivatives

(€ million)

| ITEMS                           | AMOUNTS AS AT 31.12.2022 |                      |              |               |                 |                  |
|---------------------------------|--------------------------|----------------------|--------------|---------------|-----------------|------------------|
|                                 | CURRENCIES               |                      |              |               |                 |                  |
|                                 | U.S. DOLLAR              | SWITZERLAND<br>FRANC | JAPAN YEN    | BRITISH POUND | CANADIAN DOLLAR | OTHER CURRENCIES |
| <b>A. Financial assets</b>      | <b>14,269</b>            | <b>25</b>            | <b>5,596</b> | <b>88</b>     | <b>38</b>       | <b>1,575</b>     |
| A.1 Debt securities             | 7,048                    | -                    | 5,582        | 1             | -               | -                |
| A.2 Equity securities           | 714                      | 6                    | -            | 4             | -               | -                |
| A.3 Loans to banks              | 2,715                    | 5                    | 5            | 17            | 4               | 310              |
| A.4 Loans to customers          | 3,792                    | 15                   | 9            | 66            | 34              | 1,265            |
| A.5 Other financial assets      | -                        | -                    | -            | -             | -               | -                |
| <b>B. Other assets</b>          | <b>481</b>               | <b>3</b>             | <b>2</b>     | <b>10</b>     | <b>1</b>        | <b>89</b>        |
| <b>C. Financial liabilities</b> | <b>18,583</b>            | <b>53</b>            | <b>58</b>    | <b>277</b>    | <b>43</b>       | <b>1,048</b>     |
| C.1 Deposits from banks         | 5,324                    | 26                   | 5            | 117           | 25              | 827              |
| C.2 Deposits from customers     | 2,913                    | 28                   | 18           | 160           | 18              | 113              |
| C.3 Debt securities in issue    | 10,346                   | -                    | 36           | -             | -               | 108              |
| C.4 Other financial liabilities | -                        | -                    | -            | -             | -               | -                |
| <b>D. Other liabilities</b>     | <b>193</b>               | <b>0</b>             | <b>0</b>     | <b>9</b>      | <b>0</b>        | <b>35</b>        |
| <b>E. Financial derivatives</b> |                          |                      |              |               |                 |                  |
| - Options                       |                          |                      |              |               |                 |                  |
| + Long positions                | 660                      | 1                    | 7            | 10            | 1               | 365              |
| + Short positions               | 149                      | 1                    | 7            | 10            | 1               | 891              |
| - Other derivatives             |                          |                      |              |               |                 |                  |
| + Long positions                | 46,418                   | 1,184                | 983          | 2,463         | 141             | 2,367            |
| + Short positions               | 43,136                   | 1,171                | 6,551        | 2,296         | 136             | 5,096            |
| <b>Total assets</b>             | <b>61,828</b>            | <b>1,213</b>         | <b>6,587</b> | <b>2,571</b>  | <b>181</b>      | <b>4,395</b>     |
| <b>Total liabilities</b>        | <b>62,061</b>            | <b>1,225</b>         | <b>6,616</b> | <b>2,592</b>  | <b>180</b>      | <b>7,070</b>     |
| <b>Difference (+/-)</b>         | <b>(233)</b>             | <b>(12)</b>          | <b>(29)</b>  | <b>(21)</b>   | <b>1</b>        | <b>(2,675)</b>   |

## 2. Internal models and other methodologies for sensitivity analysis

Reference is made to the paragraph "2. Internal models and other methodologies for sensitivity analysis" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.2 Market risk, 2.2.3 Exchange rate risk, Quantitative information, which is herewith quoted entirely.

## Credit spread risk and Stress test

Reference is made to the paragraphs "Credit spread risk" and "Stress test" of the Company financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.2 Market risk, 2.2.3 Exchange rate risk, which is herewith quoted entirely.

Below, end of year Stress test results.

## Stress Test on Trading book

29 December 2022

## Scenario

(€ million)

|                  | 2022               |                   |
|------------------|--------------------|-------------------|
|                  | RECESSION SCENARIO | HAWKISH INFLATION |
| UniCredit S.p.A. | 35                 | 43                |

## Part E - Information on risks and related hedging policies

## Section 3 - Derivative instruments and hedging policies

## 3.1 Trading financial derivatives

## A. Financial derivatives

## A.1 Trading financial derivatives: end-of-period notional amounts

(€ million)

| UNDERLYING ACTIVITIES/TYPE OF DERIVATIVES           | AMOUNTS AS AT 31.12.2022 |                                |                           |                   | AMOUNTS AS AT 31.12.2021 |                                |                           |                   |
|---|--------------------------|--------------------------------|---------------------------|-------------------|--------------------------|--------------------------------|---------------------------|-------------------|
|   | OVER THE COUNTER         |                                |                           | ORGANISED MARKETS | OVER THE COUNTER         |                                |                           | ORGANISED MARKETS |
|   | CENTRAL COUNTERPARTIES   | WITHOUT CENTRAL COUNTERPARTIES |                           |                   | CENTRAL COUNTERPARTIES   | WITHOUT CENTRAL COUNTERPARTIES |                           |                   |
|   |                          | WITH NETTING AGREEMENT         | WITHOUT NETTING AGREEMENT |                   |                          | WITH NETTING AGREEMENT         | WITHOUT NETTING AGREEMENT |                   |
| <b>1. Debt securities and interest rate indexes</b> | <b>45,550</b>            | <b>206,002</b>                 | <b>23,595</b>             | <b>2,316</b>      | <b>46,295</b>            | <b>200,730</b>                 | <b>26,472</b>             | <b>1,816</b>      |
| a) Options  | -                        | 11,202                         | 4,625                     | -                 | -                        | 9,437                          | 3,101                     | 25                |
| b) Swap   | 45,550                   | 194,800                        | 17,753                    | -                 | 46,295                   | 191,293                        | 20,464                    | -                 |
| c) Forward  | -                        | -                              | 7                         | -                 | -                        | -                              | -                         | -                 |
| d) Futures  | -                        | -                              | 1,210                     | 2,316             | -                        | -                              | 2,907                     | 1,791             |
| e) Other  | -                        | -                              | -                         | -                 | -                        | -                              | -                         | -                 |
| <b>2. Equity instruments and stock indexes</b>      | <b>-</b>                 | <b>11,021</b>                  | <b>22</b>                 | <b>-</b>          | <b>-</b>                 | <b>9,246</b>                   | <b>7</b>                  | <b>-</b>          |
| a) Options  | -                        | 11,021                         | 22                        | -                 | -                        | 9,246                          | 7                         | -                 |
| b) Swap   | -                        | -                              | -                         | -                 | -                        | -                              | -                         | -                 |
| c) Forward  | -                        | -                              | -                         | -                 | -                        | -                              | -                         | -                 |
| d) Futures  | -                        | -                              | -                         | -                 | -                        | -                              | -                         | -                 |
| e) Other  | -                        | -                              | -                         | -                 | -                        | -                              | -                         | -                 |
| <b>3. Gold and currencies</b>                       | <b>-</b>                 | <b>76,860</b>                  | <b>3,972</b>              | <b>-</b>          | <b>-</b>                 | <b>68,294</b>                  | <b>4,159</b>              | <b>-</b>          |
| a) Options  | -                        | 6,831                          | 1,018                     | -                 | -                        | 7,968                          | 1,279                     | -                 |
| b) Swap   | -                        | 14,157                         | 75                        | -                 | -                        | 14,599                         | 79                        | -                 |
| c) Forward  | -                        | 55,872                         | 2,879                     | -                 | -                        | 45,727                         | 2,801                     | -                 |
| d) Futures  | -                        | -                              | -                         | -                 | -                        | -                              | -                         | -                 |
| e) Other  | -                        | -                              | -                         | -                 | -                        | -                              | -                         | -                 |
| <b>4. Commodities</b>                               | <b>-</b>                 | <b>7,522</b>                   | <b>555</b>                | <b>-</b>          | <b>-</b>                 | <b>5,088</b>                   | <b>410</b>                | <b>-</b>          |
| <b>5. Other</b>                                     | <b>-</b>                 | <b>-</b>                       | <b>-</b>                  | <b>-</b>          | <b>-</b>                 | <b>-</b>                       | <b>-</b>                  | <b>-</b>          |
| <b>Total</b>  | <b>45,550</b>            | <b>301,405</b>                 | <b>28,144</b>             | <b>2,316</b>      | <b>46,295</b>            | <b>283,358</b>                 | <b>31,048</b>             | <b>1,816</b>      |



## Part E - Information on risks and related hedging policies

### A.2 Trading financial derivatives: positive and negative gross fair value - breakdown by product

(€ million)

| TYPE OF DERIVATIVES           | AMOUNTS AS AT 31.12.2022  |                                   |                                 |                      | AMOUNTS AS AT 31.12.2021  |                                   |                                 |                      |
|-------------------------------|---------------------------|-----------------------------------|---------------------------------|----------------------|---------------------------|-----------------------------------|---------------------------------|----------------------|
|                               | OVER THE COUNTER          |                                   |                                 | ORGANISED<br>MARKETS | OVER THE COUNTER          |                                   |                                 | ORGANISED<br>MARKETS |
|                               | CENTRAL<br>COUNTERPARTIES | WITHOUT CENTRAL<br>COUNTERPARTIES |                                 |                      | CENTRAL<br>COUNTERPARTIES | WITHOUT CENTRAL<br>COUNTERPARTIES |                                 |                      |
|                               |                           | WITH NETTING<br>AGREEMENT         | WITHOUT<br>NETTING<br>AGREEMENT |                      |                           | WITH NETTING<br>AGREEMENT         | WITHOUT<br>NETTING<br>AGREEMENT |                      |
| <b>1. Positive fair value</b> |                           |                                   |                                 |                      |                           |                                   |                                 |                      |
| a) Options                    | -                         | 850                               | 21                              | -                    | -                         | 411                               | 26                              | -                    |
| b) Interest rate swap         | 2,375                     | 7,746                             | 22                              | -                    | 1,301                     | 3,606                             | 293                             | -                    |
| c) Cross currency swap        | -                         | 1,270                             | -                               | -                    | -                         | 1,132                             | -                               | -                    |
| d) Equity swap                | -                         | -                                 | -                               | -                    | -                         | -                                 | -                               | -                    |
| e) Forward                    | -                         | 893                               | 65                              | -                    | -                         | 588                               | 47                              | -                    |
| f) Futures                    | -                         | -                                 | -                               | 14                   | -                         | -                                 | -                               | 1                    |
| g) Other                      | -                         | 1,667                             | 80                              | -                    | -                         | 1,276                             | 60                              | -                    |
| <b>Total</b>                  | <b>2,375</b>              | <b>12,426</b>                     | <b>188</b>                      | <b>14</b>            | <b>1,301</b>              | <b>7,013</b>                      | <b>426</b>                      | <b>1</b>             |
| <b>2. Negative fair value</b> |                           |                                   |                                 |                      |                           |                                   |                                 |                      |
| a) Options                    | -                         | 317                               | 236                             | -                    | -                         | 160                               | 55                              | -                    |
| b) Interest rate swap         | 3,164                     | 6,998                             | 1,020                           | -                    | 1,747                     | 3,747                             | 22                              | -                    |
| c) Cross currency swap        | -                         | 1,253                             | 12                              | -                    | -                         | 1,135                             | 13                              | -                    |
| d) Equity swap                | -                         | -                                 | -                               | -                    | -                         | -                                 | -                               | -                    |
| e) Forward                    | -                         | 1,028                             | 33                              | -                    | -                         | 541                               | 21                              | -                    |
| f) Futures                    | -                         | -                                 | 2                               | 13                   | -                         | -                                 | -                               | 11                   |
| g) Other                      | -                         | 1,623                             | 121                             | -                    | -                         | 1,158                             | 177                             | -                    |
| <b>Total</b>                  | <b>3,164</b>              | <b>11,219</b>                     | <b>1,424</b>                    | <b>13</b>            | <b>1,747</b>              | <b>6,741</b>                      | <b>288</b>                      | <b>11</b>            |

## Part E - Information on risks and related hedging policies

## A.3 OTC trading financial derivatives: notional amounts, positive and negative gross fair value by counterparty

(€ million)

| UNDERLYING ACTIVITIES                               | AMOUNTS AS AT 31.12.2022 |         |                           |                |
|---|--------------------------|---------|---------------------------|----------------|
|   | CENTRAL COUNTERPARTIES   | BANKS   | OTHER FINANCIAL COMPANIES | OTHER ENTITIES |
| <b>Contracts not included in netting agreement</b>  |                          |         |                           |                |
| <b>1) Debt securities and interest rate indexes</b> |                          |         |                           |                |
| - Notional amount                                   | X                        | 1,217   | 727                       | 21,650         |
| - Positive fair value                               | X                        | -       | 1                         | 24             |
| - Negative fair value                               | X                        | 2       | 48                        | 1,176          |
| <b>2) Equity instruments and stock indexes</b>      |                          |         |                           |                |
| - Notional amount                                   | X                        | 15      | -                         | 7              |
| - Positive fair value                               | X                        | 3       | -                         | -              |
| - Negative fair value                               | X                        | -       | -                         | 13             |
| <b>3) Gold and currencies</b>                       |                          |         |                           |                |
| - Notional amount                                   | X                        | 231     | 27                        | 3,713          |
| - Positive fair value                               | X                        | -       | -                         | 81             |
| - Negative fair value                               | X                        | -       | -                         | 63             |
| <b>4) Commodities</b>                               |                          |         |                           |                |
| - Notional amount                                   | X                        | -       | -                         | 555            |
| - Positive fair value                               | X                        | -       | -                         | 80             |
| - Negative fair value                               | X                        | -       | -                         | 121            |
| <b>5) Other</b>                                     |                          |         |                           |                |
| - Notional amount                                   | X                        | -       | -                         | -              |
| - Positive fair value                               | X                        | -       | -                         | -              |
| - Negative fair value                               | X                        | -       | -                         | -              |
| <b>Contracts included in netting agreement</b>      |                          |         |                           |                |
| <b>1) Debt securities and interest rate indexes</b> |                          |         |                           |                |
| - Notional amount                                   | 45,550                   | 172,067 | 18,004                    | 15,931         |
| - Positive fair value                               | 2,375                    | 7,753   | 120                       | 199            |
| - Negative fair value                               | 3,164                    | 5,855   | 325                       | 938            |
| <b>2) Equity instruments and stock indexes</b>      |                          |         |                           |                |
| - Notional amount                                   | -                        | 11,021  | -                         | -              |
| - Positive fair value                               | -                        | 420     | -                         | -              |
| - Negative fair value                               | -                        | 132     | -                         | -              |
| <b>3) Gold and currencies</b>                       |                          |         |                           |                |
| - Notional amount                                   | -                        | 59,416  | 5,870                     | 11,574         |
| - Positive fair value                               | -                        | 1,532   | 108                       | 620            |
| - Negative fair value                               | -                        | 1,860   | 113                       | 367            |
| <b>4) Commodities</b>                               |                          |         |                           |                |
| - Notional amount                                   | -                        | 4,038   | 956                       | 2,528          |
| - Positive fair value                               | -                        | 739     | 45                        | 888            |
| - Negative fair value                               | -                        | 1,015   | 81                        | 532            |
| <b>5) Other</b>                                     |                          |         |                           |                |
| - Notional amount                                   | -                        | -       | -                         | -              |
| - Positive fair value                               | -                        | -       | -                         | -              |
| - Negative fair value                               | -                        | -       | -                         | -              |

## Part E - Information on risks and related hedging policies

## A.4 OTC financial derivatives - residual life: notional amounts

(€ million)

| UNDERLYING/RESIDUAL MATURITY  | OVER 1 YEAR UP TO |                |               | TOTAL          |
|---|-------------------|----------------|---------------|----------------|
|   | UP TO 1 YEAR      | 5 YEARS        | OVER 5 YEARS  |                |
| A.1 Financial derivative contracts on debt securities and interest rates  | 79,286            | 133,930        | 61,931        | 275,147        |
| A.2 Financial derivative contracts on equity securities and stock indexes | 1,303             | 6,870          | 2,870         | 11,043         |
| A.3 Financial derivative contracts on exchange rates and hold             | 65,290            | 11,033         | 4,508         | 80,831         |
| A.4 Financial derivative contracts on other values                        | 6,319             | 1,757          | -             | 8,076          |
| A.5 Other financial derivatives   | -                 | -              | -             | -              |
| <b>Total 31.12.2022</b>   | <b>152,198</b>    | <b>153,590</b> | <b>69,309</b> | <b>375,097</b> |
| <b>Total 31.12.2021</b>   | <b>121,099</b>    | <b>174,379</b> | <b>65,225</b> | <b>360,703</b> |

**B. Credit derivatives**

No data to be disclosed.

**3.2 Hedging policies****Qualitative information**

Hedging transactions are used to manage the exposure to market risks and volatility of financial outcomes that arise as part of our normal business operations and are executed in accordance with internal policies.

Derivatives are mainly used to manage the banking book interest rate risk with the following goals:

- to reduce banking book interest rate risk profile according to *Risk Appetite Framework* approved by the Board of Directors and limits defined by relevant Committees or risk functions. Within *Risk Appetite Framework*, the banking book exposure to interest rate risk is defined either in terms of *Net Interest Income Sensitivity* or *Economic Value Sensitivity*;
- to optimise the natural hedge between the risk profile of assets and liabilities using derivatives to manage the mismatch, even temporary, between the volume and the rates of assets and liabilities with different repricing schedules;
- to minimise the net exposure of derivatives used as economic hedges of the most stable portion of either assets or liabilities subject to hedge accounting, thereby reducing the associated transaction cost.

**A. Fair value hedging activities**

The objective of fair value hedge on assets/liabilities is to hedge the exposure to changes in fair value coming from the embedded risk factor subject to a hedging transaction.

The fair value hedge is applied both for identified financial instruments (securities, debt issues, loans, borrowings) and for portfolios of financial instruments (in particular, fixed rate loans and non-maturity deposits or other fixed rate liabilities).

The hedging relationship is classified at the inception of the hedge by identifying the portion and type of risk to be hedged (partial term hedge), the hedging strategy, the hedging instrument, and the methods used to assess the effectiveness of the hedging relationship.

The hedging strategy on identified financial instruments classified as *Held-to-Collect* (HTC) and *Held-to-Collect & Sell* (HTCS) considers the contractual features of each instrument and relevant risk management & business intent.

The hedging strategy on portfolios of financial instruments refers to the amounts of money contained in the portfolio of interest rate exposures that are not already subject to "micro/specific" hedging and mirrors to the nominal amount and financial conditions of hedging derivatives.

The objective of fair value hedge on assets/liabilities denominated in foreign currency could refer to hedge the exposure to changes in fair value by converting to Euro denominated assets/liabilities.

The hedging instruments used mainly consist of interest rate swaps, basis swaps, caps, floors, and cross currencies swaps.

## Part E - Information on risks and related hedging policies

### B. Cash flow hedging activities

The objective of cash flow hedge on assets/liabilities is to hedge the exposure to changes in cash flows from borrowings/lending that bear a floating interest rate or provide for a variable FX countervalue amount.

The hedging relationship is classified at the inception of the hedge by identifying the portion and type of risk to be hedged (partial term hedge), the hedging strategy, the hedging instrument, and the methods used to assess the effectiveness of the hedging relationship.

Cash flow hedges are particularly used to hedge interest rate risk on floating-rate assets and liabilities, including rollovers, and foreign exchange risks on highly probable forecast of foreign currency cost/revenue streams.

The hedging instruments used mainly consist of interest rate swaps, caps, floors, cross-currency swaps with a maturity up to 20 years for some commercial hedged assets.

### C. Foreign net investments hedge activities

The objective of net investment hedging on entities that have different functional currency from the Bank is to reduce the impact of fluctuations in exchange rates on the Group's capital adequacy ratios.

The management of this risk embeds the annual definition of hedging strategies in compliance with the EBA guidelines on the treatment of Structural Foreign Exchange risk (EBA/GL/2020/09), and its continuous monitoring to remain within the relevant Risk Appetite Framework thresholds.

The hedging instruments used consist mainly of foreign exchange options. At consolidated level these derivatives qualify as Net Investment Hedge relationship with the investment. The effective component (*intrinsic value*) of the hedging instruments is deferred into Other Comprehensive Income - booked to sub-item "Foreign Investments Hedge" of Valuation Reserves-, offsetting the "FX differences" of the related hedged item. However, at Bank level, a FVH relationship of the controlling stake is recognised.

Furthermore, the Bank put in place some economic hedges on forecasted foreign currency revenues stemming from those entities. The objective of the economic hedge is to reduce the volatility on the income statement coming from the foreign exchange risks. FX risk on forecasted foreign currency revenues is continuously monitored and hedging strategies are periodically assessed.

The derivatives used consist mainly of currency options. These derivatives may not or should not qualify for hedge accounting even though achieve substantially the same economic results. The impact of economic hedges is accounted in Item "80 - Net gains (losses) on trading".

In general term, both the hedging strategies and the percentage to be hedged is defined considering, inter alia, the diversification effect and taking into account the volatility and correlation in the FX rates.

### D. Hedging instruments and E. Hedging elements

Prospective hedge effectiveness is established by the fact that all derivatives must, at inception, have the effect of reducing interest rate (or other identified) risk in term of *Economic Value Sensitivity* (Fair Value Hedge) or *Net Interest Income Sensitivity* (Cash Flow Hedge) in the specific/portfolio of hedged underlyings.

Retrospectively the hedge effectiveness is quarterly measured by referring to the most stable portion of assets/liabilities using a portfolio hedge approach or by referring to the portion of risk being hedged using a micro/specific approach.

Sources of ineffectiveness comes from (i) the Euribor vs Eonia/ESTER basis for hedging derivatives transactions subject to a collateral agreement, (ii) Credit/Debit Value and Funding Value adjustment impacting derivative transactions fair values, (iii) shortfall arising in the underlying's specifically associated with that hedge in term of nominal or reverse sensitivity due to prepayment or default on commercial assets or withdrawals on liabilities included such as commercial non-maturity deposits and are presented in item "90. Net gains (losses) on hedge accounting".

## Part E - Information on risks and related hedging policies

### Quantitative information

#### A. Cash flow hedging derivatives

##### A.1 Hedging financial derivatives: end-of-period notional amounts

(€ million)

| UNDERLYING ACTIVITIES/TYPE OF DERIVATIVES           | AMOUNTS AS AT 31.12.2022 |                                |                           |                   | AMOUNTS AS AT 31.12.2021 |                                |                           |                   |
|---|--------------------------|--------------------------------|---------------------------|-------------------|--------------------------|--------------------------------|---------------------------|-------------------|
|   | OVER THE COUNTER         |                                |                           | ORGANISED MARKETS | OVER THE COUNTER         |                                |                           | ORGANISED MARKETS |
|   | CENTRAL COUNTERPARTIES   | WITHOUT CENTRAL COUNTERPARTIES |                           |                   | CENTRAL COUNTERPARTIES   | WITHOUT CENTRAL COUNTERPARTIES |                           |                   |
|   |                          | WITH NETTING AGREEMENT         | WITHOUT NETTING AGREEMENT |                   |                          | WITH NETTING AGREEMENT         | WITHOUT NETTING AGREEMENT |                   |
| <b>1. Debt securities and interest rate indexes</b> | <b>2,224</b>             | <b>442,813</b>                 | <b>92,578</b>             | -                 | <b>4,836</b>             | <b>382,687</b>                 | <b>78,592</b>             | -                 |
| a) Options  | -                        | 19,469                         | 17,500                    | -                 | -                        | 13,242                         | -                         | -                 |
| b) Swap   | 2,224                    | 423,344                        | -                         | -                 | 4,836                    | 369,445                        | 2,498                     | -                 |
| c) Forward  | -                        | -                              | -                         | -                 | -                        | -                              | -                         | -                 |
| d) Futures  | -                        | -                              | 75,078                    | -                 | -                        | -                              | 76,094                    | -                 |
| e) Other  | -                        | -                              | -                         | -                 | -                        | -                              | -                         | -                 |
| <b>2. Equity instruments and stock indexes</b>      | -                        | -                              | -                         | -                 | -                        | -                              | -                         | -                 |
| a) Options  | -                        | -                              | -                         | -                 | -                        | -                              | -                         | -                 |
| b) Swap   | -                        | -                              | -                         | -                 | -                        | -                              | -                         | -                 |
| c) Forward  | -                        | -                              | -                         | -                 | -                        | -                              | -                         | -                 |
| d) Futures  | -                        | -                              | -                         | -                 | -                        | -                              | -                         | -                 |
| e) Other  | -                        | -                              | -                         | -                 | -                        | -                              | -                         | -                 |
| <b>3. Gold and currencies</b>                       | -                        | <b>30,596</b>                  | -                         | -                 | -                        | <b>32,007</b>                  | -                         | -                 |
| a) Options  | -                        | 2,378                          | -                         | -                 | -                        | -                              | -                         | -                 |
| b) Swap   | -                        | 28,016                         | -                         | -                 | -                        | 32,007                         | -                         | -                 |
| c) Forward  | -                        | 202                            | -                         | -                 | -                        | -                              | -                         | -                 |
| d) Futures  | -                        | -                              | -                         | -                 | -                        | -                              | -                         | -                 |
| e) Other  | -                        | -                              | -                         | -                 | -                        | -                              | -                         | -                 |
| <b>4. Commodities</b>                               | -                        | -                              | -                         | -                 | -                        | -                              | -                         | -                 |
| <b>5. Other</b>                                     | -                        | -                              | -                         | -                 | -                        | -                              | -                         | -                 |
| <b>Total</b>  | <b>2,224</b>             | <b>473,409</b>                 | <b>92,578</b>             | -                 | <b>4,836</b>             | <b>414,694</b>                 | <b>78,592</b>             | -                 |

##### A.2 Hedging financial derivatives: positive and negative gross fair value - breakdown by product

(€ million)

| TYPE OF DERIVATIVES           | AMOUNT AS AT 31.12.2022          |                        |                           |                   | AMOUNT AS AT 31.12.2021          |                        |                           |                   | AMOUNT AS AT 31.12.2022 | AMOUNT AS AT 31.12.2021 | CHANGES IN VALUE USED TO CALCULATE HEDGE INEFFECTIVENESS |
|-------------------------------|----------------------------------|------------------------|---------------------------|-------------------|----------------------------------|------------------------|---------------------------|-------------------|-------------------------|-------------------------|--|
|                               | POSITIVE AND NEGATIVE FAIR VALUE |                        |                           |                   | POSITIVE AND NEGATIVE FAIR VALUE |                        |                           |                   |                         |                         |  |
|                               | OVER THE COUNTER                 |                        |                           | ORGANISED MARKETS | OVER THE COUNTER                 |                        |                           | ORGANISED MARKETS |                         |                         |  |
|                               | CENTRAL COUNTERPARTIES           | WITH NETTING AGREEMENT | WITHOUT NETTING AGREEMENT |                   | CENTRAL COUNTERPARTIES           | WITH NETTING AGREEMENT | WITHOUT NETTING AGREEMENT |                   |                         |                         |  |
| <b>1. Positive fair value</b> | -                                | 49                     | 4                         | -                 | -                                | 114                    | -                         | -                 | -                       | -                       | -  |
| a) Options                    | -                                | 49                     | 4                         | -                 | -                                | 114                    | -                         | -                 | -                       | -                       | -  |
| b) Interest rate swap         | 72                               | 11,804                 | -                         | -                 | 4                                | 3,552                  | -                         | -                 | -                       | -                       | -  |
| c) Cross currency swap        | -                                | 1,637                  | -                         | -                 | -                                | 653                    | -                         | -                 | -                       | -                       | -  |
| d) Equity swap                | -                                | -                      | -                         | -                 | -                                | -                      | -                         | -                 | -                       | -                       | -  |
| e) Forward                    | -                                | 2                      | -                         | -                 | -                                | -                      | -                         | -                 | -                       | -                       | -  |
| f) Futures                    | -                                | -                      | 173                       | -                 | -                                | -                      | 38                        | -                 | -                       | -                       | -  |
| g) Other                      | -                                | -                      | -                         | -                 | -                                | -                      | -                         | -                 | -                       | -                       | -  |
| <b>Total</b>                  | <b>72</b>                        | <b>13,492</b>          | <b>177</b>                | -                 | <b>4</b>                         | <b>4,319</b>           | <b>38</b>                 | -                 | -                       | -                       | -  |
| <b>2. Negative fair value</b> | -                                | 76                     | 45                        | -                 | -                                | 126                    | -                         | -                 | -                       | -                       | -  |
| a) Options                    | -                                | 76                     | 45                        | -                 | -                                | 126                    | -                         | -                 | -                       | -                       | -  |
| b) Interest rate swap         | 8                                | 14,821                 | -                         | -                 | 27                               | 4,266                  | -                         | -                 | -                       | -                       | -  |
| c) Cross currency swap        | -                                | 986                    | -                         | -                 | -                                | 374                    | -                         | -                 | -                       | -                       | -  |
| d) Equity swap                | -                                | -                      | -                         | -                 | -                                | -                      | -                         | -                 | -                       | -                       | -  |
| e) Forward                    | -                                | -                      | -                         | -                 | -                                | -                      | -                         | -                 | -                       | -                       | -  |
| f) Futures                    | -                                | -                      | 292                       | -                 | -                                | -                      | 51                        | -                 | -                       | -                       | -  |
| g) Other                      | -                                | -                      | -                         | -                 | -                                | -                      | -                         | -                 | -                       | -                       | -  |
| <b>Total</b>                  | <b>8</b>                         | <b>15,883</b>          | <b>337</b>                | -                 | <b>27</b>                        | <b>4,766</b>           | <b>51</b>                 | -                 | -                       | -                       | -  |

## Part E - Information on risks and related hedging policies

## A.3 OTC hedging financial derivatives: notional amounts, positive and negative gross fair value by counterparty

(€ million)

| UNDERLYING ACTIVITIES                               | AMOUNTS AS AT 31.12.2022 |         |                           |                |
|---|--------------------------|---------|---------------------------|----------------|
|   | CENTRAL COUNTERPARTIES   | BANKS   | OTHER FINANCIAL COMPANIES | OTHER ENTITIES |
| <b>Contracts not included in netting agreement</b>  |                          |         |                           |                |
| <b>1) Debt securities and interest rate indexes</b> |                          |         |                           |                |
| - Notional amount                                   | X                        | 92,578  | -                         | -              |
| - Positive fair value                               | X                        | 177     | -                         | -              |
| - Negative fair value                               | X                        | 336     | -                         | -              |
| <b>2) Equity instruments and stock indexes</b>      |                          |         |                           |                |
| - Notional amount                                   | X                        | -       | -                         | -              |
| - Positive fair value                               | X                        | -       | -                         | -              |
| - Negative fair value                               | X                        | -       | -                         | -              |
| <b>3) Gold and currencies</b>                       |                          |         |                           |                |
| - Notional amount                                   | X                        | -       | -                         | -              |
| - Positive fair value                               | X                        | -       | -                         | -              |
| - Negative fair value                               | X                        | -       | -                         | -              |
| <b>4) Commodities</b>                               |                          |         |                           |                |
| - Notional amount                                   | X                        | -       | -                         | -              |
| - Positive fair value                               | X                        | -       | -                         | -              |
| - Negative fair value                               | X                        | -       | -                         | -              |
| <b>5) Other</b>                                     |                          |         |                           |                |
| - Notional amount                                   | X                        | -       | -                         | -              |
| - Positive fair value                               | X                        | -       | -                         | -              |
| - Negative fair value                               | X                        | -       | -                         | -              |
| <b>Contracts included in netting agreement</b>      |                          |         |                           |                |
| <b>1) Debt securities and interest rate indexes</b> |                          |         |                           |                |
| - Notional amount                                   | 2,224                    | 442,229 | 584                       | -              |
| - Positive fair value                               | 72                       | 11,817  | 20                        | -              |
| - Negative fair value                               | 8                        | 14,826  | 45                        | -              |
| <b>2) Equity instruments and stock indexes</b>      |                          |         |                           |                |
| - Notional amount                                   | -                        | -       | -                         | -              |
| - Positive fair value                               | -                        | -       | -                         | -              |
| - Negative fair value                               | -                        | -       | -                         | -              |
| <b>3) Gold and currencies</b>                       |                          |         |                           |                |
| - Notional amount                                   | -                        | 29,004  | 1,591                     | -              |
| - Positive fair value                               | -                        | 1,591   | 64                        | -              |
| - Negative fair value                               | -                        | 1,001   | 11                        | -              |
| <b>4) Commodities</b>                               |                          |         |                           |                |
| - Notional amount                                   | -                        | -       | -                         | -              |
| - Positive fair value                               | -                        | -       | -                         | -              |
| - Negative fair value                               | -                        | -       | -                         | -              |
| <b>5) Other</b>                                     |                          |         |                           |                |
| - Notional amount                                   | -                        | -       | -                         | -              |
| - Positive fair value                               | -                        | -       | -                         | -              |
| - Negative fair value                               | -                        | -       | -                         | -              |

## Part E - Information on risks and related hedging policies

## A.4 OTC hedging financial derivatives - residual life: notional amounts

(€ million)

| UNDERLYING/RESIDUAL MATURITY  | OVER 1 YEAR UP TO |                |                | TOTAL          |
|---|-------------------|----------------|----------------|----------------|
|   | UP TO 1 YEAR      | 5 YEARS        | OVER 5 YEARS   |                |
| A.1 Financial derivative contracts on debt securities and interest rates  | 269,990           | 168,452        | 99,173         | 537,615        |
| A.2 Financial derivative contracts on equity securities and stock indexes | -                 | -              | -              | -              |
| A.3 Financial derivative contracts on exchange rates and gold             | 9,578             | 8,632          | 12,386         | 30,596         |
| A.4 Financial derivative contracts on other values                        | -                 | -              | -              | -              |
| A.5 Other financial derivatives   | -                 | -              | -              | -              |
| <b>Total 31.12.2022</b>   | <b>279,568</b>    | <b>177,084</b> | <b>111,559</b> | <b>568,211</b> |
| <b>Total 31.12.2021</b>   | <b>165,657</b>    | <b>234,645</b> | <b>97,820</b>  | <b>498,122</b> |

## B. Hedging credit derivatives

No data to be disclosed.

## C. Non hedging instruments

Note that, as provided by the Circular No.262 of 22 December 2005 of Banca d'Italia (and subsequent amendments) the present table is not disclosed as the Group has exercised the option to continue applying the existing IAS39 hedge accounting requirements for all its hedging relationships until the IASB completes the project on accounting for macro-hedging.

## Part E - Information on risks and related hedging policies

*D. Hedging instruments*

Note that the Group has exercised the option to continue applying the existing IAS39 hedge accounting requirements for all its hedging relationships until the IASB completes the project on accounting for macro-hedging.

In this context the following table provides the required information about hedged instruments.

**Micro hedging and macro hedging: breakdown by hedged item and risk type**

(€ million)

|   | AMOUNT AS AT 31.12.2022         |                                 |
|---|---------------------------------|---------------------------------|
|   | MICRO HEDGE:<br>CARRYING AMOUNT | MACRO HEDGE:<br>CARRYING AMOUNT |
| <b>A) Fair value hedge</b>  |                                 |                                 |
| <b>1. Assets</b>  |                                 |                                 |
| <b>1.1 Financial assets measured at fair value through other comprehensive income</b> | <b>22,649</b>                   | <b>-</b>                        |
| 1.1.1 Interest rate   | 22,649                          | X                               |
| 1.1.2 Equity  | -                               | X                               |
| 1.1.3 Foreign exchange and gold   | -                               | X                               |
| 1.1.4 Credit  | -                               | X                               |
| 1.1.5 Other   | -                               | X                               |
| <b>1.2 Financial assets measured at amortised cost</b>                                | <b>35,395</b>                   | <b>(3,961)</b>                  |
| 1.2.1 Interest rate   | 35,395                          | X                               |
| 1.2.2 Equity  | -                               | X                               |
| 1.2.3 Foreign exchange and gold   | -                               | X                               |
| 1.2.4 Credit  | -                               | X                               |
| 1.2.5 Other   | -                               | X                               |
| <b>2. Liabilities</b>   |                                 |                                 |
| <b>2.1 Financial liabilities measured at amortised costs</b>                          | <b>-</b>                        | <b>(12,739)</b>                 |
| 2.1.1 Interest rate   | -                               | X                               |
| 2.1.2 Equity  | -                               | X                               |
| 2.1.3 Foreign exchange and gold   | -                               | X                               |
| 2.1.4 Credit  | -                               | X                               |
| 2.1.5 Other   | -                               | X                               |
| <b>B) Cash flow hedge</b>   |                                 |                                 |
| <b>1. Assets</b>  | <b>-</b>                        | <b>X</b>                        |
| 1.1 Interest rate   | -                               | X                               |
| 1.2 Equity  | -                               | X                               |
| 1.3 Foreign exchange and gold   | -                               | X                               |
| 1.4 Credit  | -                               | X                               |
| 1.5 Other   | -                               | X                               |
| <b>2. Liabilities</b>   | <b>-</b>                        | <b>X</b>                        |
| 2.1 Interest rate   | -                               | X                               |
| 2.2 Equity  | -                               | X                               |
| 2.3 Foreign exchange and gold   | -                               | X                               |
| 2.4 Credit  | -                               | X                               |
| 2.5 Other   | -                               | X                               |
| <b>C) Hedge of net investments in foreign operations</b>                              | <b>-</b>                        | <b>X</b>                        |
| <b>D) Portfolio - Assets</b>  | <b>X</b>                        | <b>-</b>                        |
| <b>E) Portfolio - Liabilities</b>   | <b>X</b>                        | <b>-</b>                        |

Additionally, it should be noted that there are fair value hedge relationships of controlling investments for €684 million.

*E. Effects of hedging policy at equity*

This table has to be filled in only by entities that apply IFRS9 hedge accounting rules.



## Part E - Information on risks and related hedging policies

### 3.3 Other information on derivatives instruments (trading and hedging)

#### A. Financial and credit derivatives

##### A.1 OTC financial and credit derivatives: net fair value by counterparty

No data to be disclosed.

## Section 4 - Liquidity risk

### Qualitative information

As of 31st December 2022, the amount of material outflows due to deterioration of own credit quality, included in the components of the Liquidity Coverage Ratio, is equal to €7,141 million.

For further information, reference is made to the paragraph "A. General aspects, operational processes and methods for measuring liquidity risk" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.4 Liquidity risk, Qualitative information, which is herewith quoted entirely.

### Quantitative information

#### 1. Time breakdown by contractual residual maturity of financial assets and liabilities

| ITEMS/MATURITY                                 | AMOUNT AS AT 31.12.2022 |               |              |                      |               |               |                    |                |               | (€ million)         |
|--|-------------------------|---------------|--------------|----------------------|---------------|---------------|--------------------|----------------|---------------|---------------------|
|  | ON DEMAND               | 1 TO 7 DAYS   | 7 TO 15 DAYS | 15 DAYS TO ONE MONTH | 1 TO 3 MONTHS | 3 TO 6 MONTHS | 6 MONTHS TO 1 YEAR | 1 TO 5 YEARS   | OVER 5 YEARS  | INDEFINITE MATURITY |
| <b>A. On-balance sheet assets</b>              | <b>71,453</b>           | <b>11,594</b> | <b>6,621</b> | <b>15,296</b>        | <b>18,509</b> | <b>16,136</b> | <b>23,232</b>      | <b>111,625</b> | <b>84,763</b> | <b>2,083</b>        |
| A.1 Government securities                      | 20                      | -             | 74           | 1,627                | 1,238         | 779           | 3,741              | 29,907         | 25,661        | -                   |
| A.2 Other debt securities                      | 39                      | 2             | 49           | 122                  | 233           | 277           | 1,111              | 11,998         | 13,344        | 24                  |
| A.3 Units in investment funds                  | 1,567                   | -             | -            | -                    | -             | -             | -                  | -              | -             | -                   |
| A.4 Loans                                      | 69,827                  | 11,592        | 6,498        | 13,547               | 17,038        | 15,080        | 18,380             | 69,720         | 45,758        | 2,059               |
| - Banks  | 56,544                  | 2,992         | 1,180        | 1,207                | 1,767         | 312           | 1,513              | 2,896          | 47            | 2,056               |
| - Customers                                    | 13,283                  | 8,600         | 5,318        | 12,340               | 15,271        | 14,768        | 16,867             | 66,824         | 45,711        | 3                   |
| <b>B. On-balance sheet liabilities</b>         | <b>199,940</b>          | <b>22,075</b> | <b>5,273</b> | <b>12,976</b>        | <b>7,359</b>  | <b>49,514</b> | <b>5,908</b>       | <b>32,239</b>  | <b>17,626</b> | <b>-</b>            |
| B.1. Deposits and current accounts             | 188,854                 | 1,809         | 1,597        | 2,873                | 1,361         | 961           | 704                | -              | -             | -                   |
| - Banks  | 1,543                   | 1,604         | 1,048        | 1,247                | 400           | 31            | 12                 | -              | -             | -                   |
| - Customers                                    | 187,311                 | 205           | 549          | 1,626                | 961           | 930           | 692                | -              | -             | -                   |
| B.2 Debt securities                            | 16                      | 18            | 37           | 1,657                | 4,539         | 4,610         | 3,833              | 24,586         | 14,733        | -                   |
| B.3 Other liabilities                          | 11,070                  | 20,248        | 3,639        | 8,446                | 1,459         | 43,943        | 1,371              | 7,653          | 2,893         | -                   |
| <b>C. Off-balance sheet transactions</b>       |                         |               |              |                      |               |               |                    |                |               |                     |
| C.1 Financial derivatives with capital swap    |                         |               |              |                      |               |               |                    |                |               |                     |
| - Long positions                               | 93                      | 16,608        | 9,030        | 17,041               | 18,705        | 19,732        | 80,409             | 19,065         | 17,016        | -                   |
| - Short positions                              | 406                     | 34,731        | 5,409        | 8,802                | 18,463        | 25,293        | 27,679             | 18,435         | 16,606        | -                   |
| C.2 Financial derivatives without capital swap |                         |               |              |                      |               |               |                    |                |               |                     |
| - Long positions                               | 12,184                  | 177           | 288          | 1,288                | 4,459         | 5,941         | 10,539             | -              | -             | -                   |
| - Short positions                              | 12,198                  | 203           | 401          | 1,185                | 5,072         | 6,586         | 13,528             | -              | -             | -                   |
| C.3 Deposits and loans to be received          |                         |               |              |                      |               |               |                    |                |               |                     |
| - Long positions                               | -                       | 20,793        | 10           | 14                   | 10            | -             | -                  | -              | -             | -                   |
| - Short positions                              | 7                       | 12,356        | 3,364        | 4,815                | 221           | 65            | -                  | -              | -             | -                   |
| C.4 Commitments to disburse funds              |                         |               |              |                      |               |               |                    |                |               |                     |
| - Long positions                               | 44                      | 8,253         | 73           | 58                   | 672           | 1,683         | 1,166              | 1,287          | 2,466         | -                   |
| - Short positions                              | 15,621                  | 5             | -            | -                    | 4             | -             | 71                 | -              | -             | -                   |
| C.5 Financial guarantees given                 | -                       | -             | -            | 34                   | 16            | -             | 3                  | 3              | 29            | -                   |
| C.6 Financial guarantees received              | -                       | -             | -            | -                    | -             | -             | -                  | -              | -             | -                   |
| C.7 Credit derivatives with capital swap       |                         |               |              |                      |               |               |                    |                |               |                     |
| - Long positions                               | -                       | -             | -            | -                    | -             | -             | -                  | -              | -             | -                   |
| - Short positions                              | -                       | -             | -            | -                    | -             | -             | -                  | -              | -             | -                   |
| C.8 Credit derivatives without capital swap    |                         |               |              |                      |               |               |                    |                |               |                     |
| - Long positions                               | -                       | -             | -            | -                    | -             | -             | -                  | -              | -             | -                   |
| - Short positions                              | -                       | -             | -            | -                    | -             | -             | -                  | -              | -             | -                   |

## Part E - Information on risks and related hedging policies

## 1. Time breakdown by contractual residual maturity of financial assets and liabilities - Currency: euro

(€ million)

| ITEMS/MATURITY                                 | AMOUNT AS AT 31.12.2022 |               |              |                      |               |               |                    |                |               |                     |
|--|-------------------------|---------------|--------------|----------------------|---------------|---------------|--------------------|----------------|---------------|---------------------|
|  | ON DEMAND               | 1 TO 7 DAYS   | 7 TO 15 DAYS | 15 DAYS TO ONE MONTH | 1 TO 3 MONTHS | 3 TO 6 MONTHS | 6 MONTHS TO 1 YEAR | 1 TO 5 YEARS   | OVER 5 YEARS  | INDEFINITE MATURITY |
| <b>A. On-balance sheet assets</b>              | <b>68,918</b>           | <b>11,199</b> | <b>5,851</b> | <b>14,372</b>        | <b>17,523</b> | <b>15,719</b> | <b>22,455</b>      | <b>103,863</b> | <b>76,682</b> | <b>2,077</b>        |
| A.1 Government securities                      | 17                      | -             | 73           | 1,627                | 1,218         | 741           | 3,681              | 25,658         | 19,567        | -                   |
| A.2 Other debt securities                      | 39                      | 2             | 39           | 118                  | 224           | 260           | 1,070              | 10,046         | 11,992        | 18                  |
| A.3 Units in investment funds                  | 1,344                   | -             | -            | -                    | -             | -             | -                  | -              | -             | -                   |
| A.4 Loans                                      | 67,518                  | 11,197        | 5,739        | 12,627               | 16,081        | 14,718        | 17,704             | 68,159         | 45,123        | 2,059               |
| - Banks  | 55,155                  | 2,973         | 583          | 934                  | 1,326         | 261           | 1,246              | 2,861          | 22            | 2,056               |
| - Customers                                    | 12,363                  | 8,224         | 5,156        | 11,693               | 14,755        | 14,457        | 16,458             | 65,298         | 45,101        | 3                   |
| <b>B. On-balance sheet liabilities</b>         | <b>195,673</b>          | <b>19,890</b> | <b>4,400</b> | <b>11,224</b>        | <b>6,894</b>  | <b>48,765</b> | <b>2,791</b>       | <b>29,524</b>  | <b>13,138</b> | <b>-</b>            |
| B.1 Deposits and current accounts              | 185,980                 | 793           | 724          | 1,169                | 918           | 930           | 692                | -              | -             | -                   |
| - Banks  | 1,011                   | 630           | 308          | 35                   | 5             | 29            | 12                 | -              | -             | -                   |
| - Customers                                    | 184,969                 | 163           | 416          | 1,134                | 913           | 901           | 680                | -              | -             | -                   |
| B.2 Debt securities                            | 16                      | 18            | 37           | 1,657                | 4,519         | 3,895         | 732                | 21,871         | 10,245        | -                   |
| B.3 Other liabilities                          | 9,677                   | 19,079        | 3,639        | 8,398                | 1,457         | 43,940        | 1,367              | 7,653          | 2,893         | -                   |
| <b>C. Off-balance sheet transactions</b>       |                         |               |              |                      |               |               |                    |                |               |                     |
| C.1 Financial derivatives with capital swap    |                         |               |              |                      |               |               |                    |                |               |                     |
| - Long positions                               | 11                      | 11,335        | 7,159        | 14,215               | 7,200         | 11,377        | 67,780             | 9,941          | 7,279         | -                   |
| - Short positions                              | 392                     | 30,447        | 1,945        | 3,131                | 10,162        | 11,601        | 8,523              | 7,172          | 5,744         | -                   |
| C.2 Financial derivatives without capital swap |                         |               |              |                      |               |               |                    |                |               |                     |
| - Long positions                               | 5,953                   | 162           | 262          | 1,197                | 4,098         | 4,792         | 8,995              | -              | -             | -                   |
| - Short positions                              | 5,983                   | 122           | 275          | 1,140                | 4,352         | 5,655         | 11,732             | -              | -             | -                   |
| C.3 Deposits and loans to be received          |                         |               |              |                      |               |               |                    |                |               |                     |
| - Long positions                               | -                       | 20,742        | 10           | -                    | 10            | -             | -                  | -              | -             | -                   |
| - Short positions                              | -                       | 12,352        | 3,364        | 4,761                | 221           | 65            | -                  | -              | -             | -                   |
| C.4 Commitments to disburse funds              |                         |               |              |                      |               |               |                    |                |               |                     |
| - Long positions                               | 44                      | 8,253         | 73           | 58                   | 663           | 1,683         | 1,166              | 1,287          | 2,308         | -                   |
| - Short positions                              | 15,463                  | -             | -            | -                    | -             | -             | 71                 | -              | -             | -                   |
| C.5 Financial guarantees given                 | -                       | -             | -            | 34                   | 16            | -             | 3                  | 3              | 29            | -                   |
| C.6 Financial guarantees received              | -                       | -             | -            | -                    | -             | -             | -                  | -              | -             | -                   |
| C.7 Credit derivatives with capital swap       |                         |               |              |                      |               |               |                    |                |               |                     |
| - Long positions                               | -                       | -             | -            | -                    | -             | -             | -                  | -              | -             | -                   |
| - Short positions                              | -                       | -             | -            | -                    | -             | -             | -                  | -              | -             | -                   |
| C.8 Credit derivatives without capital swap    |                         |               |              |                      |               |               |                    |                |               |                     |
| - Long positions                               | -                       | -             | -            | -                    | -             | -             | -                  | -              | -             | -                   |
| - Short positions                              | -                       | -             | -            | -                    | -             | -             | -                  | -              | -             | -                   |

## Part E - Information on risks and related hedging policies

### 1. Time breakdown by contractual residual maturity of financial assets and liabilities - Currency: other currencies

(€ million)

| ITEMS/MATURITY                                 | AMOUNT AS AT 31.12.2022 |              |              |                      |               |               |                    |              |              |                     |
|--|-------------------------|--------------|--------------|----------------------|---------------|---------------|--------------------|--------------|--------------|---------------------|
|  | ON DEMAND               | 1 TO 7 DAYS  | 7 TO 15 DAYS | 15 DAYS TO ONE MONTH | 1 TO 3 MONTHS | 3 TO 6 MONTHS | 6 MONTHS TO 1 YEAR | 1 TO 5 YEARS | OVER 5 YEARS | INDEFINITE MATURITY |
| <b>A. On-balance sheet assets</b>              | <b>2,535</b>            | <b>395</b>   | <b>770</b>   | <b>924</b>           | <b>986</b>    | <b>417</b>    | <b>777</b>         | <b>7,762</b> | <b>8,081</b> | <b>6</b>            |
| A.1 Government securities                      | 3                       | -            | 1            | -                    | 20            | 38            | 60                 | 4,249        | 6,094        | -                   |
| A.2 Other debt securities                      | -                       | -            | 10           | 4                    | 9             | 17            | 41                 | 1,952        | 1,352        | 6                   |
| A.3 Units in investment funds                  | 223                     | -            | -            | -                    | -             | -             | -                  | -            | -            | -                   |
| A.4 Loans                                      | 2,309                   | 395          | 759          | 920                  | 957           | 362           | 676                | 1,561        | 635          | -                   |
| - Banks  | 1,389                   | 19           | 597          | 273                  | 441           | 51            | 267                | 35           | 25           | -                   |
| - Customers                                    | 920                     | 376          | 162          | 647                  | 516           | 311           | 409                | 1,526        | 610          | -                   |
| <b>B. On-balance sheet liabilities</b>         | <b>4,267</b>            | <b>2,185</b> | <b>873</b>   | <b>1,752</b>         | <b>465</b>    | <b>749</b>    | <b>3,117</b>       | <b>2,715</b> | <b>4,488</b> | <b>-</b>            |
| B.1. Deposits and current accounts             | 2,874                   | 1,016        | 873          | 1,704                | 443           | 31            | 12                 | -            | -            | -                   |
| - Banks  | 532                     | 974          | 740          | 1,212                | 395           | 2             | -                  | -            | -            | -                   |
| - Customers                                    | 2,342                   | 42           | 133          | 492                  | 48            | 29            | 12                 | -            | -            | -                   |
| B.2 Debt securities                            | -                       | -            | -            | -                    | 20            | 715           | 3,101              | 2,715        | 4,488        | -                   |
| B.3 Other liabilities                          | 1,393                   | 1,169        | -            | 48                   | 2             | 3             | 4                  | -            | -            | -                   |
| <b>C. Off-balance sheet transactions</b>       |                         |              |              |                      |               |               |                    |              |              |                     |
| C.1 Financial derivatives with capital swap    |                         |              |              |                      |               |               |                    |              |              |                     |
| - Long positions                               | 82                      | 5,273        | 1,871        | 2,826                | 11,505        | 8,355         | 12,629             | 9,124        | 9,737        | -                   |
| - Short positions                              | 14                      | 4,284        | 3,464        | 5,671                | 8,301         | 13,692        | 19,156             | 11,263       | 10,862       | -                   |
| C.2 Financial derivatives without capital swap |                         |              |              |                      |               |               |                    |              |              |                     |
| - Long positions                               | 6,231                   | 15           | 26           | 91                   | 361           | 1,149         | 1,544              | -            | -            | -                   |
| - Short positions                              | 6,215                   | 81           | 126          | 45                   | 720           | 931           | 1,796              | -            | -            | -                   |
| C.3 Deposits and loans to be received          |                         |              |              |                      |               |               |                    |              |              |                     |
| - Long positions                               | -                       | 51           | -            | 14                   | -             | -             | -                  | -            | -            | -                   |
| - Short positions                              | 7                       | 4            | -            | 54                   | -             | -             | -                  | -            | -            | -                   |
| C.4 Commitments to disburse funds              |                         |              |              |                      |               |               |                    |              |              |                     |
| - Long positions                               | -                       | -            | -            | -                    | 9             | -             | -                  | -            | 158          | -                   |
| - Short positions                              | 158                     | 5            | -            | -                    | 4             | -             | -                  | -            | -            | -                   |
| C.5 Financial guarantees given                 | -                       | -            | -            | -                    | -             | -             | -                  | -            | -            | -                   |
| C.6 Financial guarantees received              | -                       | -            | -            | -                    | -             | -             | -                  | -            | -            | -                   |
| C.7 Credit derivatives with capital swap       |                         |              |              |                      |               |               |                    |              |              |                     |
| - Long positions                               | -                       | -            | -            | -                    | -             | -             | -                  | -            | -            | -                   |
| - Short positions                              | -                       | -            | -            | -                    | -             | -             | -                  | -            | -            | -                   |
| C.8 Credit derivatives without capital swap    |                         |              |              |                      |               |               |                    |              |              |                     |
| - Long positions                               | -                       | -            | -            | -                    | -             | -             | -                  | -            | -            | -                   |
| - Short positions                              | -                       | -            | -            | -                    | -             | -             | -                  | -            | -            | -                   |

## Part E - Information on risks and related hedging policies

### Section 5 - Operational risk

#### Qualitative information

##### **A. General aspects, operational processes and methods for measuring operational risk**

Reference is made to the paragraph "A. General aspects, operational processes and methods for measuring operational risk" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.5 Operational risks, Qualitative information, which is herewith quoted entirely.

##### **B. Risks arising from legal disputes**

Reference is made to the paragraph "B. Legal risks" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.5 Operational risks, Qualitative information, which is herewith quoted entirely.

##### **C. Risks arising from employment law cases**

Reference is made to the paragraph "C. Risks arising from employment law cases" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.5 Operational risks, Qualitative information, which is herewith quoted entirely.

##### **D. Risks arising from tax disputes**

Reference is made to the paragraph "D. Risks arising from tax disputes" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.5 Operational risks, Qualitative information, which is herewith quoted entirely.

##### **E. Other claims by customers**

Supporting the business structures, the Compliance function oversees the regulatory environment evolution relating to banking services and products in areas like transparency, financial and investment services and anti-usury. Compliance, as control function, develops rules, checks processes and procedures and monitors complaints trends. The Compliance function, along with the Legal one, also supports analysis and evaluation stages of adequacy of potential "customer care" actions or other initiatives designed to compose particular situations in which UniCredit S.p.A. might be involved in order to define them.

Considering the regulatory complexity and interpretations not always homogeneous, UniCredit S.p.A. time-to-time assesses the accounting of provisions for risk and charges, aimed at facing costs, deemed probable, in a contest that has increased the litigiousness at banking system level.

Concerning the financing of consumer credit, the EU Directive 2008/48 establishes that "the consumer shall be entitled at any time to discharge fully or partially his obligations under a credit agreement. In such cases, he shall be entitled to a reduction in the total cost of credit, such reduction consisting of the interest and the costs for the remaining duration of the contract".

Following the decision of the European Court of Justice in September 2019 (judgment C-383/18 referring to the "Lexitor" case) and the communication of the Banca d'Italia issued in December 2020, UniCredit S.p.A. proceeded to adapt to the most recent interpretation of this legislation. Therefore, in the event of a request for early repayment of the loan, the consumer is entitled to pay off his debt net of costs not yet accrued on the repayment date.

In consideration of the above, as well as the interpretations prior to the aforementioned communication of Banca d'Italia, the Bank noted the guidelines issued by the Authority and by decision of Constitutional Court of 22 December 2022 adapting to the framework outlined, and has carried out the appropriate assessments, also to preserve the quality of the customers relationship.

## Part E - Information on risks and related hedging policies

### *Diamond offer*

Over the years, within the diversification of investments to which the available assets are addressed and also considering in this context those investments with the characteristics of the so-called "safe haven" with a long-term horizon, several UniCredit S.p.A. customers have historically invested in diamonds through a specialised intermediary company, with which the Bank has stipulated, since 1998, a collaboration agreement as "Introducer", in order to regulate the "reporting" methods of the offer of diamonds by the same company to UniCredit S.p.A. customers.

Since the end of 2016, the liquidity available on the market to meet the requests of customers who intended to divest their diamond assets has contracted to a certain extent until it became nil, with the suspension of the service by the brokerage company.

In 2017 UniCredit S.p.A. started a "customer care" initiative which envisaged the availability of the Bank to intervene for the acknowledgement towards the customer of the original cost incurred for the purchase of precious items and the consequent withdrawal of the stones, upon certain conditions. The initiative has been adopted by the Bank assessing the absence of responsibility for its role as "Introducer"; nevertheless, the AGCM ascertained the responsibility of UniCredit S.p.A. for unfair commercial practice (confirmed in appeal by the Administrative Regional Court in the second half of 2018), imposing, in 2017, a fine of €4 million paid in the same year. The Bank has filed an appeal to the Council of State. With a sentence of 11 March 2021, the Council of State accepted the appeal brought by UniCredit S.p.A. against the fine imposed by reducing the amount of the fine to €2.8 million and sentenced AGCM to return 1.2 million, amount reimbursed in June 2021.

For the sake of completeness, it should be noted that on 8 March 2018, a specific communication was issued from Banca d'Italia concerning the "Related activities exercisable by bank", in which large attention was given to the reporting at the bank branches of operations, purchase and sale of diamonds by specialised third-party companies.

As at 31 December 2022, UniCredit S.p.A. received reimbursement requests for a total amount of about €413 million (cost originally incurred by the Clients) from No.12,381 Customers; according to a preliminary analysis, such requests fulfill the requirements envisaged by the "customer care" initiative; the finalization of the reimbursement requests is currently carried out, aimed at assessing their effective compliance with the "customer care" initiative, and then proceed with the settlement where conditions recur; with reference to the scope outlined above (€413 million), reimbursed No.11,906 customers for about €404 million (equivalent value of original purchases), equal to about 98% of the reimbursement requests said above.

In order to cope with the probable risks of loss related to the repurchases of diamonds, a dedicated Provision for risks and charges was set up; its quantification was also based on the outcome of an independent study (commissioned to a primary third company) aiming at evaluating the diamonds' value.

Finally, in line with a strategy that envisages its disposal in the short term, the gems purchased are recognised for about €54 million in item "120. Other assets" of the balance sheet.

On 19 February 2019, the judge in charge of the preliminary investigation at the Court of Milan had issued an interim seizure directed to UniCredit S.p.A. and other financial institutions aimed at: (i) direct confiscation of the amount of €33 million against UniCredit S.p.A. for the offence of aggravated fraud and (ii) indirect as well as direct confiscation of the amount of €72 thousand for the offence of self-laundering against UniCredit S.p.A. From the seizure order it emerged that investigations for the administrative offence under article 25-octies of Legislative Decree No.231/2001 are pending against UniCredit S.p.A. for the crime of self-laundering.

On 2 October 2019, the Bank and certain individuals had received the notice of conclusion of the investigations pursuant to article 415-bis of the Italian Code of criminal procedure. The notice had confirmed the involvement of certain current and former employees for the offence of aggravated fraud and self-laundering. With regard to the latter, self-laundering serves as a predicate crime for the administrative liability of the Bank under Legislative Decree No.231/2001.

In September 2020, a new notice pursuant to article 415-bis of the Italian code of criminal procedure was served on certain individuals already involved in the proceedings. The allegations against the UniCredit S.p.A. individuals only pertain to the offence of fraud. Such new allegations did not modify the overall investigative framework as per the notice served in the autumn of 2019. In June 2021 the public prosecutor had issued the formal request of indictment against certain current and former employees. The case was transferred to the Prosecution Office of Trieste following jurisdiction challenges made by the suspected individuals. The case, which had reached the preliminary hearing phase, is back at the investigations stage. The interim seizures of €33 million and €72 thousand ordered in February 2019 have been lifted.

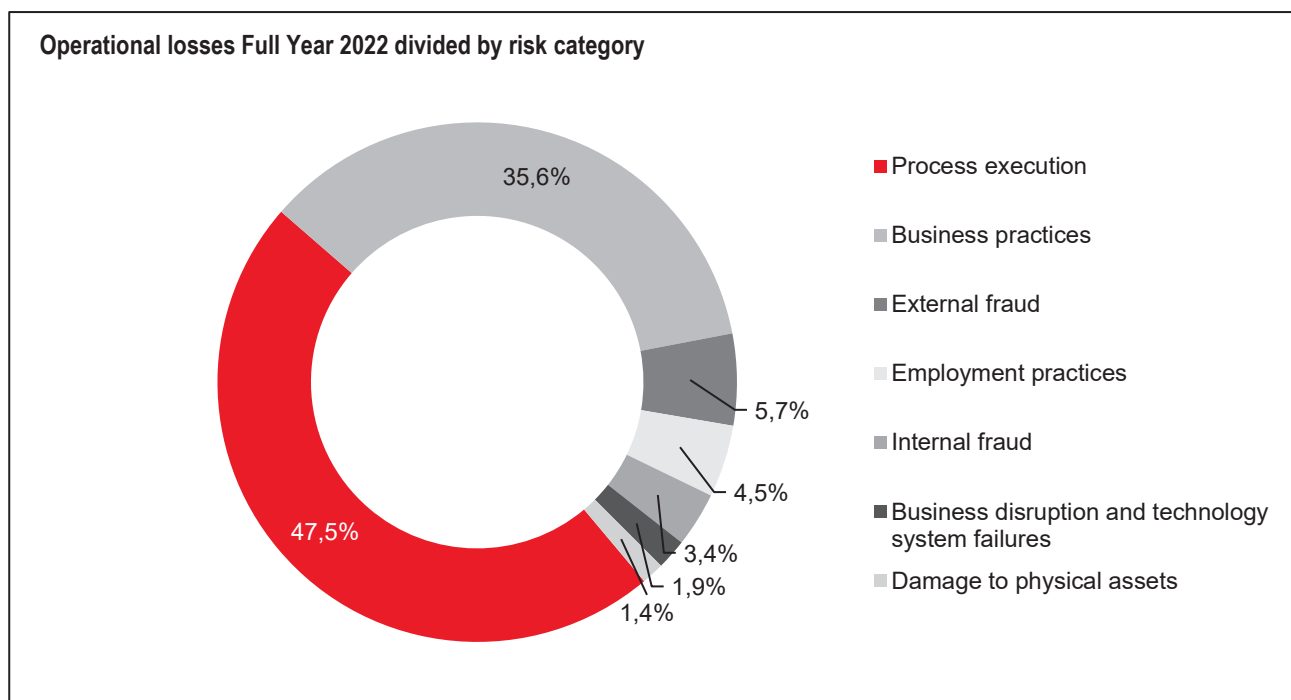
In February 2023, the Prosecution Office of Trieste requested the dismissal of the case against the individuals and dismissed the case against the Bank with reference to the charge of self-laundering. The measure has been approved by the General Prosecution Office at the Court of Appeal of Trieste, so the investigation against the Bank is formally concluded. The Judge for the Preliminary Investigations then formally dismissed the case, accepting the Prosecutor's request.

The file will be sent back to Prosecution Office of Milan in relation to the charges of fraud against the individuals.

## Part E - Information on risks and related hedging policies

### Quantitative information

Reference is made to the paragraph “Quantitative information” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.5 Operational risks, which is herewith quoted entirely.



In 2022, the main source of operational risk (for this purpose, the positive effects, due to (i) the release of provisions set aside in previous year in relation to UCB AG minority shareholders squeeze-out proceeding, (ii) the insurance recovery related to an internal fraud case occurred in 2005, have not been considered) is the category “errors in process management execution and delivery” due to operational or process management shortfalls.

The second largest contribution is “clients, products and business practices”, which includes losses arising from the non-fulfilment of professional obligations towards clients or from the nature or characteristics of the products or services provided.

There were also, in decreasing order, losses stemming from “external fraud”, “employment practices”, “internal fraud”, “business disruption and technology system failures” and “material damage”.

## Section 6 - Other risks

### Other risks included in Economic capital

Reference is made to the paragraph “Other risks included in Economic Capital” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.6 Other risks, which is herewith quoted entirely.

### Reputational risk

Reference is made to the paragraph “Reputational risk” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.6 Other risks, which is herewith quoted entirely.

### Top and emerging risks

Reference is made to the paragraph “Top and emerging risks” of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.6 Other risks, which is herewith quoted entirely.

## Part F - Shareholders' equity

## Section 1 - Shareholders' equity

## A. Qualitative information

Reference is made to the paragraph "A. Qualitative information" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts Part F - Consolidated shareholders' equity, Section 1 - Consolidated Shareholders' Equity which is herewith quoted entirely.

## B. Quantitative information

## B.1 Company shareholders' equity: breakdown

| ITEMS/VALUES  | AMOUNT AS AT  |               |
|---|---------------|---------------|
|   | 31.12.2022    | 31.12.2021    |
| <b>1. Share capital</b>   | <b>21,220</b> | <b>21,133</b> |
| <b>2. Share premium reserve</b>   | <b>2,516</b>  | <b>5,446</b>  |
| <b>3. Reserves</b>  | <b>23,707</b> | <b>15,131</b> |
| - from profits  | 18,618        | 9,425         |
| a) legal  | 1,518         | 1,518         |
| b) statutory  | 15,754        | 6,828         |
| c) treasury shares  | -             | -             |
| d) other  | 1,346         | 1,079         |
| - other <sup>(*)</sup>  | 5,089         | 5,706         |
| <b>4. Equity instruments</b>  | <b>6,100</b>  | <b>6,595</b>  |
| <b>5. Treasury shares</b>   | <b>-</b>      | <b>(199)</b>  |
| <b>6. Revaluation reserves</b>  | <b>712</b>    | <b>793</b>    |
| - Equity instruments designated at fair value through other comprehensive income                        | (231)         | (260)         |
| - Hedge accounting of equity instruments designated at fair value through other comprehensive income    | -             | -             |
| - Financial assets (different from equity instruments) at fair value through other comprehensive income | 163           | 407           |
| - Property, plant and equipment   | 741           | 698           |
| - Intangible assets   | -             | -             |
| - Hedges of foreign investments   | -             | -             |
| - Cash flow hedges  | 18            | (14)          |
| - Foreign investments hedging   | -             | -             |
| - Exchange differences  | -             | -             |
| - Non-current assets and disposal groups classified as held for sale                                    | -             | -             |
| - Financial liabilities designated at fair value through profit or loss (own creditworthiness changes)  | (45)          | (87)          |
| - Actuarial gains (losses) on defined benefit plans   | (212)         | (228)         |
| - Changes in valuation reserve pertaining to equity method investments                                  | -             | -             |
| - Special revaluation laws  | 277           | 277           |
| <b>7. Net profit (loss)</b>   | <b>3,107</b>  | <b>10,366</b> |
| <b>Total</b>  | <b>57,362</b> | <b>59,265</b> |

## Note:

(\*) The sub-item "Reserves - other" includes a part of the "Legal reserve" (€2,738 million) also constituted, as resolved by the approval of the Ordinary Shareholders' Meeting of 11 May 2013, 13 May 2014, 4 April 2016 and 15 April 2021, with the withdrawal from the "Share premium reserve".

Shareholders' equity as of 31 December 2022, additionally to the changes in capital explained in detail in the Notes to the accounts, Part B - Balance sheet - Liabilities, Section 12 - Shareholders' equity, reflects, among the others, the changes resulting from the Shareholders' Meeting resolutions of 8 April 2022 regarding:

- the payment of a cash dividend to shareholders for a total amount of €1,170 million from allocation of the net profit of the year 2021;
- the distribution in favor of UniCredit Foundation allocation the amount of €4million for social, charity and cultural initiatives from allocation of the net profit of the year 2021;
- the allocation to the Reserve for the issue of the shares connected to the medium-term incentive plan for Group personnel (€65 million) and to the Statutory reserve (€9,127 million) of the residual net profit of the year 2021 not distributed;
- the coverage of the negative reserves totaling €380 million, partly buy use of Share premium reserve to eliminate the negative components related to the payment of AT1 coupons (€350 million) and partly by use of the Statutory reserve to cover the negative reserve emerged from the cash-out related to the usufruct contract connected to the Cashes financial instruments (€30 million);
- the use of part of the Share premium reserve (€2,580 million) for the purchase of treasury shares aimed at remunerating the shareholders as part of the year 2021 distribution ("the Buy-Back Programme 2021") which resulted in the purchase in two separate tranches and the subsequent cancellation, without reduction of the share capital, of No.249,134,870 UniCredit ordinary shares for a total consideration equal to the maximum expenditure approved (€2,580 million).

## Part F - Shareholders' equity

## B.2 Revaluation reserves of financial assets at fair value through other comprehensive income: breakdown

(€ million)

| ASSETS/VALUES        | AMOUNT AS AT 12.31.2022 |                  | AMOUNT AS AT 12.31.2021 |                  |
|----------------------|-------------------------|------------------|-------------------------|------------------|
|                      | POSITIVE RESERVE        | NEGATIVE RESERVE | POSITIVE RESERVE        | NEGATIVE RESERVE |
| 1. Debt securities   | 238                     | (75)             | 429                     | (22)             |
| 2. Equity securities | 67                      | (298)            | 69                      | (329)            |
| 3. Loans             | -                       | -                | -                       | -                |
| <b>Total</b>         | <b>305</b>              | <b>(373)</b>     | <b>499</b>              | <b>(351)</b>     |

## B.3 Revaluation reserves of financial assets at fair value through other comprehensive income: annual change

(€ million)

| ASSETS/VALUES  | CHANGES IN 2022 |                   |          |
|--|-----------------|-------------------|----------|
|  | DEBT SECURITIES | EQUITY SECURITIES | LOANS    |
| <b>1. Opening balance</b>  | <b>407</b>      | <b>(260)</b>      | <b>-</b> |
| <b>2. Positive changes</b>   | <b>1,479</b>    | <b>61</b>         | <b>-</b> |
| 2.1 Fair value increases   | 1,388           | 12                | -        |
| 2.2 Net losses on impairment   | 7               | X                 | -        |
| 2.3 Reclassification through profit or loss of negative reserves: following disposal | 79              | X                 | -        |
| 2.4 Transfers to other comprehensive shareholders' equity (equity instruments)       | -               | 26                | -        |
| 2.5 Other changes  | 5               | 23                | -        |
| <b>3. Negative changes</b>   | <b>(1,723)</b>  | <b>(32)</b>       | <b>-</b> |
| 3.1 Fair value reductions  | (1,432)         | (30)              | -        |
| 3.2 Recoveries on impairment   | (1)             | (2)               | -        |
| 3.3 Reclassification through profit or loss of positive reserves: following disposal | (290)           | X                 | -        |
| 3.4 Transfers to other comprehensive shareholders' equity (equity instruments)       | -               | -                 | -        |
| 3.5 Other changes  | -               | -                 | -        |
| <b>4. Closing balance</b>  | <b>163</b>      | <b>(231)</b>      | <b>-</b> |

## B.4 Revaluation reserves to defined benefit plan: annual changes

(€ million)

|                               | CHANGES IN   |              |
|-------------------------------|--------------|--------------|
|                               | 2022         | 2021         |
| <b>1. Net opening balance</b> | <b>(228)</b> | <b>(236)</b> |
| <b>2. Positive changes</b>    | <b>68</b>    | <b>19</b>    |
| 2.1 Fair value increase       | 199          | 2            |
| 2.2 Other changes             | (131)        | 17           |
| <b>3. Negative changes</b>    | <b>(52)</b>  | <b>(11)</b>  |
| 3.1 Fair value reductions     | (51)         | (11)         |
| 3.2 Other changes             | (1)          | -            |
| <b>4. Closing balance</b>     | <b>(212)</b> | <b>(228)</b> |

## Section 2 - Own funds and regulatory ratios

For information on the regulatory ratios of UniCredit S.p.A. at the reference date and for the comparison with the previous periods refer to the own funds disclosure reported into the UniCredit group disclosure (Pillar III).



## Part G - Business combinations

### Section 1 - Business combinations completed in the year

#### 1.1 Business combinations

Business combinations with counterparties outside the Group are performed using the “purchase method” as required by IFRS3 “Business Combinations”, cited in the disclosure of accounting policies, part A.2 - Main items of the accounts.

In 2022 the Bank did not carry out any business combinations outside the Group.

With reference to the business combinations within the Group during 2022 the following mergers by incorporation were carried out with retroactive accounting effect to 1 January 2022 as a part of the broader reorganization process of the Group, aimed at simplifying the structure and better exploiting the operational, administrative and corporate synergies:

- on 23 May 2022 took effect the merger by incorporation of Cordusio SIM S.p.A. in UniCredit S.p.A. aimed at simplifying the structure and better exploiting the operational, administrative and corporate synergies, making it possible to complete the concentration within UniCredit of the activities previously carried out by Cordusio SIM and allowing for a rationalization and optimization of decision-making levels, resource management and structural costs.
- on 1 October 2022 took effect the merger by incorporation of UniCredit Services S.C.p.A. in UniCredit S.p.A. aimed at encouraging the simplification of digital services by allowing the development of a homogeneous approach to IT services in all the countries where the Group is present;
- on 1 November 2022 took effect the merger by incorporation of Crivelli S.r.l. in UniCredit S.p.A. aimed at simplifying and improving the management of the building held, saving administrative costs.

It should also be noted the following business combinations carried out by UniCredit Services S.C.p.A. during 2022 before the merger into UniCredit S.p.A.: i) on 1 July 2022 transfer to UniCredit Bank AG GmbH of the business unit “Operations division” of the Munich Branch of UniCredit Services S.C.p.A. and ii) on 1 July 2022 transfer from UniCredit Services GmbH Romania to UniCredit Services S.C.p.A. Romania Branch of the IT business unit.

### Section 2 - Business Combinations completed after year-end

No business combinations have been completed after year end.

### Section 3 - Retrospective adjustments

No retrospective adjustments have been applied in 2022 on business combinations completed in previous years.

## Part H - Related-party transactions

### Introduction

Refer to the paragraph "Introduction" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, which is herewith quoted entirely.

### 1. Details of Key management personnels' compensation

Details of Key management personnel's 2022 remuneration are given below pursuant to IAS24 and to the Circular No.262 dated 22 December 2005 of Banca d'Italia (and subsequent amendments) requiring that also the Statutory Auditors' compensation be included.

Key management personnel are persons having authority and responsibility for planning, directing, and controlling UniCredit's activities, directly or indirectly. This category includes the Chief Executive Officer and the other members of the Board of Directors, the Statutory Auditors, the Chief Audit Executive and the Group Executive Committee (GEC) members, body that reports directly to the Chief Executive Officer, excluding the Heads of Group Strategy & ESG and Group Stakeholder Engagement.

#### Remuneration paid to key management personnel (including directors)

|   | (€ million) |           |
|---|-------------|-----------|
|   | YEAR 2022   | YEAR 2021 |
| a) short-term employee benefits                   | 24          | 21        |
| b) post-retirement benefits                       | 1           | 1         |
| <i>of which: under defined benefit plans</i>      | -           | -         |
| <i>of which: under defined contribution plans</i> | 1           | 1         |
| c) other long-term benefits                       | -           | -         |
| d) termination benefits                           | 5           | 15        |
| e) share-based payments                           | 7           | 13        |
| <b>Total</b>                                      | <b>37</b>   | <b>50</b> |

The information reported above include the compensation paid to Directors (€7 million), Statutory Auditors (€1 million) and other Managers with strategic responsibilities (€16 million), as shown in the document "Information Tables Pursuant Art.84 -quarter "Annual Report - Section II" of the Regulation No.11971 Issued by Consob" attached to the "2022 Group Remuneration Policy", and about €13 million relating to other costs (the company share of social security contributions, accruals to severance pay funds and share-based payments using UniCredit and its subsidiaries' equity instruments).

The compensation paid shows a substantial decrease compared to fiscal year 2021, mainly related to: (i) the lower payment of compensation related to the termination of employment during the year; (ii) the fact that the 2021 costs had been exceptionally affected by the need to recognise in Profit and Loss, in accordance with international accounting standards, the entire amount of the Share Award that had been assigned to the CEO upon his hiring.

## Part H - Related-party transactions

## 2. Related-party transactions

The following table sets out the assets, liabilities, guarantees and commitments, for each group of related parties, pursuant to IAS24.

## Related-party transactions: balance sheet items

|   | AMOUNTS AS AT 31.12.2022 |                |                      |                          |                       |               | % ON ACCOUNTS ITEM SHAREHOLDERS(*) | % ON ACCOUNTS ITEM |
|---|--------------------------|----------------|----------------------|--------------------------|-----------------------|---------------|------------------------------------|--------------------|
|   | CONTROLLED               | JOINT VENTURES | ASSOCIATED COMPANIES | KEY MANAGEMENT PERSONNEL | OTHER RELATED PARTIES | TOTAL         |                                    |                    |
| Cash and cash balances  | 450                      | -              | -                    | -                        | -                     | 450           | 0.82%                              | -                  |
| Financial assets at fair value through profit or loss               | 12,269                   | -              | 43                   | -                        | -                     | 12,312        | 52.34%                             | -                  |
| a) Financial assets held for trading                                | 9,929                    | -              | -                    | -                        | -                     | 9,929         | 52.86%                             | -                  |
| c) Other financial assets mandatorily at fair value                 | 2,340                    | -              | 43                   | -                        | -                     | 2,383         | 52.54%                             | -                  |
| Financial assets at fair value through other comprehensive income   | 1,042                    | -              | -                    | -                        | -                     | 1,042         | 3.87%                              | -                  |
| Financial assets at amortised cost                                  | 34,009                   | -              | 280                  | 1                        | -                     | 34,290        | 13.20%                             | -                  |
| a) Loans and advances to banks                                      | 14,101                   | -              | -                    | -                        | -                     | 14,101        | 45.11%                             | -                  |
| b) Loans and advances to customers                                  | 19,908                   | -              | 280                  | 1                        | -                     | 20,189        | 8.84%                              | -                  |
| Hedging derivatives (assets)  | 13,238                   | -              | -                    | -                        | -                     | 13,238        | 96.34%                             | -                  |
| Non-current assets and disposal groups classified as held for sale  | 13                       | -              | 13                   | -                        | -                     | 26            | 11.16%                             | -                  |
| Other assets  | 180                      | -              | 122                  | -                        | -                     | 302           | 4.55%                              | -                  |
| <b>Total assets(**)</b>   | <b>61,201</b>            | <b>-</b>       | <b>458</b>           | <b>1</b>                 | <b>-</b>              | <b>61,660</b> | <b>16.00%</b>                      | <b>-</b>           |
| Financial liabilities at amortised cost                             | 11,130                   | -              | 166                  | 9                        | 29                    | 11,334        | 3.33%                              | 51                 |
| a) Deposits from banks  | 10,806                   | -              | -                    | -                        | -                     | 10,806        | 14.48%                             | 32                 |
| b) Deposits from customers  | 204                      | -              | 166                  | 9                        | 29                    | 408           | 0.19%                              | 19                 |
| c) Debt securities in issue   | 120                      | -              | -                    | -                        | -                     | 120           | 0.25%                              | -                  |
| Financial liabilities held for trading and designated at fair value | 8,271                    | -              | -                    | -                        | -                     | 8,271         | 31.71%                             | -                  |
| Hedging derivatives (liabilities)                                   | 15,723                   | -              | -                    | -                        | -                     | 15,723        | 96.89%                             | -                  |
| Other liabilities   | 85                       | -              | 92                   | -                        | -                     | 177           | 2.55%                              | 3                  |
| <b>Total liabilities(***)</b>                                       | <b>35,209</b>            | <b>-</b>       | <b>258</b>           | <b>9</b>                 | <b>29</b>             | <b>35,505</b> | <b>9.12%</b>                       | <b>54</b>          |
| Guarantees given and commitments(***)                               | 12,911                   | -              | 34                   | -                        | -                     | 12,945        | 7.58%                              | 1                  |

Note:

(\*) Shareholders and related companies holding more than 2% of voting shares in UniCredit.

Other assets mandatory at fair value include UniCredit Bank AG's Additional Tier 1 issuances, subscribed by UniCredit S.p.A. in October 2020, for a nominal amount of €1,700 million and evaluated at year end €1,481 million, with an impairment of €379 million into Profit & Loss and UniCredit Bank Austria AG's Additional Tier 1 issuances, subscribed by UniCredit S.p.A. in December 2021, for a nominal amount of €600 million and evaluated at year end €475 million, with an impairment of €140 million.

The value of the percentage on accounts item, referred to "Commitments and guarantees given", has been calculated on the total of the tables "1. Commitments and financial guarantees given (different from those designated at fair value)" and "2. Others commitments and others guarantees given" in Notes to the accounts, Part B - Balance sheet, Liabilities, Other information.

## Part H - Related-party transactions

The following table sets out the impact of transactions, for each group of related parties, on income statements, pursuant to IAS24.

## Related-party transactions: profit and loss items

|   | AMOUNTS AS AT 31.12.2022 |                |                      |                          |                       |            | (€ million)        |                 |                    |
|---|--------------------------|----------------|----------------------|--------------------------|-----------------------|------------|--------------------|-----------------|--------------------|
|   | CONTROLLED               | JOINT VENTURES | ASSOCIATED COMPANIES | KEY MANAGEMENT PERSONNEL | OTHER RELATED PARTIES | TOTAL      | % ON ACCOUNTS ITEM | SHAREHOLDERS(*) | % ON ACCOUNTS ITEM |
| 10. Interest income and similar revenues  | 320                      | -              | 5                    | -                        | -                     | 325        | 5.86%              | -               | -                  |
| 20. Interest expenses and similar charges | 233                      | -              | (1)                  | -                        | -                     | 232        | 13.28%             | -               | -                  |
| <b>30. Net interest margin</b>            | <b>553</b>               | <b>-</b>       | <b>4</b>             | <b>-</b>                 | <b>-</b>              | <b>557</b> | <b>14.66%</b>      | <b>-</b>        | <b>-</b>           |
| 40. Fees and commissions income           | 149                      | -              | 768                  | -                        | -                     | 917        | 19.29%             | 35              | 0.74%              |
| 50. Fees and commissions expenses         | (41)                     | -              | -                    | -                        | -                     | (41)       | 6.31%              | -               | -                  |
| <b>60. Net fees and commissions</b>       | <b>108</b>               | <b>-</b>       | <b>768</b>           | <b>-</b>                 | <b>-</b>              | <b>876</b> | <b>21.35%</b>      | <b>35</b>       | <b>0.85%</b>       |
| 70. Dividend income and similar revenues  | -                        | -              | -                    | -                        | -                     | -          | -                  | -               | -                  |
| 190. Administrative expenses              | (83)                     | -              | (354)                | (1)                      | (4)                   | (442)      | 7.87%              | (3)             | 0.05%              |
| a) Staff costs                            | (1)                      | -              | 1                    | (1)                      | -                     | (1)        | 0.03%              | -               | -                  |
| b) Other administrative expenses          | (82)                     | -              | (355)                | -                        | (4)                   | (441)      | 18.76%             | (3)             | 0.13%              |
| 230. Other operating expenses/income      | 804                      | -              | (31)                 | -                        | -                     | 773        | 69.58%             | (1)             | 0.09%              |

## Note:

(\*) Shareholders and related companies holding more than 2% of voting shares in UniCredit.

The "Other related-parties IAS" category includes:

- close family members of key management personnel (i.e. those family members who, as is expected, may influence, or be influenced by, the person in question);
- companies controlled (or jointly controlled) by key management personnel or their close family members;
- Group employee post-employment benefit plans.

With reference to the description of main transactions with related parties related to UniCredit S.p.A., reference is made to the corresponding paragraph "Part H - Related-party transactions" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, which is herewith quoted entirely.

## Part I - Share-based payments

### A. Qualitative information

#### 1. Description of payment agreements based on own equity instruments

For the part that concern the delivery of UniCredit shares reference is made to the paragraph "1. Description of payment agreements based on own equity instruments" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part I - Share-based payments, Qualitative information, which is herewith quoted.

### B. Quantitative information

#### 1. Annual changes

Reference is made to the paragraph "1. Annual changes" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts, Part I - Share-based payments, Quantitative information, which is herewith quoted.

#### 2. Other information

All Share-Based Payment granted after 7 November 2002 whose vesting period ends after 1 January 2005 are included within the scope of the IFRS2.

#### Financial statement presentation related to share based payments

(€ million)

|  | 2022        |              | 2021        |              |
|--|-------------|--------------|-------------|--------------|
|  | TOTAL       | VESTED PLANS | TOTAL       | VESTED PLANS |
| <b>(Costs)/Revenues</b>                            | <b>(29)</b> |              | <b>(41)</b> |              |
| - connected to equity-settled plans <sup>(1)</sup> | (29)        |              | (41)        |              |
| - connected to cash-settled plans                  | -           |              | -           |              |
| <b>Debts for cash-settled plans</b>                | <b>-</b>    | <b>-</b>     | <b>-</b>    | <b>-</b>     |

**Note:**

(1) Includes costs for €5.7 million related to golden parachute.

## Part L - Segment reporting

Segment reporting of UniCredit S.p.A., parent company of the UniCredit banking group, is provided to the paragraph "Part L - Segment reporting" of the Consolidated financial statements of UniCredit group, Notes to the consolidated accounts.

## Part M - Information on leases

### Section 1 - Lessee

#### Qualitative information

The Bank in conducting its business, signs lease contracts for which accounts for rights of use that mainly relate to the following type of tangible assets:

- buildings;
- electronic systems;
- others (e.g., cars).

These contracts are accounted for in accordance with rules set in accounting standard IFRS16 further detailed in Part A - Accounting policies, A.2 - Main items of the accounts, 15. Other Information.

The rights of use deriving from these lease contracts are mainly used to provide for services or for administrative purposes and accounted for according to the cost method. If these rights of use are sub-leased to third parties, a financial or operating lease contract is booked based on their characteristics.

It is worth to specify that, as allowed by the accounting standard, the Bank has decided not to account for rights of use or lease liabilities in case of:

- short-term leases, lower than 12 months; and
- lease of low value assets. In this regard, an asset is considered as low value if its fair value when new is equal to or lower than €5 thousand. This category mainly includes office machines (PCs, monitors, tablets, etc.) as well as fixed and mobile telephony devices.

As a result, the lease payments deriving from this type of activity are booked in item "160. Administrative expenses" on an accrual basis.

#### Quantitative information

The book value of the rights of use arising from lease contracts are exposed in the Section 8 - Property, plant and equipment of the Notes to the accounts, Part B - Balance sheet, Assets.

During the year, these rights of use resulted in the recognition of depreciations for €186 million of which:

- €180 million relating to buildings;
- €6 million relating to the other category (eg. cars).

In addition, impairment for €7 million has been booked.

With reference to leasing liabilities, the related book value is shown in the paragraph Section 1 - Financial liabilities at amortised cost of the Notes to the accounts, Part B - Balance sheet, Liabilities refer to this section.

During the year, these lease liabilities led to the recognition of interest expenses shown in the Section 1 - Interests - Item 10 e 20 of the Notes to the accounts, Part C - Income statement.

With reference to short-term leases and leases of low value assets, it should be noted that during the year, rentals were accounted for €58 million. It should be noted that such amount also includes VAT on rentals which is not included in the lease liability calculation.

For the purposes of determining the lease term, the Bank considers the non-cancellable period established by the contract, during which the lessee has the right to use the underlying asset as well as any renewal options where the lessee has reasonable expectation to proceed with the renewal. In particular, with reference to contracts that provide the lessee with the option to automatically renew the lease at the end of a first period, the lease term is determined considering elements such as the duration of the first period, the existence of any plan leading to the disposal of the asset leased as well as any other circumstance indicating the reasonable certainty of renewal.

Therefore, the amount of cash flows, not reflected in the calculation of the lease liability, to which the Bank is potentially exposed, is essentially due to the possible renewal of lease contracts and the subsequent extension of the lease term not included in the original calculation of the lease liabilities taking into account the information available and expectations existing as at 1 January 2019 (date of initial application of IFRS16) or on the starting date of the lease.

## Part M - Information on leases

### Section 2 - Lessor

#### Qualitative information

The Bank carries out financial leasing activities associated with the sublease of properties both to other Group's companies and to third parties. These contracts are exposed through the recognition of a credit for financial leases recognised in item "40. Financial assets at amortised cost", and the booking of the related income on an accrual basis in item "10. Interest income and similar revenues" and of the impairment for the expected credit loss in item "130. Net losses/recoveries on credit impairment".

Operating leases activities, on the other hand, are essentially attributable to the leasing of owned properties.

These contracts are represented through the recognition, on an accrual basis, of the rentals received in item "200. Other operating expenses/income".

#### Quantitative information

##### 1. Balance sheet and Income statement information

With reference to financial lease contracts, the book value of credit for financial leases is shown in Section 4 - Financial assets at amortised cost of the Notes to the accounts, Part B - Balance sheet, Assets.

Such loans determined, during the year, interest income shown in Section 1 - Interests - Items 10 and 20 of Notes to the accounts, Part C - Income statement.

With reference to operating lease contracts, it should be noted that the book value of the owned assets granted under operating lease is composed as follows:

- Land: €63 million;
- Buildings: €126 million.

Rentals recognised on an accrual basis during the year for leasing of these activities are shown in Section 14 - Other operating expenses/income of these Notes to the accounts, Part C - Income statement.

##### 2. Financial leases

##### 2.1 Classification for time bucket of Payments to be received and Reconciliation with Lease Loans booked in the Assets

| TIME BUCKET                                    | (€ million)                       |                                   |
|--|-----------------------------------|-----------------------------------|
|  | 31.12.2022                        | 31.12.2021                        |
|  | PAYMENTS TO BE RECEIVED FOR LEASE | PAYMENTS TO BE RECEIVED FOR LEASE |
| Up to 1 year                                   | 7                                 | -                                 |
| 1 year to 2 years                              | 7                                 | 1                                 |
| 2 year to 3 years                              | 8                                 | 2                                 |
| 3 year to 4 years                              | 7                                 | 2                                 |
| 4 year to 5 years                              | 5                                 | 1                                 |
| Over 5 years                                   | 11                                | 65                                |
| <b>Total Payments to be received for lease</b> | <b>45</b>                         | <b>71</b>                         |
| <b>RECONCILIATION WITH LOANS</b>               |                                   |                                   |
| Unpaid Financial Profits (-)                   | 1                                 | -                                 |
| Not guaranteed Residual Amount (-)             | -                                 | -                                 |
| <b>Lease Loans</b>                             | <b>44</b>                         | <b>71</b>                         |

The value shown in the table represents the gross exposure. This value is decreased by impairment, equal to €1 million, leading to the amount of €43 million shown among in Section 4 - Financial assets at amortised cost of Notes to the accounts, Balance sheet, Assets.

##### 2.2 Other information

With regard to financial leases, the credit risk associated with the contract is managed according to what is stated in Section 1 - Credit risk of the Notes to the accounts, Part E - Information on risks and related hedging policies.

The classification of the contract as a finance lease is determined by the fact that the risks and rewards of the leased right of use are transferred to the lessee mainly through contract durations substantially aligned with the useful life of the related right.



## Part M - Information on leases

### 3. Operating leases

#### 3.1 Classification for time bucket of Payments to be received

| TIME BUCKET       | (€ million)                       |                                   |
|-------------------|-----------------------------------|-----------------------------------|
|                   | 31.12.2022                        | 31.12.2021                        |
|                   | PAYMENTS TO BE RECEIVED FOR LEASE | PAYMENTS TO BE RECEIVED FOR LEASE |
| Up to 1 year      | 6                                 | 17                                |
| 1 year to 2 years | 6                                 | 17                                |
| 2 year to 3 years | 5                                 | 16                                |
| 3 year to 4 years | 5                                 | 16                                |
| 4 year to 5 years | 4                                 | 14                                |
| Over 5 years      | 19                                | 70                                |
| <b>Total</b>      | <b>45</b>                         | <b>150</b>                        |

#### 3.2 Other information

There is no further significant information to report compared to the above.



## Annual Financial Statements certification pursuant to Art.81-ter of Consob regulation No.11971/99, as amended

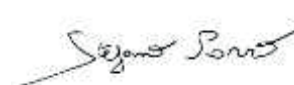
1. The undersigned Andrea Orcel (as Chief Executive Officer) and Stefano Porro (as the Manager charged with preparing the financial reports) of UniCredit S.p.A., also in compliance with Art.154-bis, (paragraphs 3 and 4) of Italian Legislative Decree No.58 of 24 February 1998, hereby certify:
  - the adequacy in relation to the Legal Entity's features, and
  - the actual application of the administrative and accounting procedures employed to draw up the 2022 Annual Financial Statements.
  
2. The adequacy of the administrative and accounting procedures employed to draw up the 2022 Annual Financial Statements has been evaluated by applying a model developed by UniCredit S.p.A., in accordance with the "Internal Control - Integrated Framework (CoSO)" and the "Control Objective for IT and Related Technologies (Cobit)", which represent generally accepted international standards for internal control system and for financial reporting in particular.
  
3. The undersigned also certify that:
  - 3.1 the 2022 Annual Financial Statements:
    - a) were prepared in compliance with applicable international accounting standards recognised by the European Community pursuant to European Parliament and Council Regulation No.1606/2002, of 19 July 2002;
    - b) correspond to the results of the accounting books and records;
    - c) are suitable to provide a fair and correct representation of the economic and financial situation of the issuer;
  - 3.2 the Report on Operations includes a reliable analysis of the operating trend and results as well as of the situation of the issuer, together with a description of the main risks and uncertainties they are exposed to.

Milan, 16 February 2023

Andrea ORCEL



Stefano PORRO





# Report of the Board of Statutory auditors

(English translation of the Italian original document)

**BOARD OF STATUTORY AUDITORS' REPORT  
TO THE SHAREHOLDERS MEETING OF 31 MARCH 2023  
(PURSUANT TO ART.153 OF ITALIAN LEGISLATIVE DECREE N.58/1998 AND ART.2429, PAR. 2, OF THE ITALIAN CIVIL CODE)**

Dear Shareholders,

the Board of Statutory Auditors (hereinafter, also the “BoSA”, the “Control Body”) is called to report to the Shareholders’ Meeting of UniCredit S.p.A. (hereinafter, also the “Bank”, the “Parent Company”, “UniCredit”) on the oversight activity performed during the year and on any detected omissions and censurable facts, pursuant to Art.153 of Italian Legislative Decree No.58/1998 (Consolidated law on finance TUF) and Art.2429, paragraph 2, of the Italian Civil Code. The Board of Statutory Auditors is also entitled to make comments and proposals concerning the financial statements, their approval, and all matters within its remit. This report provides the information required by Consob Communication 1025564/2001 as amended and/or supplemented.

During 2022, the Board of Statutory Auditors performed its institutional duties in compliance with the Italian Civil Code, Italian Legislative Decree No.385/1993 (Consolidated law on banking TUB), No.58/1998 (TUF) and No.39/2010 and subsequent amendments and/or additions, the provisions of the company Bylaws and those issued by the Authorities that exercise supervisory and control activities, also taking into consideration the rules of conduct recommended by the Italian National Board of Certified Public Accountants and Accounting Experts (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili).

## 1. Appointment and activities of the Board of Statutory Auditors

On 8 April 2022, the Shareholders’ Meeting of UniCredit S.p.A. appointed the Board of Statutory Auditors, which had lapsed from office after completing its three-year term, appointing for the subsequent period and until the approval of the financial statements as at 31 December 2024 its members in the persons of Mr. Marco Rigotti (Chairman), Ms. Antonella Bientinesi, Mr. Claudio Cacciamani in place of Mr. Angelo Rocco Bonissoni, Ms. Benedetta Navarra and Mr. Guido Paolucci (Permanent Statutory Auditors), and Mr. Vittorio Dell’Atti, Ms. Paola Manes, Ms. Raffaella Pagani and Ms. Enrica Rimoldi (Substitute Statutory Auditors). The Permanent Statutory Auditors Mr. Marco Rigotti, Ms. Antonella Bientinesi, Ms. Benedetta Navarra and Mr. Guido Paolucci were already present in the previous composition of the BoSA, as were the Substitute Statutory Auditors Ms. Paola Manes, Ms. Raffaella Pagani and Ms. Enrica Rimoldi.

On 5 May 2022, the Board of Statutory Auditors, assessed the suitability of the Board of Statutory Auditors in accordance with current regulations, by verifying the requirements of its Members (Permanent Statutory Auditors and Substitute Statutory Auditors), appointed by the Shareholders’ Meeting held on 8 April 2022. The members of the Board of Statutory Auditors were found to meet the requirements provided by the current regulations.

The assessment’s outcome of the conformity between the qualitative-quantitative composition deemed optimal and the actual one resulting from the appointment process were announced to the Shareholders by means of a press release (on 5 May 2022), to allow the latter to adopt possible measures, in due time for the Shareholders’ Meeting of 31 March 2023, the first Shareholders’ Meeting to approve the financial statements following the full renewal of the Body.

In continuity with the previous three-year period, the Board of Statutory Auditors was assigned the function of Supervisory Body 231/2001, as per the resolution taken by the UniCredit’s Board of Directors at its meeting held on 6 February 2019.

During 2022, the Board of Statutory Auditors held 57 meetings (17 up to 8 April 2022), with an average duration of approximately 3 hours and 30 minutes, of which 46 meetings (14 up to 8 April 2022) were held in ordinary session and 11 meetings (3 up to 8 April 2022) were held in session acting as 231 Supervisory Body. During 2023 and until the date of this Report, the Board of Statutory Auditors met 17 times (of which 15 in ordinary session and 2 acting as 231 Supervisory Body).

During 2022, the Board of Statutory Auditors attended all the meetings of the Board of Directors. The Shareholders’ Meeting held on 8 April 2022 was attended by the Chairman of the Board of the Statutory Auditors - representing the entire Body - due to limitations caused by the Covid-19 epidemiological emergency, while the Shareholders’ Meeting held on 14 September 2022 was attended by the entire Board of Statutory Auditors.

In compliance with the provisions of the “UniCredit - Corporate Bodies and Committees Regulation”, the Chairman of the Board of Statutory Auditors - or another Statutory Auditor appointed by him - attends the meetings of the Board Committees, without prejudice to the right of the other Statutory Auditors to attend the meetings. During 2022, the Chairman of the Board of Statutory Auditors, as a permanent guest, attended all meetings of the Internal Controls & Risks Committee (“IC&RC”); the Chairman of the BoSA also attended the meetings of the Corporate Governance & Nomination Committee and the ESG Committee (Environmental, Social, Governance) established in April 2021, as well as some meetings of the Remuneration Committee.

## Report of the Board of Statutory auditors

Individual members of the Board of Statutory Auditors (based on a rotation established by the BoSA itself at the beginning of its term of office for the entire three-year period) also attended the meetings of the Internal Controls & Risks Committee, the Related Parties Committee, the Remuneration Committee and the ESG Committee. The entire Board of Statutory Auditors attended the meetings of the Internal Controls & Risks Committee when topics of common interest were discussed together with the Manager in charge of preparing the Company's financial statements and the External Auditors (annual and half-yearly financial reports and accounting issues).

In short, in 2022:

- the Chairman Mr. Rigotti attended 25 meetings of the Internal Controls & Risks Committee (including 1 meeting which was jointly held with the ESG Committee), 10 meetings of the Corporate Governance & Nomination Committee (including 1 meeting which was jointly held with the Remuneration Committee), 9 meetings of the ESG Committee (including 1 meeting which was jointly held with the Internal Controls & Risks Committee), and 3 meetings of the Remuneration Committee (including 1 meeting which was jointly held with the Corporate Governance & Nomination Committee);
- the Statutory Auditor Ms. Bientinesi attended 3 meetings of the Internal Control and Risk Committee (including 1 meeting which was jointly held with the ESG Committee), 4 meetings of the ESG Committee (including 1 meeting which was jointly held with the Internal Control and Risk Committee) and 10 meetings of the Related Parties Committee;
- the Statutory Auditor Mr. Bonissoni attended, until 8 April 2022, 1 meeting of the Internal Control and Risk Committee and 6 meetings of the Remuneration Committee;
- the Statutory Auditor Ms. Navarra attended 9 meetings of the Internal Controls & Risks Committee and 5 meetings of the ESG Committee;
- the Statutory Auditor Mr. Paolucci attended 2 meetings of the Internal Control and Risk Committee, 8 meetings of the Remuneration Committee (including 1 meeting which was jointly held with the Corporate Governance & Nomination Committee), 1 meeting of the Corporate Governance & Nomination Committee (including 1 meeting which was jointly held with the Remuneration Committee) and 5 meetings of the Related Parties Committee;
- the Statutory Auditor Mr. Claudio Cacciamani has attended 16 meetings of the Internal Control and Risk Committee since 8 April 2022.

The members of the Board of Statutory Auditors also participated to the permanent induction program for the members of the Board of Directors, carried out, in some cases, with the support of an external consultant, including, inter alia, recurrent training sessions in order to preserve over time the expertise of technical skills needed to consciously play their role.

Specifically, in 2022, the training initiatives dedicated to ICT and ESG strategies and risks, as well as in-depth analyses of legislative and regulatory insights, were organised and delivered to the Statutory Auditors.

The Bank does not provide a specific induction program for the members of the Board of Statutory Auditors.

### 2. Group activities development operations and other corporate transactions

The macroeconomic context in which the Group worked in 2022 was characterized by strong economic uncertainty and multiple related challenges, including Russia's military invasion of Ukraine, geopolitical tensions, slowing global economic growth, a sharp increase in inflation in the countries where the Group is present and an increase in official interest rates.

As stated in the Consolidated Annual Report, the Group's activities in 2022 were oriented towards the implementation of the strategic guidelines identified by the new "UniCredit Unlocked" Strategic Plan (hereinafter, also the "Plan") for the three-year period 2022-2024, which was approved in December 2021, whose objectives are:

- grow in the geographical areas of reference and develop the network of customers, transforming the business model and operating methods of the Group;
- achieve economies of scale from the Group's network of banks, through a technological transformation focused on Digital & Data and operating with a view to sustainability;
- driving financial performance through three interconnected levers under full managerial control: streamlining and improving the efficiency across the organization with very strong management on costs, organic generation of capital, increase in revenues net of loan loss provisions to achieve profitability above the cost of capital;
- to enable, through the new business model, a high organic generation of capital with a significantly greater and progressively growing distribution to shareholders, while maintaining or exceeding the CET1 ratio of 12.5-13 percent.

The Board of Statutory Auditors noted in time, through the information acquired during its meetings and the related analyses performed, as well as through its participation at the meetings of the Board of Directors, that the Management Team focused strongly on the fulfilment of the new Plan and that, despite the uncertainties of the global economic context and the negative effects deriving from geopolitical tensions, during the year, the Group achieved the strategic guidelines set by the aforementioned Plan.

The net profit stated recorded in the year at Group level was €6,458 million, compared to €2,096 million achieved in 2021.

Group net profit, on the other hand, stood at €5,227 million, compared to €3,539 million achieved in 2021 and includes a loss of -€220 million attributable to Russia, which in 2021 recorded a net positive result of €218 million. Group net profit excluding Russia amounts to €5,447 million up by 64.0% compared to €3,321 million of the previous year.

# Report of the Board of Statutory auditors

The minimum capital requirements applicable to the Group as at 31 December 2022 in coherence with CRR Article 92 are the following (Pillar 1):

- Common Equity Tier 1 Capital: 4.50%
- Tier 1 Capital: 6.00%
- Total capital: 8.00%

In addition to such requirements, for 2022 the Group shall also meet the following additional requirements:

- 1.75%, as Pillar 2 Requirements (Pillar 2 Requirement) in coherence with SREP results (Supervisory Review and Evaluation Process);
- 2.50%, as Capital Conservation buffer (CCB), according to CRDIV Article 129;
- 1.00%, as Global Systemically Important Institutions (G-SII) buffer;
- 0.13%, as Countercyclical Capital buffer (CCyB buffer) according to the CRDIV Article 130, to be calculated on a quarterly basis.

Moreover, the article 104a.4 of CRDV allows banks to partially use capital instruments that do not qualify as CET1 capital (e.g. Additional Tier 1 or Tier 2 instruments) to meet the Pillar 2 Requirements (P2R). As consequence, in line with Pillar 2 Requirements, required in coherence with 2021 SREP results and equal to 1.75%, UniCredit group shall meet:

- At least the 0.98% of such requirement through Common Equity Tier 1 Capital in the assumption, fulfilled as at 31 December 2022, that the amount of AT1 Capital exceeds the regulatory minimum of 1.50% (i.e. being 1.97%);
- At least the 1.31% of such requirement through Tier 1 capital in the assumption, fulfilled as at 31 December 2022, that the amount of T2 Capital exceeds the regulatory minimum of 2.00% (i.e. being 2.77%).

Therefore, as at 31 December 2022, the Group shall meet the following overall capital requirements:

- Common Equity Tier 1 Capital: 9.12%
- Tier 1 Capital: 10.95%
- Total Capital: 13.38%

As at 31 December 2022, UniCredit Group's ratios are compliant with all the above requirements.

On 15 December 2022, following the communication received from the European Central Bank (ECB - European Central Bank) in relation to the 2022 Supervisory Review and Evaluation Process (SREP), UniCredit announced that its Pillar 2 Capital Requirement (P2R) is 200 basis points. Thus, there is no impact on UniCredit's 2022 and future distribution ambitions, funding plan and capital targets, which remain as per guidance.

Based on the Board of Directors' approval of the financial results as of 31 December 2022, disclosed to the market on 31 January 2023, the Board of Directors of UniCredit S.p.A., in its meeting held on 16 February, approved the Draft Company's Financial Statements and the Consolidated Financial Statements as of 31 December 2022, recording a net profit of €3,107 million for UniCredit S.p.A. and a net profit of €6,458 million at Consolidated level.

With regard to **the transactions and initiatives involving shareholdings**, explained in the financial statements report, please note the following:

### **Execution of the put option on the entire stake held in ABH Holdings S.A.**

In November 2021, UniCredit S.p.A. exercised its put option right for the disposal of its entire stake in ABH Holdings S.A., equal to 9.9% of the share capital of the company, pursuant to the shareholders' agreement in force. The shareholding was acquired in 2016, in the context of the disposal of its Ukrainian bank (Ukrsotsbank).

The closing of the transaction, originally expected in the first semester of 2022, will be finalised as soon as possible, in line with current laws and regulations. The carrying value of the stake is aligned to the euro equivalent of the put option price (\$325 million). The price of the put option will be partially offset by the liability amount related to a guarantee given by UniCredit S.p.A. in the context of the disposal of Ukrsotsbank; the liability amount is already fully covered by specific provisions.

### **Completion of the disposal of the stake in Yapi Kredi**

In April 2022, UniCredit S.p.A. completed the disposal of its remaining stake in Yapi ve Kredi Bankası A.S. to Koc Holding A.S., representing 18% of the issued share capital of the company.

Following such disposal, UniCredit S.p.A. is no longer a shareholder of Yapi ve Kredi Bankası A.S.

### **Acquisition of the stake in Zagrebačka banka**

On 30 September 2022, UniCredit S.p.A. purchased from Allianz SE its entire stake (11.72% of the share capital) held in Zagrebačka banka dioničko društvo ("Zaba"), a leading Croatian bank, belonging to UniCredit Group. On 14 October 2022, Allianz Holding EINS GmbH acquired the 16.84% of the share capital from Zaba in the Croatian insurance company, Allianz Hrvatska dioničko društvo za osiguranje.

## Report of the Board of Statutory auditors

### Reorganization of the Group

During 2022, in the broader process of reorganization of the Group, aimed at simplifying its structure, the following mergers by incorporation into UniCredit S.p.A. were completed:

- merger by incorporation of **Cordusio Sim S.p.A.**: took effect during the month of May 2022. The merger aimed at simplifying the structure and better exploiting operational, administrative, and corporate synergies, making it possible to complete the concentration within UniCredit of the activities previously carried out by Cordusio SIM and allowing for a rationalization and optimization of decision-making levels, resource management and structural costs;
- merger by incorporation of **UniCredit Service S.C.p.A.**: took effect in October 2022, aimed at encouraging the simplification of digital services by allowing the development of a homogeneous approach to IT services in all countries where the Group is present;
- merger by incorporation of **Crivelli S.r.l.**: took effect in November 2022, aimed at simplifying and improving the management of the building held, allowing administrative cost savings.

Especially, with reference to the mergers by incorporation of Cordusio Sim S.p.A. and UniCredit Service S.C.p.A., the Board of Statutory Auditors performed specific deepening with the relevant structures, by analyzing the organizational, corporate and tax profiles of the aforementioned transactions, and held specific meetings with the Chairman of the Board of Statutory Auditors of the two Companies to consider the possible impacts resulting from the status of the internal control system of the merging entities.

In relation to the aforementioned transactions and the other transactions described in the Consolidated Annual Report, including the initiatives of disposal of non-performing loan portfolios, the Board of Statutory Auditors, based on the analyses carried out and the information obtained, including through attendance at the Board of Directors' meeting and examination of the related documentation, and based on the information available, can reasonably consider the transactions themselves compliant with the law and the Bank's Articles of Association and not manifestly imprudent, reckless, contrary to the resolutions of the Shareholders' Meeting, or such as to compromise the integrity of the corporate assets.

### 3. Atypical or unusual transactions

The financial statements report, the information received during the meetings of the Board of Directors and the information provided by the Chairman, the CEO, the Management, the Head of Internal Audit, the direct subsidiaries' Boards of Statutory Auditors, and the External Auditor revealed no atypical or unusual transactions, performed with third parties, related parties or intragroup.

### 4. Related-party transactions

UniCredit S.p.A. has adopted the Global Policy "Transactions with related parties, associated persons and Corporate Officers ex Art. 136 CBA" (Consolidated Banking Act), containing provisions to be observed in the management of: (i) Transactions with related parties pursuant to the CONSOB Regulation; (ii) Transactions with associated persons pursuant to the Banca d'Italia Regulation; (iii) The obligations of bank representatives pursuant to art. 136 of Legislative Decree 385/1993.

The above-mentioned Policy was approved in June 2021 by UniCredit's Board of Directors with the positive opinion of the Related-Parties Committee and the Board of Statutory Auditors. The next review of the Global Policy in question will be carried out once CONSOB has issued interpretative communication relating to CONSOB Resolution 21624/2020 on related parties.

During the reporting period, the Board of Statutory Auditors also examined an audit report (global view) on the "Related Parties transaction management process" and noted the "Mostly Adequate" assessment.

The financial statements report contains information relating to related-party transactions, together with the related certifications (pursuant to paragraph 8 of Article 5 of the Consob Regulation containing the provisions on related-party transactions adopted by resolution No.17221/2010 and subsequent amendments ruling "Public information on related-party transactions"). Specifically, by stating that:

- according to the Global Policy "Transactions with related parties, associated persons and Corporate Officers ex Art.136 CBA" adopted by the Board of Directors of UniCredit S.p.A. on 8 June 2021 and published on the website [www.unicreditgroup.eu](http://www.unicreditgroup.eu), during 2022, the Bank's Presidio Unico received no reports of transactions of greater importance ended in the period;
- during 2022, no transactions with related parties as defined by Article 2427, paragraph 22-bis of the Civil Code were conducted, under different conditions from normal market conditions and materially affecting the Group's financial and economic situation;
- during 2022, there were no changes or developments in the individual transactions with related parties already described in the previous annual report that had a material effect on the Group's financial position or results during the reference period.

### 5. Oversight of the external audit activity

Directive 2014/56/EU Art.28 amended Directive 2006/43/EC concerning external audit and was transposed in Italy with Legislative Decree No.135/2016, which updated Italian Legislative Decree No.39/2010. Regulation (EU) 537/2014 of 16 April 2014, Art.10 (hereafter also the "Regulation") defines the specific requirements of the audit report for public interest entities.

The Company financial statements of UniCredit S.p.A. and the Consolidated financial statements of UniCredit Group as at 31 December 2022 are audited by the External Auditors KPMG S.p.A. (hereinafter, also "KPMG") pursuant to Legislative Decree No.39 of 27 January 2010, which took over from Deloitte & Touche S.p.A. in execution of the resolution passed by the UniCredit Shareholders' Meeting held on 9 April 2020, with KPMG being appointed as the External Auditor for the 2022-2030 financial years.



## Report of the Board of Statutory auditors

The financial statements of the other Group's companies are audited by the External Auditor KPMG S.p.A. itself or other companies of the KPMG network. KPMG is no longer present in Russia. Consequently, the companies are not audited by KPMG or its network, in that country.

Pursuant to Art.19 of Italian Legislative Decree No.135/2016, the Board of Statutory Auditors performed, during 2022 and until the date of this Report to the Shareholding's Meeting, an in-depth monitoring process of the activity performed by the External Auditor, noting, already in February 2022, the activities performed by the latter, acting as the new External Auditor, aimed at acquiring full knowledge of the Group and to start the financial reporting review for the 1Q 2022.

Specifically, the BoSA scheduled a series of specific meetings during the various audit phases, during which it examined, inter alia:

- the resources and hours budgeted for the 2022 external audit;
- the Transparency Report for the financial year ending 30 September 2022;
- the scope of work, materiality and significant risk 2022;
- the 2022 Audit Plan;
- the 2022 Group Audit timetable.

The Board of Statutory Auditors also analyzed the methodology adopted by the External Auditor and acquired the necessary information during the task, with constant interaction on the audit approach used for the different significant areas of the financial statements, sharing the issues related to corporate risks, as well as receiving updates on the audit progress and on the main aspects examined by the External Auditor.

In November 2022, the Board of Statutory Auditors met in two separate sessions with the **Partners of the KPMG network**, in charge of the audits of UniCredit Bank AG (Germany), UniCredit Bank Austria AG, and the Banks based in Croatia, Czech Republic and Slovakia, Bulgaria, Romania, Serbia, Bosnia and Herzegovina, Hungary, Slovenia, as well as the Italian subsidiaries UniCredit Factoring S.p.A, UniCredit Leasing S.p.A., for the usual annual update on the scenario developments in the various countries and on the main results of their respective audit activities.

The Board of Statutory Auditors examined the following reports of the External Auditor KPMG S.p.A., whose activity supplements the general framework of the control functions required by the regulations regarding financial information process:

- the auditing reports issued on 6 March 2023, pursuant to Art. 14 of Italian Legislative Decree 39/2010 and Art. 10 of Regulation (EU) No.537/2014;
- the additional report issued on 6 March 2023, pursuant to article 11 of the aforementioned Regulation, to the Board of Statutory Auditors in its capacity as Internal Control and Auditing Committee;
- the annual confirmation of independence, issued on 6 March 2023, pursuant to Art.6, par.2), subpar. a) of the Regulation and pursuant to paragraph 17 of ISA Italia 260.

The aforementioned reports on the audit of the Company financial statements of UniCredit S.p.A. and the Consolidated financial statements of the UniCredit Group highlight that they both provide a truthful and correct representation of the equity and financial situation of UniCredit S.p.A. and of the UniCredit group at 31 December 2022, of the economic performance and cash flow for the year ended on that date, in accordance with the International Financial Reporting Standards adopted by the European Union as well as the provisions issued in implementation of Art.9 of Italian Legislative Decree No.38/2005 and of Article 43 of Italian Legislative Decree No.136/2015.

Furthermore, in the opinion of the External Auditor, the Consolidated report on operations and some specific information contained in the Report on Corporate Governance and Ownership Structure indicated in Article 123-bis, paragraph 4, of Italian Legislative Decree No.58/1998 (TUF) are consistent with the financial statements of UniCredit S.p.A. and with the consolidated financial statements of the UniCredit group at 31 December 2022, and are prepared pursuant to the law. With reference to the possible identification of significant errors in the Management Report (Article 14, paragraph 2, subparagraph E) of Italian Legislative Decree No.39/2010), the External Auditor declared that he had nothing to report.

The reports on the auditing of the financial statements of UniCredit S.p.A. and the consolidated financial statements show the key matters that, according to the professional opinion of the External Auditor, were more significant in the accounting audit of the Company and consolidated financial statements for the year under review [ISA Italy 701]:

- Classification and measurement of loans and receivables with customers recognised under financial assets at amortised cost
- Classification and measurement of financial assets and liabilities at fair value levels 2 and 3.

As regards the above-mentioned key matters, where the External Auditor's reports illustrate the related audit procedures adopted, the External Auditor does not express a separate opinion, as the same have been dealt within the audit, and in the assessment of the financial statements as a whole. The above-mentioned key matters were subject to in-depth analysis updating during the periodic meetings that the Board of Statutory Auditors held with the External Auditor.

The above-mentioned reports also contain the External Auditor's assessment of the compliance with the provisions of the Delegated Regulation 2019/815 (EU) regarding the preparation of the financial statements and consolidated financial statements.

## Report of the Board of Statutory auditors

The Board of Statutory Auditors met regularly with the External Auditor, as required by Article 150, paragraph 3, of Italian Legislative Decree 58/1998 (TUF) for a mutual exchange of information. It informed the Board of Statutory Auditors that there were no censurable actions or facts or irregularities which would have required specific reporting under Article 155, paragraph 2, of Italian Legislative Decree 58/1998 (TUF). Considering the foregoing, the Board of Statutory Auditors deems the process of interaction with the External Auditor to be adequate and transparent.

### 6. Oversight on the independence of the External Auditors

During the 2022 financial year, pursuant to Article 19 of Italian Legislative Decree 39/2010, the Board of Statutory Auditors verified and monitored the independence of the External Auditor KPMG S.p.A., pursuant to Articles 10, 10-bis, 10-ter, 10-quater and 17 of the aforementioned decree and Article 6 of the Regulation (EU) 537/2014 dated 16 April 2014 (the "Regulation"), specifically with regard to the provision of services other than auditing (so-called "non-audit services") to the audited entity. Furthermore, as previously stated (see previous paragraph), the Board of Statutory Auditors received by KPMG Sp.A. the declaration confirming its independence.

Since January 2017, for the purposes of the correct application of the Regulation, the Bank has adopted an internal regulation containing operating instructions addressed to all the companies of the UniCredit Group so that they may submit each individual non-audit assignment for the assessment and approval of the Control Body of each Group company (Board of Statutory Auditors, Audit Committee or equivalent Body), and subsequently to the UniCredit S.p.A. Board of Statutory Auditors to issue its final binding prior opinion. In addition, the Board of Statutory Auditors noted the information concerning non-audit services prepared through a preventive and four-monthly flow by the competent function: pursuant to this process, all the companies of the UniCredit Group contributed to the transmission of the data requested and required by internal regulations, to enable the timely monitoring of the costs of the services provided to the External Auditor and by all entities belonging to the KPMG S.p.A. Network.

Based on the 2022 final data, the value of the services provided to the UniCredit Group companies by the Group's External Auditor and the companies belonging to its Network amounts to approximately €20.5 million, of which €15.7 million for audit services, €4.5 million to verification/attestation services and €0.3 million to other non-audit services. At Group level, the costs of other non-audit services assigned to the External Auditors and the Companies belonging to its network decreased by 95% compared to 2021.

With reference to the information concerning the Parent Company only, provided in the statement relating to the "Publication of the remuneration - UniCredit S.p.A. - 2022 financial year - KPMG network", the Board of Statutory Auditors noted that the costs of the services assigned to the External Auditor, compared to the costs of services assigned in 2021 to the previous External Auditor, decreased by 40% with a total cost of €4.6 million, of which €3.2 million for audit services, €1.2 million for verification/attestation services and €0.2 million for other non-audit services.

The ratio between the cost of non-audit services provided by the Parent Company's Auditor KPMG, and the audit services' costs referred to the first year of its appointment, amounted to 8% for 2022, below the 70% limit set by the internal regulations adopted by the Bank and the applicable external regulations ("fee cap").

With regard to the planning of non-audit services for 2023, KPMG S.p.A. is expected to be assigned services with a total equivalent value of approximately €0.6 million, with a forecast fee cap of 15%. Please note that, according to the regulations, non-audit services required by national or European Union rules, or those representing a charge for the benefit of a certain discipline, are not significant for determining the fee cap.

### 7. Oversight of the financial information process

For the purposes of overseeing the financial reporting processes, the Board of Statutory Auditors, in addition to the above-mentioned in-depth analysis carried out with the External Auditors, which did not reveal significant critical issues of the internal control system concerning the financial reporting process, carried out the planned and periodic meetings with the Manager in charge of preparing the financial statements and the competent Accounting and Group Risk Management structures.

The administrative and accounting procedures for drafting the half-yearly report and the Company and consolidated financial statements and all other financial information were set up under the responsibility of the Manager in charge of preparing the financial statements who, together with the CEO, certifies that they are adequate and actually applicable.

As stated in the financial statements, Directive 2004/109/EC (the "Transparency Directive") and Delegated Regulation (EU) 2019/815 introduced the obligation for issuers of securities listed on regulated markets in the European Union to draw up the annual financial report in the XHTML language, based on the European Single Electronic Format (ESEF) approved by ESMA. For 2022, the consolidated financial statements have been "marked" with the ESEF taxonomy, using an integrated computer language (iXBRL).

During the above-mentioned periodic meetings, the Manager in charge of preparing the financial statements did not report any significant shortcomings in the operating and control processes that could undermine the overall adequacy and actual application of the administrative and accounting procedures, in order to correctly represent the economic, asset and financial aspects of the accounting events in compliance with international accounting standards.

## Report of the Board of Statutory auditors

The Board of Statutory Auditors noted the updates to the internal regulations concerning the internal control system applicable to Financial Reporting and the Manual on Group accounting Rules and Principles, and the revision of the methodology for estimating the cost of equity, approved by the Board of Directors at its meeting held on 16 January 2023.

The Board of Statutory Auditors therefore examined the “**Report on the status of the Internal Control System on Financial Reporting - Management Report**” regarding the certification campaign pursuant to the Law 262/05 of the consolidated and individual financial statements as at 31 December 2021, submitted to the Board of Directors on 16 February 2023.

Compared to a total of 358 companies fully consolidated, based on the criteria defined in the internal regulations, the companies subject to the 262-certification campaign amount to 33 covering 98% of the Group Total Aggregated Assets (“GTAA”).

The certification campaign as at 31 December 2022, which for UniCredit S.p.A. involved 519 processes that undergo 2,094 checks, and 1,953 processes relating to the other Group companies on which there were a total of 5,256 checks, ended with the issuance of all the so-called “internal certifications” to the Manager in charge of preparing the financial statements of UniCredit S.p.A. by the corresponding managers of the other Group companies subject to the campaign.

The Board of Statutory Auditors noted that the increase of processes and controls for UniCredit S.p.A., compared to the previous certification campaigns, was due to the recent merger by incorporation of UniCredit Services S.C.p.A.. With regard to such processes and controls referred to the previous periods, a declaration was issued for the benefit of the Legal Entities served.

The Board of Statutory Auditors positively noted that, in line with such review of the 262 processes’ perimeter, the Group Manager in Charge Staff structure of UniCredit S.p.A. was strengthened and that the latter delivered specific modules and training sessions to the staff of UniCredit S.p.A. and other Legal Entities of the Group, with the aim of supporting the Law 262/05 process. In addition, with reference to the significant topics identified for UniCredit S.p.A., the Board of Statutory Auditors noted the analyses performed by the Manager in charge of preparing the financial reports with the structures involved, as well as the enhancements made to the Group application for the campaign management, as part of a dedicated project that will continue with further initiatives and refinements during 2023. Finally, the Board of Statutory Auditors recognised that:

- the Group Remediation Plan as at 31 December 2022 included only 1 corrective measure (for which a remedial action, with the budget already approved, has already been defined);
- the IT General Controls campaign made it possible to verify the closure of all pre-existing gaps as at 4Q22 and to identify 2 new remedial actions with no significant risk elements.

The Board of Statutory Auditors examined the procedures’ outcomes performed by the External Auditor required by the Bank (“Agreed upon procedures”) about the UniCredit Group’s disclosure (Pillar III) as at December 2022 by UniCredit S.p.A.

With regard to activities related to the strengthening of the governance of data and information (**Data Quality**), as well as the strongest safeguards serving the decision-making and risk-control processes, a topic on which the Board of Statutory Auditors has long paid significant attention over time, during 2022, the BoSA kept monitoring the **Data Roadmap** and the related multi-year strategic initiative called **Umbrella Program**. The program is led by the Group Risk Management, Group Finance and Group Digital & Information structures and concerns initiatives aimed at improving and strengthening Data Aggregation Capabilities, Data Architecture & Infrastructure and Data Governance within the Finance and Risk areas, in order to increase the accuracy of the Group’s data and the relative flexibility in data aggregation, to meet new or ad hoc regulatory requirements also in the context of stress scenarios, also considering the Supervisor’s recommendations.

The Board of Statutory Auditors observed that the program of initiatives and actions foreseen by the Umbrella Program in the 2020 - 2023 period was basically on track with no points of attention, and noted that the necessary allocations were approved, in line with the forecasts. The Board of Statutory Auditors noted that, in line with the updates of the Group’s Multi-Year Plan, the programme’s continuation (2023 – 2026 period) is underway with a review of the Umbrella portfolio – focusing on 2023 – to assess whether top priorities and other causes are in place, that might be rescheduled in future, in line, however, with the commitments towards the Supervisor, who has raised no criticalities so far. The Board of Statutory Auditors required the Management to receive regular updates in order to keep monitoring the programme’s progress and regular Supervisor’s feedback.

As part of the afore-mentioned analyses, the Board of Statutory Auditors also noted the new **Management Report on Data Governance and Data Quality**, to submit to ECB (by the banks considered Significant Institutions, including UniCredit S.p.A.), and which included, inter alia, the Senior Management’s certification regarding its awareness and accountability on issues related to internal, financial, and supervisory reporting issues as identified by the ECB itself. The BoSA considered that the introduction of this new certification will further strengthen the Management’s focus on the above-mentioned profiles as well as on effective data production processes.

In view of the information received, and the analyses performed, as mentioned below, the Board of Statutory Auditors considered the current administrative-accounting system, overall, adequate to the provisions of the current reference regulations and suitable for correctly representing the management events.

## Report of the Board of Statutory auditors

### **Risks and uncertainty relating to the use of estimates**

As stated in the financial statements report, the current market environment continues to be affected by high levels of uncertainty for both the short and the medium-term outlook. The economic consequences stemming from the geopolitical tension are continuing to unfold and darken the outlook for the euro area economy, pushing up inflationary pressures.

In this respect, according to ECB's macroeconomic projections updated in December 2022, the outlook for the euro area foresees weak growth, high and persistent inflation, high interest rates, and an appreciation of the euro. The negative economic repercussions are expected to be partially mitigated by the energy-related fiscal measures that will support economic growth in 2023. This is offset by the withdrawal of previous COVID-19-related fiscal support.

The effects on natural gas stocks and the energy market resulting from the consequences of the military invasion of Ukraine must also be considered.

In the context of persisting uncertainty explained above and considering the ESMA communication issued in October 2022 ("European common enforcement priorities for 2022 Annual Financial Reports"), in which the most relevant areas for the application of the reporting requirements for 2022 Year End financial statements were indicated, including the effects arising from the current macroeconomic environment (pandemic, inflation, higher interest rates, deterioration of business climate, geopolitical risks and uncertainties regarding future outlook), UniCredit Group has defined different macro-economic scenarios, to be used for the purposes of the evaluation processes of the Consolidated financial statements as at 31 December 2022.

In particular, in addition to the "Baseline" scenario (so called "Baseline" or "Mild Recession"), which reflects the expectations considered most likely concerning macro-economic trends, a Downturn Scenario (so called "Downturn" or "Severe Recession") has been outlined, the latter reflecting a downward forecast of the macroeconomic parameters and consequently in the expected profitability of the business.

In light of the persistent level of uncertainty, no positive scenario was included in the approach (thus, the positive scenario was weighted at zero percent). These scenarios are used for the DTA sustainability test, for the measurement of equity investments in subsidiaries and for LLP calculation.

The results of these assessments may be subject to change depending on the evolution of geopolitical tensions, the higher and more persistent level of inflation and, ultimately, the extent of economic recovery. Any deviation of the actual economic recovery from the assumptions underlying the assessments may require a re-calculation of the parameters used for assessments, specifically with regard to future income flows, and the consequent assessments' review.

The Board of Statutory Auditors analyzed in-depth, with the relevant structures, the assessments and the following different assumptions that led to the scenario review, by recommending the adoption of a prudential approach, in view of the most significant macroeconomic data.

### **Valuation of Credit Exposures**

With reference to the credit exposures as at 31 December 2022, the macroeconomic scenarios used for calculation of credit risk parameters (Probability of Default, Loss Given Default, Exposure at Default) were updated according to the Group policies, on the basis of the scenarios highlighted above. In this regard, the forecast on interest rates was revised upward, in line with the announced monetary policy and market evolution. Specifically, the ECB Refinancing interest rate is assumed to further rise in 2023 (vs. end-of-year levels of 250bps), and to gradually reduce afterwards in 2024 and 2025. The same assumptions are kept for the Downturn Scenario.

In light of the persistent level of uncertainty, the overall blended probability was worsened by eliminating the positive scenario (whose weighting was reduced from 5% to 0%), correspondently increasing the Baseline scenario from 55% to 60%; eventually, the Downturn scenario was kept at 40%. In this regard, it must be noted that the amount of loan loss provisions is determined by considering: (i) The classification, current and expected, of credit exposures as non-performing; (ii) The sale prices, for those non-performing exposure whose recovery is expected through sale to external counterparties; (iii) Credit parameters (Probability of Default, Loss Given Default and Exposure at Default) which, in accordance with IFRS9, incorporate - among the other factors - the forward looking information and the expected evolution of the macro-economic scenario.

### **Measurement of Real estate portfolio**

Starting from 31 December 2019, the Group changed its accounting policy for the measurement of real estate properties moving from a cost model to a fair value model for properties held for investment and revaluation model for properties used in business.

For these assets, on 31 December 2022, the fair value has been determined through external appraisals, following the Group guidelines.

In this context, as also indicated in the financial statements report, the Board of Statutory Auditors pointed out that in the upcoming financial years, the fair value of these assets might be different from the fair value observed as at 31 December 2022, as a result of the possible evolution of real estate market, which appear to be significantly influenced by the current macroeconomic dynamics and a highly volatile environment.

## Report of the Board of Statutory auditors

With regard to **other measurements**, as stated in the financial statements, the Board of Statutory Auditors highlighted that the following additional Balance sheet items might be significantly affected in their evaluation by risks and uncertainties, even if not directly connected with the slow-down of the economic activity and the associated uncertainty level of the economic recovery:

- fair value of financial instruments not listed in active markets;
- severance pay (in Italy) and other employee's benefits (including defined benefit obligation);
- provisions for risks and charges.

While evaluations have been made on the basis of information deemed to be reasonable and supportable as at 31 December 2022, they might be subject to changes not foreseeable at the moment, as a result of the evolution in the parameters used for the evaluation.

Furthermore, the following factors, in addition to those illustrated above, might influence the future results of the Group and cause outcomes materially different from those deriving from the valuations: (i) General economic and industrial conditions of the regions in which the Group operates or holds significant investments; (ii) Exposure to various market risks (e.g. foreign exchange risk); (iii) Political instability in the areas in which the Group operates or holds significant investments; (iv) Legislative, regulatory and tax changes, including regulatory capital and liquidity requirements. Other unknown and unforeseeable factors could determine material deviations between actual and expected results.

### **Implications of geopolitical tensions between Russia and Ukraine on Consolidated financial statements**

As stated in the financial statements, UniCredit Group holds assets and liabilities potentially exposed to the consequences of geopolitical tensions arising from the military invasion of Ukraine, and specifically: (i) The Russian subsidiaries included in the accounting consolidation perimeter; (ii) The financial assets held by UniCredit S.p.A. and its non-Russian subsidiaries towards Russian counterparties.

With reference to the Russian subsidiaries, the geopolitical tensions determined:

- the recognition of write downs following: (i) The update of the macroeconomic scenario for IFRS9 purposes; (ii) The downgrades of Russia Sovereign; (iii) The overlays to cope with persisting uncertainties stemming from the potential evolution of the crisis;
- the adoption of a mark-to-model approach (from the previous mark-to-market) for the fair value measurement of Russian government bonds, to reflect the perspective of UniCredit group (i.e., a western based financial institution) for which the Russian market is not immediately accessible and therefore its quoted prices cannot be representative of fair value for consolidated purposes;
- the recognition of effects relating to the measurement of derivatives, following sanctions and restrictions;
- the adoption of specific XVA methodology to reflect the offshore risk.

With reference to financial assets held by UniCredit S.p.A. and its non-Russian subsidiaries toward Russian counterparties, the geopolitical crisis determined write-downs stemming from:

- the update of the macroeconomic scenario for IFRS9 purposes;
- the downgrade of Russia Sovereign, impacting the credit risk assessment of the financial assets held towards Russian Multinational counterparties, banks and financial institutions;
- the recognition of overlays to cope with: (i) The potential additional losses in asset valuation for Russian financial instruments, being the non-Russian entities of the Group qualifiable as offshore investors towards these assets and, as such, penalised when compared to onshore ones (i.e. Russian domestic); (ii) The spill-over effects of geopolitical crisis on non-Russian financial instruments, with specific reference to specific categories of customers deemed particularly vulnerable in case of severe evolution of the crisis.

The Notes to the consolidated accounts detail all the aforementioned effects for Russian Subsidiaries and UniCredit S.p.A. non-Russian subsidiaries.

### *Geopolitical overlay resulting from the military invasion of Ukraine*

During 2022, the uncertainties on the economic activities arising from Covid-19 pandemics progressively faded away as demonstrated by the lifting of the restrictive measures put in place by the Governments to counteract the pandemic. On the contrary, the geopolitical uncertainties significantly increased throughout the year: indeed, the start of the Russian-initiated conflict in Ukraine acted as a headwind to the economic growth as the spill-over effect of the conflict continued leading to revise the outlook for the euro area economy, also pushing up inflationary pressures and interest rates.

The Board of Statutory Auditors noted that, in order to consider, when calculating the Loan Loss Provision, the sharp rise in energy costs, inflation and interest rates for both corporate and private individuals, UniCredit adopted geopolitical overlay, whose details are provided in the financial statements, as a complementary measure to the IFRS9 models. Such models, by their structure, have been already properly and directly proving to recognize the effect of geopolitical crises. In this context, while the IFRS 9 models - and in particular satellite models - are able to include the effect of the macro-economic scenario at portfolio level, the geopolitical overlays act on specific sub-portfolios considered particularly vulnerable in case contingent situations may evolve to severe stressed conditions.

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As of 31 December 2022, the geopolitical overlays amount to €1.8 billion, broken-down according to the following components:

- corporate energy-intensive industry sectors prone to be more affected by spill-over effects of the Russian-led conflict in Ukraine, specifically impacting the energy supply and related price soaring;
- retail clients, for: (i) Floating rate mortgages (not having overdue instalments), given the sensitiveness in this context of increasing interest rate/inflation, and (ii) At least 1 unpaid instalment on their exposures, the latter indicative of counterparties with already difficulties in payments and as such particularly vulnerable in this specific contingency.

The geopolitical overlays also include the cluster of credits related to Italian corporate counterparties previously belonging to the former moratoria overlay. With regard to all the aspects highlighted above, the Board of Statutory Auditors performed many in-depth analyses with the relevant structures and the External Auditor.

The Board of Statutory Auditors, together with the relevant functions of the Bank, examined in detail the methodology and process adopted in the analysis of litigation, and in the analysis and assessment of **provisions for risks and charges**, and required to be periodically and promptly updated on the evolution of the main situations.

To provide for possible liabilities and costs that may result from pending legal proceedings (excluding labour law and tax cases), as at 31 December 2022, UniCredit Group set aside a provision for risks and charges of €620.97 million, of which €296.2 million for the Parent Company UniCredit S.p.A.

Detailed information on **risks deriving from pending legal proceedings** is provided in the financial statements. In particular, with regard to proceedings involving UniCredit S.p.A., the Notes to the consolidated accounts report updates on:

- Madoff;
- proceedings arising out of the purchase of UniCredit Bank AG (“UCB AG”) by the parent company UniCredit S.p.A. and the related Group reorganization (Squeeze-out of UCB AG and UCB Austria AG’s minority shareholders);
- Fino Arbitration;
- Euro-denominated bonds issued by EU countries.

In the financial statements report, the Directors inform about the **proceedings in matters connected to its operations with clients**, which are not specific to UniCredit group, rather affect the financial sector in general.

The proceedings pertaining to **compound interest** mainly involve damages requests from clients arising from the alleged unlawfulness of the calculation methods of the amount of interest payable in connection with certain banking contracts.

As at 31 December 2022, the total claimed amount against the parent company UniCredit S.p.A. was equal to €1.02 billion, mediations included. At present, the Parent Company UniCredit S.p.A. has made provisions that it deems appropriate for the risks associated with these claims.

With regard to the litigation connected to **derivative products**, for which, as at 31 December 2022, the claimed amount against the parent company UniCredit S.p.A. was €366 million, mediations included, the Directors report that several financial institutions, including UniCredit group companies, concluded several derivative contracts, with institutional and non-institutional investors. In Germany and in Italy there are some pending proceedings towards certain Group companies that relate to derivative contracts concluded by both institutional and non-institutional investors. The filing of such litigations affects the financial sector generally and is not specific to the parent company UniCredit S.p.A. and its Group companies. At present, the parent company UniCredit S.p.A. and the involved Group companies have made provisions deemed appropriate, based on the best estimate of the impact which might derive from such proceedings.

With respect to proceedings relating to **foreign currency loans**, it should be noted, as set out in previous Reports that in the last decade, a significant number of customers in the Central and Eastern Europe area took out loans and mortgages denominated in a foreign currency (“FX”). In a number of instances customers, or consumer associations acting on their behalf, have sought to renegotiate the terms of such FX loans and mortgages, including having the loan principal and associated interest payments redenominated in the local currency at the time that the loan was taken out, and floating rates retrospectively changed to fixed rates. In addition, in a number of countries legislation that impacts FX loans was proposed or implemented. These developments resulted in litigation against subsidiaries of the parent company UniCredit S.p.A. in a number of CEE countries including Croatia, Slovenia, and Serbia.

In 2015, the Republic of Croatia enacted amendments to the Consumer Lending Act and Credit Institutions Act mandating the conversion with retroactive effect of Swiss franc (CHF)-linked loans into Euro-linked (the “Conversion Amendments”).

In 2019, the Supreme Court of the Republic of Croatia ruled that the CHF currency clause contained in certain loan and mortgage documentation was invalid. Accordingly, in the course of 2019, court decisions, recent court practice related to FX matters along with the expiration of the statute of limitation for filing individual lawsuits in respect of the invalidity of the interest rate clause, led to a significant increase in the number of new lawsuits against Zagrebacka banka d.d. (“Zaba”). In March 2020, the Supreme Court ruled that agreements entered into following the Conversion Amendments whereby customers converted their CHF mortgages and/or loans into EUR are valid and accordingly no additional payments are due. In May 2022, the ECJ rendered a preliminary ruling regarding the pending requests and stated that i) the ECJ has jurisdiction only in respect to the conversion agreement concluded after Croatia’s accession to the EU, (ii) the Directive on unfair terms in consumer contracts is not applicable in

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cases in which the conversion was based on national law; and iii) any request for payment of amounts addressed to Zaba referring to the unfair contractual terms of the original loan agreement cannot be based on the provisions of the above-mentioned Directive. The ECJ also referred to the Local Courts to finally decide on the conversion agreements and their effects. In March 2021 the Constitutional Court rejected Zaba's application related to the invalidity of the Swiss franc currency clause. In December 2022, the Supreme Court ruled that customers who converted under the Conversion Amendments are entitled to the penalty interest on their overpayments before the conversion (overpayments are the difference between the Swiss-franc denominated annuities paid before the conversion and annuities that would have been paid if the loan was euro denominated). In light of the above, the Directors stated that the provisions which have been booked, are deemed appropriate.

On 2 February 2022, the National Assembly of Republic of Slovenia approved a law aimed at restructuring **consumer loans denominated in CHF**, or those contractually linked to CHF, originated between 28 June 2004 and 31 December 2010, effectively retroactively introducing a 10% exchange rate cap which limits the amount to be repaid by customers, as capital or interest, following revaluation of the CHF against the Euro. During the first half of 2022, Slovenian banks filed a petition to the Slovenian Constitutional court to verify the constitutionality of the law also asking, pending the final ruling by the Court, the suspension of its effects.

As explained by the Directors in the financial statements, as at 30 June 2022, no provision was recognized in light of (i) The circumstance that the Slovenian Constitutional court, admitting the request by the banks, suspended the effects of the law and (ii) The assessment, supported by an external counsel, of the likelihood that the law will be abrogated by the Constitutional court.

During the fourth quarter 2022, the Constitutional Court annulled such law in its entirety, deeming it unconstitutional as it is retroactive and lacking such retroactivity public interest. In light of this, none of the obligations imposed on the banks by such law can be applied.

Among other proceedings, which are explained in the financial statements, the Board of Statutory Auditors examined in-depth **the Bitminer case** in the Republic of Bosnia and Herzegovina, for which there are no significant updates to date since the previous Report to the Shareholders' Meeting. In 2019, a local customer, Bitminer Factory d.o.o. Gradiška ("Bitminer"), filed a lawsuit before the Commercial Section of the Court in Banja Luka claiming damages for the allegedly unjustified termination of its current accounts by UniCredit Bank a.d. Banja Luka ("UCBL"), a subsidiary of the parent company UniCredit S.p.A. in Bosnia and Herzegovina, Republic of Srpska. Bitminer alleged that the termination of its accounts would have obstructed its initial coin offering (ICO) relating to a start-up renewable-energy-powered cryptocurrency mining project in Bosnia and Herzegovina. On 30 December 2021, the Court of First Instance adopted most of Bitminer's claims and ordered UCBL to pay damages in the amount of BAM 256,326,152 (approximately €131.2 million). UCBL appealed the decision in January 2022. The first instance court decision is not final, binding, or enforceable. The ultimate liability of UCBL, if any, will be determined only after all ordinary legal remedies have been exhausted, and in any case not before the final and binding decision of the Appellate Court.

Within the diversification of investments to which the available assets are addressed and also considering in this context those investments with the characteristics of the so-called "safe haven" with a long-term horizon, several UniCredit S.p.A.'s customers have historically invested in **diamonds** through a specialized intermediary company, with which the Bank has stipulated, since 1998, a collaboration agreement as "Introducer", in order to regulate the "reporting" methods of the offer of diamonds by the same company to UniCredit customers.

As reported in the financial statements report, since the end of 2016, the liquidity available on the market to meet the requests of customers who intended to divest their diamond assets has contracted to a certain extent until it became nil, with the suspension of the service by the brokerage company.

Already starting from 2017 UniCredit S.p.A. started a "customer care" initiative which envisaged the availability of the Bank to intervene for the acknowledgement towards the customer of the original cost incurred for the purchase of precious items and the consequent withdrawal of the stones.

The initiative has been adopted by the Bank assessing the absence of responsibility for its role as "Introducer"; nevertheless, the AGCM (Italian Competition and Market Authority) ascertained UniCredit's responsibility for unfair commercial practice (confirmed in appeal by the Administrative Regional Court in the second half of 2018), imposing, in 2017, a fine of €4 million paid in the same year.

UniCredit has filed an appeal to the Council of State and with a sentence dated 11 March 2021, the Council of State partially accepted the appeal brought by UniCredit S.p.A. against the fine imposed, by reducing the amount of the fine to €2.8 million and sentenced AGCM to return €1.2 million, amount which was reimbursed in June 2021.

As at 31 December 2022, UniCredit S.p.A. received reimbursement requests for a total amount of about €413 million (cost originally incurred by the Clients) from No.12,381 Customers; according to a preliminary analysis, such requests fulfill the requirements envisaged by the "customer care" initiative; the finalization of the reimbursement requests is currently carried out, aimed at assessing their effective compliance with the "customer care" initiative, and then proceed with the settlement where conditions recur; with reference to the scope outlined above (€413 million), reimbursed No.11,906 customers for about €404 million (equivalent value of original purchases), equal to about 98% of the reimbursement requests said above.

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In order to cope with the probable risks of loss related to the repurchases of diamonds, a dedicated Provision for risks and charges was set up; its quantification was also based on the outcome of an independent study (commissioned to a primary third company) aiming at evaluating the diamonds' value.

Finally, in line with a strategy that envisages its disposal in the short term, the gems purchased are recognized for about €54 million in item "120. Other assets" of the balance sheet.

On 19 February 2019, the judge in charge of the preliminary investigation at the Court of Milan had issued an interim seizure directed to UniCredit and other financial institutions aimed at: (i) direct confiscation of the amount of €33 million against UniCredit for the offence of aggravated fraud and (ii) indirect as well as direct confiscation of the amount of €72 thousand for the offence of self-laundering against UniCredit, assuming the administrative liability of UniCredit S.p.A. pursuant to Article 25-octies of Legislative Decree 231/2001 for the crime of self-laundering.

On 2 October 2019, the Bank and certain individuals had received the notice of conclusion of the investigations pursuant to Article 415-bis of the Italian Code of criminal procedure. The notice had confirmed the involvement of certain current and former employees for the offence of aggravated fraud and self-laundering. With regard to the latter, self-laundering serves as a predicate crime for the administrative liability of the Bank under Legislative Decree No.231/2001.

In September 2020, a new notice pursuant to article 415-bis of the Italian code of criminal procedure was served on certain individuals already involved in the proceedings. The allegations against the UniCredit S.p.A. individuals only pertain to the offence of fraud. Such new allegations did not modify the overall investigative framework as per the notice served in the autumn of 2019. In June 2021 the public prosecutor had issued the formal request of indictment against certain current and former employees. The case was transferred to the Prosecution Office of Trieste following jurisdiction challenges made by the suspected individuals. The case, which had reached the preliminary hearing phase, is back at the investigations stage. The interim seizures of €33 million and €72 thousand ordered in February 2019 have been lifted.

In February 2023, the Public Prosecutor's Office at the Court of Trieste made the request to dismiss natural persons with reference to the charge of self-laundering and issued the decree of dismissal against the Bank. The measure has already been submitted for approval of the Prosecutor General at the Court of Appeal of Trieste, who ratified the Prosecutor's action, thus decreeing the definitive conclusion of the case for the Bank. With regard to the charge of self-laundering, the case is closed, as the Judge for Preliminary Investigations issued the corresponding decree of dismissal, accepting the Public Prosecutor's request. As for the charge of fraud against individuals, the file will be referred back to the Public Prosecutor's Office of Milan.

The Board of Statutory Auditors, acting as 231 Supervisory Body, followed, as stated in the previous Reports to the Shareholders' Meeting, the event development up to its conclusion as reported above.

With regard to **other claims by customers**, the Compliance function, supporting the business structures, oversees the regulatory environment evolution relating to banking services and products in areas like transparency, financial and investment services, and anti-usury. Compliance, as control function, develops rules, checks processes and procedures and monitors complaints trends. The Compliance function, along with the Legal one, also supports analysis and evaluation stages of adequacy of potential "customer care" actions or other initiatives designed to compose particular situations in which UniCredit S.p.A. might be involved in order to define them.

Considering the regulatory complexity and interpretations not always homogeneous, UniCredit S.p.A. time-to-time assesses the accounting of provisions for risk and charges, aimed at facing costs, deemed probable, in a contest that has increased the litigiousness at banking system level.

Concerning the **financing of consumer credit**, the EU Directive 2008/48 establishes that "the consumer shall be entitled at any time to discharge fully or partially his obligations under a credit agreement. In such cases, he shall be entitled to a reduction in the total cost of credit, such reduction consisting of the interest and the costs for the remaining duration of the contract". Following the decision of the European Court of Justice in September 2019 (judgment C-383/18 referring to the "Lexitor" case) and the communication of the Banca d'Italia issued in December 2020, UniCredit S.p.A. proceeded to adapt to the most recent interpretation of this legislation. Therefore, in the event of a request for early repayment of the loan, the consumer is entitled to pay off his debt net of costs not yet accrued on the repayment date.

In consideration of the above, as well as the interpretations prior to the aforementioned communication of Banca d'Italia, the Bank noted the guidelines issued by the Authority and by decision of Constitutional Court of 22 December 2022 adapting to the framework outlined, and has carried out the appropriate assessments, also to preserve the quality of the customers relationship.

The Notes to the consolidated accounts also include information on the provision for tax risks for risks arising from tax disputes and risks arising from labor lawsuits.



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## 8. Oversight of the adequacy of the internal control and risk management system

The internal control system in the UniCredit Group is based on:

- Control bodies and functions which involve, each for their respective remits, the Board of Directors, the Internal Controls & Risks Committee (IC&RC), the Chief Executive Officer, the Board of Statutory Auditors, as well as the company functions with specific duties in this regard;
- Information flows and methods of coordination between the parties involved in the internal control and risk management system;
- Group Governance mechanism.

As stated in the **Report on Corporate Governance and Ownership Structures**, the types of control at UniCredit, in compliance with current law and drawing inspiration from international best practices, are structured on three levels:

- line controls (so-called first-level controls), in charge of the corporate functions responsible for business/operating activities, devoted to ensure the proper operations' functioning;
- risk and compliance controls (so-called second-level controls), in charge of the Group Compliance and Group Risk Management functions, each regarding the matters in their sphere of competence;
- internal audit (so-called third-level controls), in charge of the Internal Audit function.

The Group Compliance, Group Risk Management and Internal Audit functions are separated and hierarchically independent from the corporate functions that carry out the activities subject to their control. The Board of Directors has exclusive competence – based on a proposal made by the Internal Controls & Risks Committee, as well as after hearing the Board of Statutory Auditors – over the appointment and removal of the Heads of said Corporate Control functions.

As per Banca d'Italia Circular No.285, corporate control functions also include the anti-money laundering and validation functions set up via Group Compliance and Group Risk Management respectively.

The Board of Statutory Auditors stated having performed a regular and constant exchange of relevant information with the above-mentioned Control functions during the reference period. It also stated that the above-mentioned Control functions have fulfilled their information obligations towards the Board of Statutory Auditors.

Furthermore, in order to ensure a constant and prompt information flow with Internal Audit, the Head of the function is permanently invited to attend the Board of Statutory Auditors' meetings.

Based on the information acquired and included in the 2022 Internal Audit function Report (**Integrated Audit Report**), the internal control system was rated overall as "Mostly Adequate" by the same function, due also to the maintenance of a strong focus and a strict discipline on the completion of remedial actions, with regard to both audit findings and those of the Authorities.

During the reference period, the Board of Statutory Auditors received and discussed, with the Internal Audit Department, several Audit Reports, and some special investigations. With regard to all audit reports rated "Inadequate" or "Partially Adequate" and other audit reports of greater significance, the Board of Statutory Auditors required to be kept informed about the implementation of the relevant Remediation Plan. In this regard, a new process was put in place in order to monitor the execution of remedial plans, from simplification and efficiency perspective.

In general, in 2022, the risks and the related monitoring analyzed by Internal Audit as part of the internal control system are : (i) Credit risk (rated as "Mostly Adequate", see also the following section "Credit risk"); (ii) NFR (Non-Financial Risk) - Compliance (rated as "Mostly Adequate"); (iii) NFR - ICT (rated as "Mostly Adequate"); (iv) NFR Operational/Reputational (rated as "Mostly Adequate"), for which the Bank and the Group keep working on further increasing their levels of risk management application standards.

The Board of Statutory Auditors examined in detail the root causes underlying the issues highlighted by the audit reports, also calling on the Parent Company's central structures to maintain a strong focus on steering and control at all Group companies, also in light of the important application projects underway in relation to the review of organizational models and the control framework.

### Credit Risk

With regard to **credit risk**, the Internal Audit assessment is confirmed "Mostly Adequate" in the main LEs, due also to the improvement of the overall credit risk assessment for UniCredit S.p.A., raised from the previous "Partially Satisfactory" to "Mostly Adequate" in the 2Q 2022; this is mainly due to the Empowerment Project completion and the project set-up for the overall second-level controls framework (2LC Framework on credit risk). Such progress is confirmed by the outcomes of dedicated audit analyses performed in the 4Q 2022 and is followed by the continuation of the IRB model maintenance, as planned.

The Board of Statutory Auditors paid specific attention to the impacts on the Group's portfolio resulting from the external environment, characterized by the macroeconomic effects of the conflict triggered by Russia's invasion of Ukraine and the consequent initiatives of the Bank (see also Chapter 7 above).

The Board of Statutory Auditors kept monitoring the credit risk by examining the specific periodic reports prepared by Group Risk Management together with those relating to the Credit Risk Strategy and monitoring the evolution of the Risk Appetite Framework.

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Overall, the Board of Statutory Auditors noted the actions implemented by the Group Risk Management resulting in: (i) The sound asset quality and the good quality of the origination process; (ii) The further decrease of the NPE stock, in line with the reduction targets set within the “UniCredit Unlocked” strategic plan; (iii) The decrease of the Risk Weighted Assets (RWA) as a result of active portfolio management; (iv) The significant decrease of cross-border exposure to Russia; (v) The cost of risk (excluding Russia) better than the market guidance.

The Board of Statutory Auditors also paid specific attention to the actions implemented by the Bank in relation to the exposure to the so-called “leveraged finance” (which ECB stated as one of the Supervisory Priorities for the 2022-2024 period) and noted the trend towards a reduction in line with the Supervisor’s expectations of the related portfolio, which was achieved in particular as a result of the methodological reinforcements introduced. The Board of Statutory Auditors has already planned to keep monitoring such portfolio management.

The Board of Statutory Auditors kept monitoring the reorganization and simplification of the Group Risk Management function launched in 2021, paying specific attention to:

- the implementation and go-live in Italy, of the above-mentioned Project Empowerment (see also paragraph 9 below), aimed at strengthening the control framework and accountability of the first line of defense (Business) with delegated powers for credit decisions (within clear credit strategies and rules), and at strengthening the oversight of the second line of defense (Risk Management);
- the implementation of the actions foreseen by the Group’s “Credit Risk Control Framework” project, developed during 2022 aimed at strengthening the risk management of credit processes, harmonizing the control framework among the different LEs, strengthening the Parent Company’s steering role and providing a comprehensive view of credit processes and controls to Management and Governance Bodies. The Board of Statutory Auditors noted the assurance activity performed by the Internal Audit function, which assessed the project’s organisation, design, roles and responsibilities of the control framework, the completeness of controls from content perspective, and the Parent Company’s steering capacity (see “Project Assurance on 2LC Framework on Credit Risk Project”, report rated “Mostly Adequate”).

The Board of the Statutory Auditors recognised the importance, within the new organizational set-up, of implementing an effective Group-wide control framework for Credit Risk Control and noted the results achieved, specifically in terms of (i) The set-up of a common control catalogue, (ii) The harmonisation of the risk assessment methodology, (iii) The provision of the Quality Assurance performance by the Parent Company and (iv) The definition of a monitoring, reporting and escalation process at Group and Legal Entity level.

Lastly, the Board of Statutory Auditors examined the new Global Policy Control Framework - Credit Risk, which implementation was launched in 2023.

The BoSA examined the update of the “Group Credit Risk Management Framework” Global Policy performed as part of an initiative launched by the Management with the aim of strengthening the internal policy framework itself by making it clearer and easier to use and avoiding duplication and redundancies. The BoSA observed that the policy review reflected the renewed organizational set-up, including the new managerial Committees, and further aligned the provisions in relation to the Chief Risk Officer’s role in the Credit Committees with the EBA guidelines.

The Board of Statutory Auditors discussed on several occasions the Group’s approach to climate and environmental risk, which affects various risk categories and in particular Credit Risk. The BoSA reviewed, inter alia, the outcome of the 2022 ECB Climate Stress Test and the ECB Thematic Review, discussing the Bank’s planned actions and recommending a strong Management commitment in this regard, while continuing to emphasise specifically the need to strengthen the internal capacities and skills, as well as the full integration of such risks into the credit risk assessment processes, also by the Business functions.

With reference to Internal Models, the Board of Statutory Auditors, during its supervisory activities has positively noted, through regular updates with the relevant functions, that:

- the development and validation activities foreseen by the IRB Model Roadmap continued with some submissions rescheduled, mainly due to the need to ensure full alignment with the latest regulatory requirements;
- all model-related activities planned to address ECB’s findings are on-track;
- the validation framework is up and running at Group level and is based on: (i) Organizational set-up directly reporting to the Group CRO (Chief Risk Officer) mirrored in Group Companies; (ii) GIV steering - Group Internal Validation on Local Validation functions; (iii) Common validation methodological standards for IRB models.

With regard to credit risk (IRB Systems), the Board of Statutory Auditors examined the preliminary results of the annual “Basel II Credit Risk” audit under finalization at the date of this Report. The Board of Statutory Auditors noted that the audit activities performed in 2022 to verify the overall functioning of the internal rating systems confirms that the IRB regulatory requirements are met overall. The Board of Statutory Auditors positively observed that the 2021 “Partially Adequate” evaluation has been upgraded to “Mostly Adequate” because the development function achieved the main milestones, and the progress made in addressing the Regulatory Findings related to the IRB models. In addition, the Board of Statutory Auditors noted that the audit analyses carried out at UniCredit S.p.A. during 2022 (which covered the “Credit risk stress testing modelling framework”, “Group Wide EAD model” and “Modeling Governance”) in all cases showed a “Mostly Adequate” assessment.

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The Board of Statutory Auditors also examined the annual Group Internal Validation (GIV) audit, which focused on: (i) The Validation framework for the IRB and IFRS9 models, including changes defined in response to Internal Audit and Supervisory findings; (ii) The planning, tracking and appropriate execution of the validation processes. The Board of Statutory Auditors noted that the Internal Audit function assessed the analysis as “Mostly Adequate”. Such assessment was supported specifically by:

- the resolution of most of the gaps previously highlighted by the Internal Audit function and the Supervisor;
- the execution of the validation activities, which also allowed for the completion of activities postponed in previous years;
- the adequacy of Governance structure, due to the complete and appropriate formalisation of the function's organizational set-up.

In addition to the above, the Board of Statutory Auditors examined, inter alia, the following audit reports with a “Mostly Adequate” rating: “Global Audit Credit Risk Reporting”; “Direct Workout Management Process”; “Monitoring Individuals - Pre-delinquency framework”; “Global Audit on Commercial Real Estate Financing - CE&EE”; “Credit Delegations- Empowerment's Programme Implementation”, “Global Audit - Forbearance process enhancements”; “Global Audit Digital Consumer Lending” – “Digital Consumer Lending – Italy”.

### Financial Risks

As part of its control activities, the Board of Statutory Auditors regularly monitored the evolution of the Group's Financial Risk situation (liquidity, interest rate, market, and counterparty risk) by periodically receiving information from the Group Financial Risk structure as part of its quarterly analysis of the “Group Risk Appetite Framework (RAF) and Integrated Risk Report (IRR)”.

In view of the complex macroeconomic environment and the increased market volatility over the period considered, the Board of Statutory Auditors paid specific attention to:

- trend of the Group's liquidity indicators;
- ECB-determined changes to the Targeted Longer-Term Refinancing Operations (TLTRO) rates and post-TLTRO scenarios;
- impacts of market volatility on FX, interest rates and commodities;
- evolution of the Sovereign portfolio;
- trend of exposure to derivative contracts and Counterparty Credit Risk;
- results of second level control activities;
- outcomes of supervisory exercise and stress tests.

As a whole, the Board of Statutory Auditors noted no detection of significant critical issues. With regard to liquidity, the BoSA observed that, in 2022, the main structural liquidity ratios (Funding Gap, Net Stable Funding Ratio and Structural Liquidity) remained above the limits imposed in the Risk Appetite Framework and that the liquidity stress tests executed in the Group showed positive outcomes in all cases.

The Board of Statutory Auditors noted the confirmation of Internal Audit's “Mostly Adequate” evaluation, at Group level, for the Financial Risk and no critical issues reported by ECB as a result of its activities.

The Board of Statutory Auditors examined, inter alia, the following audit reports rated “Mostly Adequate”: “2021 Annual Report on Liquidity Risk and ILAAP”; “ICS on Collateral Management”; “FRTB - Alternative Delta and Vega sensitivities”; “Alternative Standardized Approach”; “FX Structural Risk”; “Audit on Fund Transfer Pricing”.

In the period under examination, the Board of Statutory Auditors met with the relevant functions and examined, inter alia:

- the Updates on the TLTRO Strategy;
- the outcomes of the 2021 ILAAP process (Group Internal Liquidity Capital Adequacy Assessment Process), which confirm the improvement trend and allow the Group's liquidity risk framework to be considered adequate; in particular, the GRM's assessment is “Adequate/Mostly Adequate” whereas the Internal Audit's assessment is “Mostly Adequate”;
- the Single Resolution Board's (SRB) final decision on MREL, Resolution Plan and Resolvability Assessment for the UniCredit Group;
- the “2023 UniCredit Group Financial Plan and projections up to 2025”;
- the “2023 Asset and Liability Management (ALM) Strategy”;
- the “FX Structural Risk Strategy and hedging solutions for 2023”.

Pursuant to Bank of Italy Circular 285/2013, the Board of Statutory Auditors also gave its positive opinion on the changes performed in the Second Guaranteed Bank Bonds Programme (OBG).

### Non-Financial Risks

As part of its control activities, the Board of Statutory Auditors regularly monitored the situation development related to the Group's Non-Financial Risks (**operational and reputational risks, ICT/Cyber risks, and compliance risks**) by periodically receiving information from the Group Non-Financial Risks (GNFR) structure as part of the quarterly “Group Risk Appetite Framework (RAF) and Integrated Risk Report (IRR)” review.

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The BoSA examined the trend of operational losses and Operational Risk Weighted Assets, the outcomes of the periodic risk assessments and second-level controls on ICT and Cyber Risk and positively noted that the decreasing trend of the gross operational losses went on also in 2022, reaching a record low level.

The BoSA was updated on the initiatives included in the Group Digital IT Strategy 2022-2024, not finding any particular deviations from the planning. The BoSA verified how, within the MYP, the hiring and reskilling process keeps on, also through the delivery of suitable training and job learning programmes.

The Board of Statutory Auditors examined the most relevant topics in the Digital IT and Digital Security area and welcomed the continuation of the IT incidents decreasing trend and of the positive IT availability trend in 2022. The BoSA analyzed the positive trend of the Digital Strategy KPIs and the results of the Digital Security Posture which confirmed the growth of the Group's maturity level in relation to ICT Security. As part of the broader Group Digital Security Strategy, the BoSA observed the improvements made to the Global Security Operations Center (SOC), the centralized security unit responsible for monitoring, analyzing, and protecting against cyberattacks. In addition, with regard to Cyber Risk, its monitoring did not highlight particular critical issues.

With regard to Business Continuity, Disaster Recovery and Crisis Management, the BoSA discussed with the Internal Audit function the preliminary results of the activities performed, which will be reflected in the forthcoming "2022 BCM Group Annual Overview", from which positive outcomes resulted both in terms of the individual dedicated audits' assessment, and in terms of the effective Management response observed in mitigating the identified risks.

The BoSA analyzed the documentation related to "Amendments to the Emergency and Crisis Management Plan of UniCredit S.p.A. (part of BC - Business Continuity Plan)", whose changes concerned, inter alia: (i) The quantitative description of the escalation decision-making and crisis definition process with a matrix that contemplates the financial, regulatory, operational and reputational impacts; (ii) The simplification of the escalation process (iii) The Chief Executive Officer's power to dynamically decide on the optimal composition of the executive crisis management support team (providing for the mandatory presence of the Control functions in the representatives' team); (iv) Informing the Board of Directors and the Regulator, in the event of a maximum alert, about the assignment of temporary extraordinary powers to the Chief Executive Officer.

With regard to the compliance risk (see also the specific section below), the Board of Statutory Auditors paid specific attention to the results of the KPIs monitoring relating to Financial Sanctions, in light of the constantly evolving sanctions framework due to the progressive introduction of new sanctions against Russia, by the Authorities.

The Board of Statutory Auditors also received the preview from the Internal Audit function regarding the "Mostly Adequate" outcome of the audits performed in relation to Operational Risk Management and measurement processes (ORM) implemented for Advanced Measurement Approach (AMA), which will be showed in the forthcoming "2022 Basel II - Operational Risk - AMA Internal Audit Report".

With regard to Third Party Risk Management (TPRM), the BoSA examined: (i) The status of the Group-wide implementation activities of the "Global Policy - Third Party Risk Management (TPRM) for Non-Outsourcing arrangements", which gathered the two previous separate Policies on Outsourcing and Non-Outsourcing in a single Policy, by transposing the ECB's strengthening requests and some new external regulations such as those on cybersecurity and on the "Single Resolution Board"; (ii) The ECB recommendations on Third Party Outsourcing and Non-Outsourcing. In this regard, the BoSA discussed the outcomes of the "Global Audit on Outsourcing and Third-party risk management", which positively assessed the Group's management, monitoring, and mitigation of outsourcing and third-party risks, finding areas for improvement in relation to the monitoring of sub-outsourcers' processes.

With regard to the most relevant organizational changes, the Board of Statutory Auditors analyzed the creation, within the GNFR structure, of the Digital Risks unit, dedicated to the IT Risks and Cyber Risks' control. The reorganization, which was developed in line with the new organizational set-up following the merger by incorporation of UniCredit Services S.C.p.A. into UC S.p.A., followed a complete and extensive organizational model review implemented in the Cyber Risks area in collaboration with the Group Digital Security; such reorganization is in line with the Internal Audit and ECB's recommendations. The Board of Statutory Auditors welcomed the above-mentioned reorganization, which was supported by the strengthening of the dedicated staff, both in terms of resources' number and skills.

The Board of Statutory Auditors noted, as mentioned above, the confirmation of the Internal Audit's "Mostly Adequate" assessment, at Group level, with regard to compliance, operational, reputational, and ICT Non-Financial risks.

Lastly, the Board of Statutory Auditors received updates from the External Auditors' experts on the audit activities related to the Bank's and the Group's information systems (ISAE 3402 Report KPMG), their design and operational effectiveness.

# Report of the Board of Statutory auditors

## Compliance Risk

During the year, the Board of Statutory Auditors discussed the quarterly ICR Report (**Integrated Compliance Report**) as well as the Compliance Function's Annual Report ("**UniCredit Group Annual Compliance Report – 2022**"), which was also submitted to the Board of Directors on 16 February 2023. Such Report included the assessments performed regarding potential compliance risks at UniCredit S.p.A. and Group level. The above-mentioned Report also fulfilled the requirements of CONSOB Regulation No. 20307/2018 and Article 89 of CONSOB Regulation No. 20197/2017.

Considering the results of the compliance risk assessment and second-level controls carried out, the activities completed in accordance with the 2022 Compliance Plan, the Compliance function expressed an overall "Mostly Adequate" assessment on the non-compliance risk management for UniCredit S.p.A. and the Group Companies. Improvements were reported in the AML, Financial Sanctions and Conduct Risk areas; the MiFID area showed a stable residual risk compared to the previous period.

The Board of Statutory Auditors discussed regular updates, during the year, on the progress of the **Compliance Next Program**, the development plan to reorganize the Compliance function model and its operating procedures, approved by the Board of Directors in September 2021, which was also drawn up based on an external assessment carried out on the compliance risk framework.

The Board of Statutory Auditors believed that the implementation of the Compliance Next Program - whose planned initiatives will develop in the 2021-2025 period - will gradually ensure a decisive and homogeneous strengthening of the compliance risk control framework within the Group, as well as a repositioning of the operational mission of the Compliance function itself, with greater focus on its compliance advisory role. The Compliance Next's progress was in line with the planning, with more than 50% of scheduled activities completed, 12% of activities ahead of schedule, with the remaining actions in progress. As part of the Compliance Next Program, the BoSA noted in particular the steps taken with regard to:

- Pillar Governance, with the issuance of a Global Policy to be implemented at Local level in 2Q 2023, relating to the Model of cooperation among the first line of defence - first level controls and Compliance);
- Pillar People & Culture, by issuing the new Code of Conduct;
- Pillar AFC/NO AFC (anti-financial crime), with the completion of the Group first-level controls' catalogue for the AML, MiFID, Banking Transparency regulatory areas.

The BoSA emphasized once again the importance of strengthening the first-level controls' system to monitor the compliance risks and other risk categories.

During 2022, the Board of Statutory Auditors observed the Compliance function's commitment to contribute to the ESG Governance framework for its competency profiles, with specific regard to the ESG Compliance Framework set-up and other ongoing initiatives, which the Board of Statutory Auditors encourages to pursue fully and in detail throughout 2023.

With regard to **complaints**, the Board of Statutory Auditors analyzed the contents of the aforementioned "UniCredit Group Annual Compliance Report - 2022" which showed, with regard to UniCredit S.p.A., a number of written complaints received in 2022 amounting to 43,340 (down by 16% compared to 2021). The main reasons for the complaints received related the issues: CQS-Salary-backed loans, General Complaints (Branch Service/Contact Center) and Cards. With regard to disbursements, the complaints accepted with refund in 2022 amounted to €8.5 million (down by 7% compared to 2021).

During the year, the Board of Statutory Auditors kept examining the issues related to the **AML/FC** (Anti-money laundering/Financial Crime) area, requiring specific updates from the competent functions, also with specific reference to the more general issue of the tightening of Financial Sanctions following the Russia-Ukraine conflict. The activities performed by the Compliance function for the self-assessment of money laundering and terrorist financing risks have identified for UniCredit S.p.A., as at 31 December 2022, a "Medium-Low" and "Medium-High" residual risk level respectively.

The **Global Data Protection Regulation** (GDPR) area was closely monitored by the Compliance function, with specific reference, in some Group Companies, to the right to be forgotten; in general, in this area, several strengthening actions were undertaken during 2022, including the alignment of the GDPR/Data protection risk assessment to new internal methodologies as well as initiatives aimed at increasing knowledge and awareness of the GDPR regulation. The GDPR risk assessment activities for UniCredit S.p.A. involved a medium-high inherent risk assessment mainly determined by factors related to UniCredit's size and operations (e.g. number of individuals whose data are processed, number of IT processes and applications involved). The monitoring and control framework was considered appropriate to face the related potential risks.

The Board of Statutory Auditors periodically examined the so-called "**whistleblowing**" reports received in its function as 231 Supervisory Body of UniCredit S.p.A., analyzing in-depth, with the support of the competent Compliance and People & Culture structures, the whistleblowing reports that may involve issues of misconduct/unlawful conduct, regardless of their significance pursuant to Legislative Decree No. 231/2001. The BoSA then noted the information on the misconduct reporting included in the above-mentioned Annual Report. In detail, UniCredit S.p.A. received 98 reports in 2022 (down by 7% compared to 2021). The Management believes that the trend of reports' total number received in the last three years, at Group

## Report of the Board of Statutory auditors

level, is progressively decreasing, presumably due to the high use of remote working, which reduces the opportunity to intercept any alleged unlawful conduct and decreases the potential conflicts related to labour relationships; it is worth mentioning the spread of the speak-up culture, which facilitates the direct dialogue and communication among employees, allowing to resolve misunderstandings more easily.

The Board of Statutory Auditors positively noted that the whistleblowing reporting process in UniCredit S.p.A. resulted robust and aligned with the international best practices, as also confirmed by the Independent External Party during the OFAC Compliance review carried out in November 2022 and noted the several initiatives and campaigns implemented in 2022 aimed at increasing awareness of the whistleblowing process among all employees, by promoting a broader speak-up culture.

However, given the topic's sensitivity and significance, the Board of Statutory Auditors called on the Management and the People & Culture function to continue actively promoting a corporate culture characterized by correct behavior and to pay the utmost attention to the correct behavior taken by the Group's human resources.

### **Other risks - Main and emerging risks**

In the context of a rapidly changing regulatory framework and external scenario, the Board of Statutory Auditors had the opportunity to analyze some of the main changes in terms of main and emerging risks, with the relevant functions, noting that the related uncertainties, including those conditioned by the context, are however addressed through the existing risk management framework.

With regard to such changes, the following were considered significant during 2022: (i) Impacts from the evolution of the COVID-19 pandemic; (ii) The Russian-Ukraine conflict; (iii) Macroeconomic and geo-political challenges in the world; (iv) Climate and environmental change risks; (v) Cybersecurity risk; (vi) Risks resulting from current regulatory developments.

With regard to the cybersecurity risk, as also reported in the financial statements, it is noted that the UniCredit Group did not suffer any data loss through cyberattacks in 2022, despite the ever-increasing threat of cyberattacks. The BoSA discussed on several occasions the constant strengthening of the protection measures adopted by the Group.

### **Other contributions**

With reference to the additional reporting containing information on the internal control and risk management system, the Board of Statutory Auditors noted that, at the date of the present Report, the relevant structures are assessing the internal capital adequacy assessment process (ICAAP), and the overall functionality of the internal liquidity adequacy assessment process (ILAAP), for 2022, whose reports will be prepared within the deadlines set by the regulations in force.

During 2022, the Board of Statutory Auditors, in the review of the 2021 ICAAP and ILAAP assessments, observed for both ICAAP and ILAAP processes that the main indications previously received from ECB or Internal Audit function were considered and/or included in appropriate action plans and that the relevant regulatory provisions were duly considered by the Bank.

To conclude, the Board of Statutory Auditors did not identify any critical situations or facts which would lead to the conclusion that **the overall internal control and risk management system** is deemed not adequate, even if situations, which required the planning and targeting of specific remedial actions have arisen and are in some cases still ongoing.

## **9. Oversight of the adequacy of the organizational structure**

The Board of Statutory Auditors examined the Annual Report prepared by the competent Group Organizational Excellence structure which deems the UniCredit S.p.A.'s organizational structure to be adequate, due to the robustness of the overall regulatory framework that ensures the uniqueness of the system of responsibility and powers with reference to the Bodies/Committees and the corporate structures.

### **Organizational structure**

UniCredit adopts an organizational and business model that, while guaranteeing, on one hand, the autonomy of Countries/local Banks on specific activities in order to ensure greater proximity to customers and efficient decision-making processes, maintains, on the other hand, a divisional structure for the governance of business/product, as well as global control over Digital & Information and Operation Functions.

More specifically, the organizational structure of the Holding Company can be broken down into:

- Group Finance, Group Risk Management, Group Legal, Group Compliance, Group People & Culture, the functions identified as Competence Lines (CL), together with Internal Audit, aimed at guiding, coordinating, and controlling, for their respective areas of competence, the management of activities and related risks of Group as a whole and of the single Legal Entities;
- Italy, Germany, Central Europe & Eastern Europe, Group Client Solutions Divisions: the Business Divisions/Functions, responsible for proposing and implementing the business strategies and maximizing the risk-adjusted value creation for the relevant perimeter, concentrating the responsibility for marketing, service model definition and product development activities referred to customers in their respective segments/geographies;
- Group Digital & Information Division, responsible for defining and executing the Group's digital transformation through the management of technology and data, embedded into digital solutions that optimize execution and improve the customer experience;

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- Group Operations, responsible for overseeing the operating machine with specific focus on costs, procurement, real estate, operations performance management, corporate “physical security” and “health & safety”, in line with the defined Group strategies, by ensuring at the same time synergies, savings and operational excellence;
- Group Stakeholder Engagement governs the Group’s reputation and oversees all communication activities to ensure the delivery of coordinated and consistent messages towards the Group’s multiple stakeholders (investor relations, identity and communication, relationships with institutional counterparties and with the European Banking Supervisory Authorities - e.g. EBA, ECB - and Banca d’Italia);
- Group Strategy & ESG, responsible for supporting strategic initiatives, including the integration of ESG into the Group’s strategy.

The Group Strategy and ESG and Group Stakeholder Engagement and Group CEO Staff functions represent the “CEO Office” aimed at supporting the Chief Executive Officer in the definition and steering of strategic initiatives.

The Board of Statutory Auditors examined on several occasions the main organizational changes occurred in 2022, following the overall organizational review implemented with the appointment of the new Top Management in April 2021, including:

- the merger by incorporation of UniCredit Services S.C.p.A. into UniCredit S.p.A., which simplified the governance of IT services by overcoming the partial “dichotomy” between the Parent Company and the Factory, resulting in a series of changes to the Bank’s organizational set-up, both within the Group Digital & Information and in Group Operations, as well as in the Competence Line’s functions (which incorporated the responsibilities of the respective functions of UniCredit Services, adapting their organizational set-up where necessary);
- the merger by incorporation of Cordusio SIM S.p.A. by reallocating the Cordusio SIM’s commercial network, activities and resources within the UniCredit S.p.A.’s organizational structure;
- the Italy Division, within the Italy perimeter, has been affected by several functional initiatives, inter alia, to reduce managerial levels between the Division and the Regions, create points of synthesis and further simplify the decision-making chain, through the constitution/revision of the functions under its direct reporting (“CEO Office Strategies”; “Client Strategies”; “Administrative Office”, “Finance Italy”; the BoSA noted the continuation of the organizational review project aimed at increasing the autonomy of the Italy Division, which has been made more distinct from the Parent Company’s functions;
- with reference to the Regions, in order to enhance the Network, some local territorial structures have been reallocated by the Corporate Center directly reporting to the Regions.

Further considerations on the Group’s organizational set-up are referred to below in relation to steering activities.

Finally, the structure and composition of some Management Committees (including the Product Committee; the Italy Executive Committee; the Italy Transactional Credit Committee) have been consistently reviewed.

### **Empowerment Project Italy**

The Board of Statutory Auditors kept monitoring the implementation of the Empowerment project (see also section 8 above) launched in 2021 as part of the initiatives aimed at strengthening business activities and decision-making processes and aimed at transferring operational activities and related credit delegations to the Italy Division.

The Board of Statutory Auditors verified how the different project’s phases were completed, as planned, during 2022, and that at the end of the first semester the new framework became fully operational in UniCredit S.p.A., through delegated powers and strengthening of controls involving the Risk Management functions (which are responsible for defining the ex-ante risk appetite, limits and ex post controls, the issuing of prior risk opinion above defined thresholds), appropriate escalation processes where necessary, as well as the in-depth knowledge and proximity to clients by the Network Territorial level, supported and improved by an additional training plan aimed at strengthening the credit skills already held by the roles.

Within the project, organizational changes have been made regarding the shift of the territorial “Poli Creditizi”, in the first phase, and of the territorial “Credit Hub” and related responsibilities, in the second phase (effective since June 2022), from Group Risk Management (Risk Italy) function to hierarchical report to the different Regions within Italy (Italy Network) perimeter, with the assignment of new delegated powers to the Business and with a functional reporting line to Risk Italy.

The Board of Statutory Auditors analyzed:

- the strengthening of the controls’ framework, both at first and second level;
- the clear separation of roles and responsibilities in the credit process;
- the important improvements in Risk Culture and Business Engagement, achieved through comprehensive training programme, also aimed at obtaining specific certifications, provided for the benefit of all Network staff and Senior Management involved in the process;
- no significant change in the quality of underwriting and the overall adherence of the origination activities’ evolution with rules, policies, and objectives.

The Board of Statutory Auditors verified the cooperation of Internal Audit to the project, where the function acted as Advisor. The BoSA received from Internal Audit periodic updates about the implementation activities’ progress, as well as the “Mostly Adequate” evaluation of a recent audit analysis that verified the correct implementation of the new framework in the IT tools and under which a credit file review was performed.

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In 2022, as part of its control functions, the Board of Statutory Auditors visited a Region of UniCredit S.p.A.'s Italian Network. During the meeting, which was organised with the support of the Internal Audit function, the Board of Statutory Auditors, inter alia, interviewed with the Network's Management and with the local representatives of the Risk Italy function about the implementation of the Empowerment project. The BoSA noted the positive feedback regarding: (i) Fluid functioning of the new framework; (ii) Effectiveness in reinforcing awareness and discipline in credit activities in the first line; (iii) Constant interaction and sharing with the second level control function that the new process allows maintaining throughout the entire assessment process. On this occasion, the Board of Statutory Auditors also examined, during a dedicated workshop, a specific case of credit granting developed according to the new decision-making framework.

The Board of Statutory Auditors, considering the significance of the Empowerment project, expressed its willingness to keep monitoring the new organizational structure and the evolution coherence of the new business with the risk appetite and the Multi-Year Plan objectives.

The Board of Statutory Auditors also noted the results of the "Su misura per te" project, launched in July 2021 with the aim of containing certain day-to-day activities performed by the Network that were considered low-added value and time-consuming; the Board of Statutory Auditors noted the savings achieved in terms of FTEs and no impacts on risk praesidium.

### **Steering activity**

During the period, the Board of Statutory Auditors kept monitoring the issues related to the Parent Company's steering activities, focusing on the coordination, direction, and control of Group Companies.

In particular, the BoSA positively noted several initiatives launched or implemented by the Management, including, the guidelines ("blueprints") of the Group's organizational model, performed by Group Organizational Excellence in conjunction with other functions, in order to harmonize the definition of roles and responsibilities, strengthening the accountability of the Parent Company and subsidiary functions with regard to expected content and activities, representing a clear direction for the evolution of local organizational structures. The model thus defined, which is implemented in all Group's banks, is aimed at strengthening the Parent Company's steering and, at the same time, increasing the clarity of the organizational structures to be implemented at local level. The Board of Statutory Auditors recognised the importance of the Parent Company maintaining a locally applicable model over time.

To conclude, the Board of Statutory Auditors deemed the overall **UniCredit S.p.A.'s organizational structure** adequate in its design and implementation so far, as well as consistent with the Company's size, the nature of the operations it carries out and the context in which it operates. The Board of Statutory Auditors will keep monitoring the progressive development of the entire organizational structure itself and its suitability and operational effectiveness.

### **Suitability of Control Functions and Activity Plans**

#### *Internal Audit Function*

The Board of Statutory Auditors examined the 2022 Group Audit Plan review and the 2022 Group Audit Plan Mid-Year review, whose reviews were necessary in the plan and activities' priority, both as a result of the effects resulting from the Russian-Ukrainian conflict and to consider, from a dynamic perspective, the adjustments that became necessary during the year.

The Board of Statutory Auditors discussed for UniCredit S.p.A. the 2023 Annual Audit Plan and the Long-Term Audit Plan, the latter defined to cover the UniCredit Audit Universe in the 2023-2027 period, as approved by the Board of Directors in January 2023.

The Audit Plan 2022 is part of the Long-Term Audit Plan which, on an ongoing basis, is defined in order to determine the audit priorities of UniCredit S.p.A. over a 5-year period, ensuring a proper coverage of the Bank's processes mapped in the Audit Universe.

The Board of Statutory Auditors discussed with the Independent Expert E&Y, which was appointed by the Bank, the outcomes of the External Quality Assurance performed during 2022, about the Internal Audit function of UniCredit S.p.A. and 11 Group Legal Entities. The outcome was "Generally Conforms" for all the examined areas, corresponding to the best judgment available in the international rating scale. This independent activity is executed every 5 years – according to the International Standards for the Professional Practice of Internal Auditing IPPF - by an independent External Company. The BoSA also examined the results of the Survey performed in 2022, by consulting the stakeholders involved in the audit activities about different parameters, finding a significant improvement in the results.

During 2022, the Board of Statutory Auditors examined the progress of the LEAP (Leading Enhanced Audit Performance) project, a multi-year project launched by Internal Audit function in 2021. In the second part of 2022, such project saw the go-live of a series of important initiatives in line with the planning. The project, also aimed at reviewing the function's positioning towards the stakeholders, starting with the second-level control functions, deeply involved the function itself and its operating methods, with specific reference to the governance performed at the Parent Company level, the steering towards the similar functions of the Group's companies, the methodologies' review, the development, the attractiveness and retaining resources, the tools' improvement, consistent with the Group's digital transformation project.



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Finally, the BoSA was updated on capacity developments and on ongoing actions to overcome any gaps, which it will periodically monitor, in particular, from a skills perspective. Based on the information acquired, the BoSA considered the function's capacity as adequate to fulfil its tasks.

## Group Risk Management

The Board of Statutory Auditors examined the GRM and Internal Validation Plan for 2023, approved by the Board of Directors in January 2023, which is divided into the three pillars of the GRM's organizational framework: Credit Risk; Financial Risk; Non-Financial Risks and includes the Validation plan. With regard to each risk pillar, the plan examined the main risk trends expected for 2023 (in accordance with the RAF and ICAAP processes) and listed the related planned actions in terms of control activities and dedicated project initiatives.

The Board of Statutory Auditors also examined the 2023-2025 Group Internal Validation (GIV) activities plan, which covers all the main validation activities planned, and also noted the confirmation of the "Mostly Adequate" assessment performed by the Internal Audit function, in UniCredit S.p.A. and in the main Group Companies, regarding the Risk Management functions, based on the overall adequacy in the identification, measurement and management of Group risks.

Based on the information acquired, and without prejudice to the need to continue the abovementioned activities of strengthening the framework of first and second-level controls and of clearly separating roles and responsibilities in the credit process, the Board of Statutory Auditors deems the size and capacity of the GRM function appropriate to fulfill its tasks and recommends continuing the re-skilling of internal resources and personnel search, particularly for the more complex profiles to recruit.

## Compliance Function

The Board of Statutory Auditors examined the changes to the 2022 Compliance Plan which was reviewed during the year to consider the adjustments resulting from the definition of the Next Compliance Program and the 2023 Group Compliance Plan (approved by the Board of Directors in January 2023).

The Plan is based on some key drivers including increased regulatory and market trend risks, Compliance Next Program, strategic Bank's initiatives and also considers, inter alia, several compliance culture and conduct initiatives, which are cross to all Compliance Plan's activities and supporting the execution of the UniCredit Unlocked Plan.

At capacity level, the BoSA noted that during 2022 the number of Compliance Department resources increased by 19% in UniCredit S.p.A., through both internal and external hiring: the resources' number can be deemed mostly adequate to fulfill the activities foreseen in its 2023 Plan. In addition, in order to support specific assessments and actions, the Group Compliance has defined and is implementing a sizing model aimed at evaluating and defining the correct allocation of resources in the different areas of the function as well as a qualitative skill set mapping.

The BoSA deemed adequate the function's capacity to fulfil its tasks, based on the information acquired and having also considered the "Mostly Adequate" assessment of the Compliance function as stated by the Internal Audit, acting as the third-level control function.

Notwithstanding the foregoing, the Board of Statutory Auditors will continue to closely monitor the evolution of the **organizational structure, the capacity of the Control functions, as well as their independence.**

## 10. Remuneration policies

The Board of Statutory Auditors previously examined the document "**Group Incentive System 2023**", issuing a positive opinion at the meeting of the Board of Directors held on 26 February 2023, emphasizing the importance of formalizing the model adopted, also with regard to the use of external sources, and that the involvement of the Risk Management and Compliance functions is adequate.

The Board of Statutory Auditors also examined the outcomes of the report issued by the Internal Audit function "2022 Remuneration Policies and Practices", closed with a "Mostly Adequate" rating.

Lastly, in compliance with the current regulations, the Board of Statutory Auditors examined specifically the proposals of:

- 2022 Evaluation and execution of previous years' plans for Chief Executive Officer and the Manager in charge of preparing the Financial Reports;
  - 2023 Chief Executive Officer compensation review;
  - 2023 Goal setting for Chief Executive Officer and the Manager in charge of preparing the Financial Reports,
- and after having detailed their opinions and considerations to the Board of Directors, issued its positive opinions in this regard.

With specific reference to the CEO's remuneration review, the Board of Statutory Auditors, in issuing its opinion, explained in detail the related reasons, with specific reference to the reasons of the review decided by the Board of Directors, which can be strictly ascribable to merits' evaluations by the Board itself, not characterised by unreasonableness and consistent with its powers vested in such matter.

## Report of the Board of Statutory auditors

### 11. Sustainability and Integrated Report (Non-Financial Statement)

The Board of Statutory Auditors highlighted that the **sustainability** is one of the five strategic imperatives of UniCredit Unlocked, built around principles and beliefs and on four fundamentals:

- leading by example, striving for the same high standards sought from those the Bank does business with;
- setting ambitious ESG goals to support the need of changes for the clients;
- equipping oneself with tools to assist clients and communities in navigating the environmental and social transition, through strategic actions across the pillars;
- embracing and investing the resources needed to deliver and reach our ambitious targets and long-term commitments, through a strong governance model, embracing the culture and delivering quality monitoring, reporting and disclosure.

The Board of Statutory Auditors, which considered such matters an essential and crucial aspect of long-term value creation, had the opportunity to note - also through the active participation of the Chairman of the Board of Statutory Auditors and another Statutory Auditor, in the ESG (Environmental, Social, Governance) Board Committee - the attention to sustainability, environmental, social and governance issues lavished by the Bank.

The Board of Statutory Auditors acknowledged that the path undertaken since 2019, aimed at a greater integration of different topics sustainability-related in the Group's corporate strategies, has been strengthened from time to time, although not exhausted.

Initiatives and activities are currently underway and will naturally not be exhausted in the short term, also considering the relevant regulatory developments, market opportunities and the complexity of fully integrating ESG factors into all the Bank's processes. The Board of Statutory Auditors also noted, by examining a report prepared by the Internal Audit function, the progress of the ESG Roadmap, a managerial tool used to implement the ESG strategy within the Group with the involvement of the Business and Governance functions and to facilitate the coordination of all related ongoing initiatives.

The Board of Statutory Auditors, in its several meetings held with the relevant structures, inter alia, encouraged the Management to strengthen the integrated view by incorporating ESG risks into the risk management framework as already highlighted, and to strengthen the role of ESG profiles within the incentive system.

As reported in the financial statements:

- in October 2021 UniCredit signed up to the Net-Zero Banking Alliance. In line with UNEP FI Guidelines, UniCredit is disclosing its targets for the three most carbon intensive sectors within the Bank's portfolio, which include Oil & Gas, Power Generation and Automotive sectors;
- in September 2022, UniCredit also signed the Sustainable Steel Principles (SSP), the first Climate-Aligned Finance agreement for lenders to the steel industry. The principles were carefully designed over the course of a year by a working group composed of five banks, including UniCredit. The resulting framework positions lenders to facilitate the Net-Zero transition of the steel industry, providing the necessary tools for client engagement and advocacy.

The Board noted that the regulatory framework is constantly evolving. Lastly, on 5 January 2023, the new Corporate Sustainability Reporting Directive (CSRD) came into force. The new Corporate Sustainability Reporting Directive (CSRD), and the related EFRAG (European Financial Reporting Advisory) sustainability standards, will apply both to financial and larger non-financial companies, as well as listed companies. Finally, a further important element of the European legislative framework is the proposed directive on the "Corporate Sustainability Due Diligence Directive" (CSDD), which would introduce the obligation for large companies (financial and non-financial companies) to identify, prevent and mitigate the adverse impacts of their corporate activities on human rights and the environment, as well as to prepare a transition plan consistent with the Paris Agreement.

The Board of Statutory Auditors, taking note of Legislative Decree 254/2016 on the disclosure of non-financial information and the implementing Regulation issued by CONSOB with resolution No. 20267 of 18 January 2018, exercised its functions by supervising the compliance with the provisions contained therein with regard to the preparation of UniCredit's 2022 Integrated Report, which constitutes a Non-Financial Statement (hereinafter referred to as "DNF"), in accordance with Articles 3 and 4 of Legislative Decree 254/2016, approved by the Board of Directors on 24 February 2023.

The Board of Statutory Auditors held several meetings with the function responsible for the Integrated Report's drafting and the representatives of the appointed External Auditors (KPMG), by examining the available documentation; the BoSA considered the Assonime Circular No.13 dated 12 June 2017, a commentary on Italian Legislative Decree No.254/2016 and Legislative Decree No.4 dated 11 February 2019, ("News on non-financial reporting").

The BoSA also examined the report issued by the External Auditors on 6 March 2022, which states that no evidence has come its attention that would suggest that the UniCredit Group's consolidated non-financial statement for the year ended on 31 December 2022, had not been drafted, in all significant aspects in compliance with the relevant regulations, and with the GRI Standards ("Global Reporting Initiative Sustainability Reporting Standards" defined by GRI - Global Reporting Initiative).

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Based on the information acquired, the Board of Statutory Auditors certifies that, during its examination of the Integrated Report, non-compliance elements and/or violation of the relevant regulatory provisions have not come to its attention.

### 12. Additional activity by the Board of Statutory Auditors and information requested by Consob

In the performance of its duties, the Board of Statutory Auditors, as required by Article 2403 of the Italian Civil Code and Article 149 of Legislative Decree 58/1998 (TUF):

- exercised oversight on the implementation of the corporate governance rules contained in the codes of conduct that the Company declares to abide by. UniCredit S.p.A. complies with the Corporate Governance Code approved by the Corporate Governance Committee promoted by Ania, Assogestioni, Assonime, Confindustria and Borsa Italiana, and has prepared, pursuant to Article 123-bis of Italian Legislative Decree No.58/1998 (TUF), the annual “Report on Corporate Governance and Ownership Structure”;
- exercised oversight on the adequacy of the instructions given to subsidiaries pursuant to Art.114, par.2 of Italian Legislative Decree 58/1998 (TUF);
- exchanged half-year information and on request with the Boards of Statutory Auditors of the directly controlled companies as required by Art.151, paragraph 2, of Italian Legislative Decree No.58/1998 (TUF) and by the Supervisory Instructions of Banca d'Italia. Furthermore, in January 2023, the Board of Statutory Auditors met the Chairmen of the Boards of Statutory Auditors of the main Italian companies of the Group, in order to receive reports on any critical issues affecting the administration and control systems and the general trend of corporate activity;
- in compliance with the regulations and customary practices, the BoSA met with ECB, acting as Supervisory Authority of the Parent company, for the purpose of a fruitful exchange of information on subjects of mutual interest, including specific issues illustrated in this Report.

In October 2022, the Board of Statutory Auditors visited **the UniCredit S.p.A. New York branch** in order to perform its supervisory activities pursuant to the Supervisory Provisions issued by the Banca d'Italia (Circular 285, Title IV, Chapter 3, Appendix A); in addition, as part of the performance of its duties as Board of Statutory Auditors of the Parent Company, the BoSA also carried out an examination of some profiles relating to the UniCredit AG branch. The overall outcomes of the visit and the analyses carried out were deemed very satisfactory.

With a view to constantly refining its functions, in compliance with the current regulatory framework and, also in line with what discussed during the meetings held with the ECB in the previous financial year, the Board of Statutory Auditors followed up its program of meeting the Group's main Legal Entities, as part of its supervisory and steering activity carried out by the Parent Company. To this end, **the BoSA met the main company representatives and the Top Management of the subsidiary UniCredit Bank Romania (UCB S.A.)** in December 2022. The meeting, which resulted in an exchange of information with the aim of an integrated governance, with particular reference to specific issues of the Bank itself as well as cross-party discussions within the Group itself, took place in an open and constructive atmosphere.

In the period between the date of the previous Report of the Board of Statutory Auditors (11 March 2022) and the date of this Report (6 March 2023), the following communications were received, qualified by the shareholders as complaints pursuant to Article 2408 of the Italian Civil Code:

- a certified e-mail communication, dated 12 September 2022, also addressed to the Supervisory Authorities, was received by the shareholder Mr. Tommaso Marino. The shareholder complained about the omitted attachment of the pre-meeting questions/answers to the minutes of the Shareholders' Meetings held in the years 2021 and 2022, questions and answers which were in any case published by the Bank on its website pursuant to Article 127-ter of the TUF;
- a certified e-mail communication, dated 27 February, 2023, received also by the shareholder Mr. Marino who reported to the attention of the Board of Statutory Auditors some press articles relating to alleged “leaks” by Corporate Bodies' Members.

In response to the Mr. Marino's first communication received, the Board of Statutory Auditors promptly performed the necessary in-depth analyses, gathering the necessary information in order to examine and evaluate the case submitted with the support of the Bank's relevant functions. The Board of Statutory Auditors, having verified the possible grounds for the facts reported, agreed with the reasonable conclusions proposed by such functions. Thus, at the end of the analyses carried out, no irregularities were detected that required reporting to the Shareholders' Meeting. In addition, the Bank, at the request of the Banca d'Italia, also provided the latter with clarifications on the complaint in question.

- With regard to the second communication received by the shareholder Mr. Marino, the Board of Statutory Auditors has started in-depth analysis not yet completed at the date of this Report.

In the same period, the Board of Statutory Auditors received two communications which could be qualified as complaints to the Supervisory Authorities. These communications were analyzed by the Board of Statutory Auditors, which acted promptly in order to obtain, from the competent structures, the information necessary to examine and assess the cases submitted. The analyses carried out did not reveal any cases worthy of mention and, to date, no follow-up has been received from the Authorities concerned.

During the year, the Board of Statutory Auditors, in addition to what has already been specifically stated in this Report, issued its opinions, and expressed the observations that the current regulations and supervisory provisions for banks assign to its responsibility.

## Report of the Board of Statutory auditors

Furthermore, the Board of Statutory Auditors reported that:

- it performed, on 5 May 2022, the assessment of: (i) The professional experience requirements and competence criteria; (ii) The integrity requirements and fairness criteria; (iii) The independence requirements, as well as the independence of mind pursuant to Ministerial Decree No. 169 of 23 November 2020 for each of its Members;
- it performed, periodically and on an event-driven basis, the assessment of the independence requirements of the individual members of the Board of Statutory Auditors with regard to the communications received from the individual members concerning the number of roles held/ceased and the related time commitment;
- it took note of the self-assessment required by the Supervisory Provisions, performed by the Board of Directors at its meeting held on 16 February 2023;
- it found that the criteria and procedures establishing the independence requirements adopted by the Board of Directors (at the Board meeting held on 15 July 2022) to assess the independence of its Members and the possible interlocking situations pursuant to Article 36 of Legislative Decree 201/2011, were correctly applied;
- it drawn up the "2022 Audit Committee Questionnaire" (Internal Control and Audit Committee pursuant to art. 19, Legislative Decree no. 39/2010) sent by the CEAOB (Committee of European Auditing Oversight Bodies) through CONSOB;
- it attended, in addition to Board meetings, to specific meetings with the Directors, extended also to the Statutory Auditors. Such meetings are dedicated to the prospects and key elements of the Group's strategy and that of the entire European banking sector;
- it oversaw that the transactions undertaken with persons with administrative, managerial or control functions were always conducted in compliance with Art.136 TUB and Supervisory Instructions.

The Board of Statutory Auditors does not deem it necessary to exercise the option of making proposals to the Shareholders' Meeting pursuant to Art.153, second paragraph of Italian Legislative Decree 58/1998 (TUF).

### Corporate Governance

The Board of Statutory Auditors of UniCredit S.p.A. operates within the framework of an integrated governance and of adequate and structured internal corporate information flows.

The Corporate Governance Committee promoted by ABI, Ania, Assogestioni, Assonime, Borsa Italiana and Confindustria, which most recently updated the Corporate Governance Code to which UniCredit has adhered since 2001, deemed it appropriate to make some recommendations to all listed companies aimed at strengthening the credibility of adherence to the Code as a sign of the quality of corporate governance practices actually implemented.

In particular, the above-mentioned Committee, in the letter of the Committee Chairman dated 25 January 2023, examined by the Board of Statutory Auditors at its meeting held on 9 February 2023, invited the Board of Directors of listed companies to provide a description of the choices relating to the following main aspects, identified as improvement areas:

- dialogue with the shareholders and with the relevant stakeholders;
- pre-meeting information;
- managers' attendance at the Board and the Board Committees' meetings,
- guidance on the optimal composition of the Board of Directors;
- assessment of the Directors' independence;
- remuneration policies.

The Board of Statutory Auditors noted the responses provided by the Bank on the individual aspects mentioned above, in the Report on the Corporate Governance and Ownership Structure, approved by the Board of Directors at its meeting held on 24 February 2023.

With regard to Board of Directors' pre-meeting information, for which the Bank itself reported in the above-mentioned Report that improvement margins have been highlighted, the Board of Statutory Auditors intended to emphasise - as already affirmed in 2022 to the Chairman of the Board of Directors and to the Board itself - the utmost importance of robust and prompt pre-meeting information for a complete and conscious conduct of the Board meetings, and to enable the Board members to take their own decisions with full awareness and, therefore, called for constant and punctual attention to this issue.

Lastly, the Board of Statutory Auditors highlighted that, as reported by the Directors in the press release dated 16 February 2023, following the resignation of Director Ms. Jayne Anne Gadhia and upon the favourable opinion of the Corporate Governance & Nomination Committee, the Board of Directors, at the meeting held on the same date, appointed the independent Director Mr. Jeffrey Alan Hedberg as Chair of the Remuneration Committee. At the same meeting, considering the upcoming Shareholders' Meeting in 2023, the Board also decided to submit to the Shareholders' Meeting the reduction of the number of Board members to 12. This new setting was assessed by the Board of Directors to be adequate and fully compliant with the quali-quantitative theoretical profile approved by the Board of Directors on 3 March 2021, thus ensuring the necessary skills, the adequate gender balance, and the expected quota of overall independent members.

## Report of the Board of Statutory auditors

On 20 February 2023, the Board of Statutory Auditors concluded the self-assessment process on the suitability composition and the proper and effective functioning of the BoSA itself. The self-assessment process was performed in accordance with the provisions of the Corporate Bodies and Committees Regulation, adopted in compliance with the Supervisory Provisions on Corporate Governance for Banks and in line with the indications included in the document “The Self-Assessment of the Board of Statutory Auditors” issued by the Italian National Board of Certified Public Accountants and Accounting Experts (Consiglio Nazionale dei Dottori Commercialisti ed Esperti Contabili) in May 2019 and without turning to the external consultants.

The Board of Statutory Auditors assessed its composition as adequate, also due to its evolution over time and the diversity of skills, competencies, and experience, as well as gender, which ensured the effective functioning of the BoSA over time.

The Board of Statutory Auditors reported every six months to the Board of Directors and the IC&RC about the main activities carried out and the recommendations made. In addition to what has already been stated in paragraph 1. “Appointment and activities of the Board of Statutory Auditors” regarding attendance at meetings of the Bodies, the Board of Statutory Auditors received the usual information flows, during the period (provided for in the “Corporate Bodies and Committees Regulation” and in the policies) on the activities of the Remuneration Committee and Related-Party transactions.

Starting from May 2020, the attendance of the Board of Statutory Auditors’ Members at the Board Committees’ meetings has increased according to the modalities reported in the above-mentioned paragraph 1. Starting from the mandate received from the Shareholders’ Meeting of 8 April 2022, the above-mentioned attendance will take place with 9 months rotation, instead of the previous 6 months rotation, in order to further optimise its participation and effectiveness and also to ensure better continuity of action and information to each Member over time.

The Board of Statutory Auditors confirmed that the strengthening of its participation in the Board Committees in question has strongly contributed to its effectiveness as a Body.

The BoSA carried out the usual periodic checks, together with the competent functions, examining a selected sample of reports within the forms pursuant to Article 23 of the Articles of Association, detecting no exceptions.

With specific reference to the assignment to the **Board of Statutory Auditors** also of the functions of the **Supervisory Body pursuant to Italian Legislative Decree No.231/2001 (“OdV 231”)**, the Board of Statutory Auditors charged with functions of Supervisory Body reported to the Board of Directors every six months on the activities carried out on the implementation of the Organizational and Management Model adopted by UniCredit S.p.A. pursuant to the aforementioned Legislative Decree (“the Model”) at the meetings held on 20 September 2022 and 16 February 2023, respectively.

During the reporting period, the Board of Statutory Auditors, acting as 231 Supervisory Body, oversaw the functioning and compliance with the Model. The verification and control activity, based on the information made available to it, was functional in pursuing the objectives of its effective implementation. The Supervisory Body 231/2001 pursued these objectives with the collaboration of Internal Audit and Compliance functions without substituting, replacing, or duplicating the control tasks institutionally assigned to these functions.

The Board of Statutory Auditors has adopted specific operating practices to perform its ordinary role synergic with the one acting as 231 Supervisory Body. On 11 November 2022, the Supervisory Board 231/2001 sent a specific Memorandum to the Board of Directors – in its capacity as the party responsible for the Model’s adoption and efficient implementation - concerning some issues encountered in the context of its activities. As of the date of this Report, this memo has not yet been discussed by the Board of Directors.

### Conclusions

The oversight activity of the Board of Statutory Auditors revealed no censurable actions, omissions or irregularities requiring to be noted in this Report.

During the meetings of the Board of Directors, during which the most significant economic, financial and equity transactions of UniCredit S.p.A. and its subsidiaries were examined, the Board of Statutory Auditors received the information pursuant to Art.150, paragraph 1, of Italian Legislative Decree. 58/1998 (TUF).

Based on the information acquired through its oversight activity, the Board of Statutory Auditors did not become aware of any transactions performed during the financial year to which this report refers to, not in compliance with the principles of proper management, resolved and carried out not in compliance with the law and the Company Bylaws, not in the Company’s interest, not in accordance with Shareholders’ resolutions, manifestly imprudent or risky, lacking the necessary information where Directors’ interests were involved, or prejudicial to the Company’s assets.

Having regard to the foregoing, the Board of Statutory Auditors, having examined the reports drawn up by the External Auditors, having noted the joint attestations issued by the Chief Executive Officer and the Manager in charge of preparing the Financial Reports, does not find in the areas under its remit any impediment to the approval of the proposal of the financial statements as at 31 December 2022 and of the remuneration proposal to Shareholders, submitted by the Board of Directors, as reported in the next paragraph.

## Report of the Board of Statutory auditors

### Statement of going concern

The Board of Statutory Auditors notes that the Directors observed how the consequences of Russia's military invasion of Ukraine have led to significant uncertainty in macroeconomic outlook, in terms of GDP, inflation rates and interest rates. Furthermore, the Directors observed the evolution in Covid-19 pandemic and the on-going lifting of containment restrictions put in place by Governments since 2020.

The Directors assessed such circumstances, also evaluating the operations directly held in the Russian market through its subsidiary AO UniCredit Bank (Russia), and concluded – with reasonable certainty - that the Bank will be able to operate profitably in the foreseeable future; as a result, in accordance with the provisions of IAS1, the Company Financial Statements of UniCredit S.p.A. as at 31 December 2022 was prepared on a going concern basis.

Based upon the aforementioned evaluations, the main Group regulatory ratios have been taken into account at 31 December 2022, in terms of: (i) The actual figures as at 31 December 2022 (CET1 Ratio Transitional equal to 16.68%; TLAC Ratio equal to 26.90% in terms of RWA and 8.76% in terms of Leverage Exposure; Liquidity Coverage Ratio at 161% based on monthly average on 12 months; (ii) The related buffer versus the minimum requirements at the same reference date (CET1 Ratio Transitional: excess of 756 basis points; TLAC Ratio: excess of 527 basis points in terms of RWA and 172 in terms of Leverage Exposure; Liquidity Coverage Ratio: excess of more than 61 percentage points); (iii) The expected evolution of the same ratios during 2023 (in particular, in 2023, it is expected to maintain a significant margin above the capital requirements, consistently with the UniCredit Unlocked CET1 ratio target of 12.5-13 per cent).

Consistently with such evidence, the Directors have proposed, in 2022, to the Shareholders' meeting, which approved, the distribution of a remuneration, in part in cash and in part through shares buyback subject to the ECB's authorization.

In this regard, pursuant to the resolution passed by the Shareholders' Meeting on 8 April 2022, as updated and integrated pursuant to the shareholders' resolution of 14 September 2022, UniCredit announced (i) The completion on 14 July 2022 of the first tranche of the share buy-back programme communicated to the market on 10 May 2022 and initiated on 11 May 2022 following ECB Authorization, in this regard on 19 July 2022 UniCredit communicated the cancellation of No.162,185,721 treasury shares, without reduction of the share capital and (ii) The completion on 30 November 2022 of the second tranche of the share buy-back programme communicated to the market on 21 September 2022 and initiated on the same date, following ECB Authorization. In addition, on 14 December 2022 UniCredit communicated the cancellation of No.86,949,149 treasury shares, without reduction of the share capital. Finally, the Directors have also proposed to the shareholders' meeting, in 2023, the distribution of a remuneration, in part in cash and in part through shares buyback subject to the ECB's authorization.

The measurement criteria adopted are therefore consistent with this assumption and with the principles of accrual-based accounting, the relevance and materiality of accounting information, and the prevalence of economic substance over legal form.

These criteria have not changed with respect to the previous year.

As stated in the press release issued on 16 February 2023, the Directors will submit the Board of Director's Reports to the Shareholders' Meeting - to be held on 31 March 2023 - related to the proposals of: (i) Approval of the 2022 Company Financial Statement of UniCredit S.p.A.; (ii) Allocation of the 2022 net profit of UniCredit S.p.A. that envisages - among other items - the distribution of a cash dividend for €1,906,562,000, corresponding to €0.9872 per share; (iii) Elimination of negative reserves for the components not subject to change by means of their definitive coverage, by use of available reserves; (iv) Buy-back of UniCredit S.p.A. shares for a total maximum amount equal to €3,343,438,000, with the aim to pursue the actions and targets envisaged by the 2022-2024 strategic plan "UniCredit Unlocked" in terms of shareholder remuneration.

\* \* \* \* \*

Milan, 6 March 2023

For the Board of Statutory Auditors

The Chairman  
Mr. Marco Rigotti









KPMG S.p.A.  
Revisione e organizzazione contabile  
Via Vittor Pisani, 25  
20124 MILANO MI  
Telefono +39 02 6763.1  
Email [it-fmauditaly@kpmg.it](mailto:it-fmauditaly@kpmg.it)  
PEC [kpmgspa@pec.kpmg.it](mailto:kpmgspa@pec.kpmg.it)

**(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)**

## **Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014**

*To the shareholders of  
UniCredit S.p.A.*

### **Report on the audit of the separate financial statements**

#### **Opinion**

We have audited the separate financial statements of UniCredit S.p.A. (the "bank"), which comprise the balance sheet as at 31 December 2022, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include a summary of the significant accounting policies.

In our opinion, the separate financial statements give a true and fair view of the financial position of UniCredit S.p.A. as at 31 December 2022 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and article 43 of Legislative decree no. 136/15.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the separate financial statements" section of our report. We are independent of the bank in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the separate financial statements of the current year. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**Classification and measurement of loans and receivables with customers recognised under financial assets at amortised cost**

Notes to the accounts "Part A - Accounting policies": paragraph A.2.3 "Financial assets at amortised cost"

Notes to the accounts "Part B - Balance sheet - Assets": section 4 "Financial assets at amortised cost"

Notes to the accounts "Part C - Income statement": Section 8 "Net losses/recoveries on credit impairment"

Notes to the accounts "Part E - Information on risks and related hedging policies": Section 1 "Credit risk"

| Key audit matter  | Audit procedures addressing the key audit matter   |
|---|--|
| <p>Lending to customers is one of the bank's core activities. Loans and receivables with customers recognised under financial assets at amortised cost totalled €228,421 million at 31 December 2022, accounting for 52% of total assets.</p> <p>Net impairment losses on loans and receivables with customers recognised in profit or loss during the year totalled €1,008 million.</p> <p>For classification purposes, the directors make analyses that are sometimes complex in order to identify those positions that show evidence of impairment after disbursement. To this end, they consider both internal information about the performance of exposures and external information about the reference sector or the borrowers' overall exposure to banks.</p> <p>Measuring loans and receivables with customers is a complex activity, with a high degree of uncertainty and subjectivity, with respect to which the directors apply internal valuation models that consider many quantitative and qualitative factors, including historical collection flows, expected cash flows and related estimated collection dates, the existence of any indicators of impairment, an assessment of any guarantees, the impact of macroeconomic variables, future scenarios and risks of the sectors in which the bank's customers operate.</p> <p>The complexity of the directors' estimation process has increased as a result of the geopolitical uncertainties caused by the conflict in Ukraine and the persisting Covid-19 emergency in 2022. These uncertainties have severely worsened current economic conditions and the outlook for future macroeconomic scenarios and have had a strong impact on the energy market, supply chains, inflationary pressure and its effect on monetary policies, leading central banks to raise interest rates in the main economies. This required the directors to revisit the valuation processes and methods.</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• gaining an understanding of the bank's processes and IT environment in relation to the disbursement, monitoring, classification and measurement of loans and receivables with customers;</li> <li>• assessing the design and implementation of controls and performing procedures to assess the operating effectiveness of material controls, especially in relation to the identification of exposures with indicators of impairment and the calculation of impairment losses;</li> <li>• analysing the classification criteria used for allocating loans and receivables with customers to the IFRS 9 categories (staging);</li> <li>• analysing the individual and collective impairment assessment policies and models used and checking the reasonableness of the main assumptions and variables included therein, as well as the adjustments made as a result of the financial effects of the geopolitical situation caused by the conflict in Ukraine and the persisting Covid-19 pandemic. We carried out these procedures with the assistance of experts of the KPMG network;</li> <li>• selecting a sample of exposures tested collectively, checking the application of the measurement models applied and checking that the impairment rates applied complied with those provided for in such models;</li> <li>• selecting a sample of exposures tested individually and checking the reasonableness of the indicators of impairment identified and of the assumptions about their recoverability, including considering the guarantees received;</li> <li>• analysing the significant changes in the loan and receivable categories and in the related impairment</li> </ul> |



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| Key audit matter  | Audit procedures addressing the key audit matter  |
|---|---|
| For the above reasons, we believe that the classification and measurement of loans and receivables with customers recognised under financial assets at amortised cost are a key audit matter. | <p>rates compared to the previous years' figures and discussing the results with the relevant internal departments;</p> <ul style="list-style-type: none"> <li>assessing the appropriateness of the disclosures about loans and receivables with customers recognised under financial assets measured at amortised cost.</li> </ul> |

### **Classification and measurement of financial assets and liabilities at fair value levels 2 and 3**

*Notes to the accounts "Part A – Accounting policies": paragraphs A.2.1 "Financial assets at fair value through profit or loss", A.2.2 "Financial assets at fair value through other comprehensive income", A.2.4 "Hedge accounting", A.2.12 "Financial liabilities held for trading", A.2.13 "Financial liabilities designated at fair value" and A.4 "Information on fair value"*

*Notes to the accounts "Part B - Balance sheet - Assets": sections 2 "Financial assets at fair value through profit or loss", 3 "Financial assets at fair value through other comprehensive income" and 5 "Hedging derivatives"*

*Notes to the accounts "Part B - Balance sheet - Liabilities": sections 2 "Financial liabilities held for trading", 3 "Financial liabilities designated at fair value" and 4 "Hedging derivatives"*

*Notes to the accounts "Part C - Income statement": sections 4 "Gains (Losses) on financial assets and liabilities held for trading", 5 "Fair value adjustments in hedge accounting" and 7 "Net gains (losses) on other financial assets/liabilities at fair value through profit or loss"*

*Notes to the accounts "Part E - Information on risks and related hedging policies": sections 2 "Market risk" and 3 "Derivative instruments and hedging policies"*

| Key audit matter  | Audit procedures addressing the key audit matter   |
|---|--|
| <p>Trading in and holding financial instruments are one of the bank's core activities. The separate financial statements at 31 December 2022 include financial assets and financial liabilities at fair value totalling €64,187 million and €42,309 million, respectively.</p> <p>These financial assets and liabilities comprise assets and liabilities measured at fair value of €37,941 million and €37,058 million, respectively, for which there is no quoted price on an active market and which the bank's directors have classified at levels 2 and 3 of the fair value hierarchy.</p> <p>Classifying and, especially, measuring fair value levels 2 and 3 financial instruments require a high level of judgement in relation to the complexity of the models and parameters used.</p> <p>Such complexity has increased as a result of the geopolitical uncertainties caused by the conflict in Ukraine and the persisting Covid-19 emergency in 2022. These uncertainties have severely worsened current economic conditions and the outlook for future</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>gaining an understanding of the bank's processes and IT environment in relation to the trading, classification and measurement of financial instruments;</li> <li>assessing the design and implementation of controls and performing procedures to assess the operating effectiveness of material controls, especially in relation to the classification and measurement of financial instruments with fair value levels 2 and 3, also in the light of the financial effects of the geopolitical situation caused by the conflict in Ukraine and the persisting Covid-19 pandemic;</li> <li>checking, on a sample basis, that the financial instruments had been correctly classified on the basis of their fair value level;</li> <li>for a sample of financial instruments with fair value levels 2 and 3, assessing the reasonableness of</li> </ul> |



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| <b>Key audit matter</b>  | <b>Audit procedures addressing the key audit matter</b>  |
|--|--|
| <p>macroeconomic scenarios and have had a strong impact on the energy market, supply chains, inflationary pressure and its effect on monetary policies, leading central banks to raise interest rates in the main economies.</p> <p>For the above reasons, we believe that the classification and measurement of financial assets and liabilities at fair value levels 2 and 3 are a key audit matter.</p> | <p>the parameters used by the directors for their measurement, also in the light of the financial effects of the geopolitical situation caused by the conflict in Ukraine and the persisting Covid-19 pandemic; we carried out these procedures with the assistance of experts of the KPMG network;</p> <ul style="list-style-type: none"><li>• analysing the changes in the composition of the financial instrument portfolios compared to the previous year end and discussing the results with the relevant internal departments;</li><li>• assessing the appropriateness of the disclosures about financial instruments and related fair value levels.</li></ul> |

### **Comparative figures**

Without modifying our opinion, we draw attention to that disclosed by the directors in the “Reclassification of UniCredit Leasing S.p.A. out of non-current assets held for sale” note of Part A, section 4 of the separate financial statements about the restatement of certain 2021 comparative figures compared to the figures presented in the separate financial statements at 31 December 2021, following the discontinuance of the process for the disposal of the subsidiary. We checked the methods used to restate the prior year comparative figures and related disclosures included in the notes for the purposes of preparing this report.

The bank’s 2021 separate financial statements were audited by other auditors, who expressed their unqualified opinion thereon on 11 March 2022.

### **Responsibilities of the bank’s directors and board of statutory auditors (“Collegio Sindacale”) for the separate financial statements**

The directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and article 43 of Legislative decree no. 136/15 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the bank’s ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the separate financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the bank or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the bank’s financial reporting process.



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### **Auditors' responsibilities for the audit of the separate financial statements**

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the bank to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.



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31 December 2022

### ***Other information required by article 10 of Regulation (EU) no. 537/14***

On 9 April 2020, the bank's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2022 to 31 December 2030.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the bank in conducting the statutory audit.

We confirm that the opinion on the separate financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

## **Report on other legal and regulatory requirements**

### ***Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815***

The bank's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the separate financial statements at 31 December 2022 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the separate financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the separate financial statements at 31 December 2022 have been prepared in XHTML format in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

### ***Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98***

The bank's directors are responsible for the preparation of the reports on operations and on corporate governance and ownership structure at 31 December 2022 and for the consistency of such reports with the related financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the report on operations and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.4 of Legislative decree no. 58/98 with the bank's separate financial statements at 31 December 2022 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the report on operations and the specific information presented in the report on corporate governance and ownership structure referred to above are consistent with the bank's separate financial statements at 31 December 2022 and have been prepared in compliance with the applicable law.



**UniCredit S.p.A.**  
*Independent auditors' report*  
31 December 2022

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, 6 March 2023

KPMG S.p.A.

(signed on the original)

Mario Corti  
Director





# Annex 1 - Reconciliation between reclassified balance sheet and income statement accounts and mandatory reporting schedules

A reconciliation of the reclassified balance sheet and profit and loss account to the mandatory reporting schedules, is provided below. An explanation for the restatement of comparative figures is provided in the previous sections.

## Balance sheet

|  | AMOUNTS AS AT  |                |
|--|----------------|----------------|
|  | 31.12.2022     | 31.12.2021     |
| (€ million)  |                |                |
| <b>ASSETS</b>  |                |                |
| Cash and cash balances   | 54,713         | 72,995         |
| Item 10. Cash and cash balances  | 54,713         | 72,830         |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A. | -              | 165            |
| Financial assets held for trading  | 18,785         | 13,939         |
| Item 20. Financial assets at fair value through profit and loss: a) Financial assets held for trading                | 18,785         | 13,939         |
| Loans to banks   | 17,008         | 26,711         |
| Item 40. Financial assets at amortised cost: a) Loans and receivables with banks                                     | 31,256         | 37,374         |
| less: Reclassification of leasing assets IFRS16 in Other financial assets  | (17)           | (17)           |
| less: Reclassification of debt securities in Other financial assets  | (14,231)       | (10,646)       |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A. | -              | -              |
| Loans to customers   | 191,959        | 190,877        |
| Item 40. Financial assets at amortised cost: b) Loans and receivables with customers                                 | 228,421        | 230,447        |
| less: Reclassification of debt securities in Other financial assets  | (36,650)       | (37,986)       |
| less: Reclassification of leasing assets IFRS16 in Other financial assets  | (26)           | (53)           |
| + Reclassification of loans from Other financial assets - Item 20 c)   | 213            | 89             |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A. | -              | (1,620)        |
| Other financial assets   | 120,940        | 129,430        |
| Item 20. Financial assets at fair value through profit and loss: b) Financial assets designated at fair value        | 204            | 119            |
| Item 20. Financial assets at fair value through profit and loss: c) Other financial assets mandatorily at fair value | 4,536          | 5,945          |
| less: Reclassification of loans in Loans to customers  | (213)          | (89)           |
| Item 30. Financial assets at fair value through other comprehensive income   | 26,921         | 36,464         |
| Item 70. Equity investments  | 38,569         | 38,729         |
| + Reclassification of debt securities from Loans to banks - Item 40 a)   | 14,231         | 10,646         |
| + Reclassification of debt securities from Loans to customers - Item 40 b)   | 36,650         | 37,986         |
| + Reclassification of leasing assets IFRS16 from Loans to banks - Item 40 b)   | 17             | 17             |
| + Reclassification of leasing assets IFRS16 from Loans to customers - Item 40 b)                                     | 26             | 53             |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A. | -              | (440)          |
| Hedging instruments  | 9,780          | 5,720          |
| Item 50. Hedging derivatives   | 13,741         | 4,362          |
| Item 60. Changes in fair value of portfolio hedged items (+/-)   | (3,961)        | 1,358          |
| Property, plant and equipment  | 3,911          | 4,155          |
| Item 80. Property, plant and equipment   | 3,911          | 3,806          |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A. | -              | 349            |
| Goodwill   | -              | -              |
| Item 90. Intangible assets of which: goodwill  | -              | -              |
| Other intangible assets  | 1,641          | 1,582          |
| Item 90. Intangible assets net of goodwill   | 1,641          | 7              |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A. | -              | 1,575          |
| Tax assets   | 10,597         | 11,276         |
| Item 100. Tax assets   | 10,598         | 11,142         |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A. | -              | 134            |
| Non-current assets and disposal groups classified as held for sale   | 233            | 1,539          |
| Item 110. Non-current assets and disposal groups classified as held for sale   | 233            | 1,539          |
| Other assets   | 6,631          | 4,213          |
| Item 120. Other assets   | 6,632          | 3,837          |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A. | -              | 376            |
| <b>Total assets</b>  | <b>436,198</b> | <b>462,437</b> |

## Annex 1 - Reconciliation between reclassified balance sheet and income statement accounts and mandatory reporting schedules

continued: Balance sheet

(€ million)

|  | AMOUNTS AS AT  |                |
|--|----------------|----------------|
|  | 31.12.2022     | 31.12.2021     |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>  |                |                |
| Deposits from banks  | 74,606         | 86,258         |
| Item 10. Financial liabilities at amortised cost: a) Deposits from banks   | 74,613         | 86,265         |
| less: Reclassification of leasing liabilities IFRS16 in Other financial liabilities                                  | (7)            | (7)            |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A. | -              | -              |
| Deposits from customers  | 217,322        | 224,622        |
| Item 10. Financial liabilities at amortised cost: b) Deposits from customers   | 218,320        | 226,028        |
| less: Reclassification of leasing liabilities IFRS16 in Other financial liabilities                                  | (998)          | (1,067)        |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A. | -              | (339)          |
| Debt securities issued   | 47,063         | 57,724         |
| Item 10. Financial liabilities at amortised cost: c) Debt securities in issue  | 47,063         | 57,724         |
| Financial liabilities held for trading   | 20,719         | 13,636         |
| Item 20. Financial liabilities held for trading  | 20,719         | 13,636         |
| Other financial liabilities  | 6,367          | 5,251          |
| Item 30. Financial liabilities designated at fair value  | 5,363          | 4,111          |
| + Reclassification of leasing liabilities IFRS16 from Deposits from customers - Item 10 b)                           | 998            | 1,067          |
| + Reclassification of leasing liabilities IFRS16 from Deposits from banks  | 7              | 7              |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A. | -              | 66             |
| Hedging instruments  | 3,489          | 5,503          |
| Item 40. Hedging derivatives   | 16,227         | 4,843          |
| Item 50. Value adjustment of hedged financial liabilities (+/-)  | (12,739)       | 660            |
| Tax liabilities  | 19             | 31             |
| Item 60. Tax liabilities   | 19             | 13             |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A. | -              | 18             |
| Liabilities included in disposal group classified as held for sale   | -              | -              |
| Item 70. Liabilities referable to disposal groups classified as held for sale  | -              | -              |
| Other liabilities  | 9,251          | 10,161         |
| Item 80. Other liabilities   | 6,938          | 6,943          |
| Item 90. Provision for employee severance pay  | 361            | 491            |
| Item 100. Provisions for risks and charges   | 1,952          | 1,974          |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A. | -              | 753            |
| Shareholders' equity:  | 57,362         | 59,251         |
| - Capital and reserves   | 54,255         | 48,917         |
| Item 110. Valuation reserves   | 711            | 793            |
| Item 120. Redeemable shares  | -              | -              |
| Item 130. Equity instruments   | 6,100          | 6,595          |
| Item 140. Reserves   | 23,708         | 15,131         |
| Item 150. Share premium  | 2,516          | 5,446          |
| Item 160. Share capital  | 21,220         | 21,133         |
| Item 170. Treasury shares (-)  | -              | (199)          |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A. | -              | 18             |
| - Stated Net profit (loss)   | 3,107          | 10,334         |
| Item 180. Profit (Loss) of the period (+/-)  | 3,107          | 10,311         |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A. | -              | 23             |
| <b>Total liabilities and shareholders' equity</b>  | <b>436,198</b> | <b>462,437</b> |

## Annex 1 - Reconciliation between reclassified balance sheet and income statement accounts and mandatory reporting schedules

## Income statement

|   | YEAR           |                |
|---|----------------|----------------|
|   | 2022           | 2021           |
|   | (€ million)    |                |
| <b>Net interest</b>   | <b>3,829</b>   | <b>3,171</b>   |
| <i>Item 30. Net interest margin</i>   | 3,800          | 3,163          |
| <i>less: Net interest from trading book instruments</i>   | (1)            | 8              |
| + Interest on DBO/TFR/Jubilee (from Item 160)   | (5)            | (3)            |
| + Derivatives instruments - Economic Hedges - Others - Interest component   | (6)            | 2              |
| + Remodulation by ECB of contractual terms of TLTRO III facilities  | 41             | -              |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A.                                    | -              | 2              |
| <b>Dividends</b>  | <b>1,404</b>   | <b>848</b>     |
| <i>Item 70. Dividend income and similar revenue</i>   | 1,459          | 892            |
| <i>less: Dividends on equity investments, shares and equity instruments mandatorily at fair value</i>   | (54)           | (44)           |
| <b>Fees</b>   | <b>4,157</b>   | <b>4,188</b>   |
| <i>Item 60. Net fees and commissions</i>  | 4,102          | 4,093          |
| + Structuring and mandate fees on issued or placed certificates by the Group (from Item 80)   | (11)           | (3)            |
| + Structuring and mandate fees on issued or placed certificates by the Group (from Item 110)  | 66             | 13             |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A.                                    | -              | 85             |
| <b>Trading income</b>   | <b>54</b>      | <b>529</b>     |
| <i>Item 80. Net gains (losses) on trading</i>   | (286)          | 385            |
| <i>less: Derivatives instruments - Economic Hedges - Others - Interest component</i>  | 6              | (2)            |
| <i>less: Structuring and mandate fees on issued or placed certificates by the Group</i>   | 11             | 3              |
| <i>Item 90. Net gains (losses) on hedge accounting</i>  | (18)           | (7)            |
| <i>Item 100. Gains (Losses) on disposal and repurchase of: b) financial assets at fair value through other comprehensive income</i>                     | 203            | 93             |
| <i>Item 100. Gains (Losses) on disposal and repurchase of: c) financial liabilities</i>   | 74             | (11)           |
| <i>less: Remodulation by ECB of contractual terms of TLTRO III facilities</i>   | (41)           | -              |
| <i>Item 110. Net gains (losses) on other financial assets/liabilities at fair value through profit or loss</i>  | (79)           | (39)           |
| <i>less: Structuring and mandate fees on issued or placed certificates by the Group</i>   | (66)           | (13)           |
| + Gains (Losses) on disposal and repurchase of financial assets at amortised cost - debt securities (from Item 100 a)                                   | 194            | 84             |
| + Dividends on equity investments, shares and equity instruments mandatorily at fair value (from Item 70)   | 54             | 44             |
| + Net interest from trading book instruments  | 1              | (8)            |
| <b>Other expenses/income</b>  | <b>471</b>     | <b>813</b>     |
| <i>Item 200. Other operating expenses/income</i>  | 1,111          | 326            |
| <i>less: Recovery of expenses</i>   | (458)          | (459)          |
| <i>less: Leasehold improvements</i>   | 28             | 29             |
| <i>less: Integration costs</i>  | 1              | 8              |
| <i>less: Net results from trading of physical gold, precious stones and metals</i>  | 0              | 41             |
| + Income from restated MSA with SIA (from item 160 b)   | -              | 71             |
| + Gains (Losses) on disposal and repurchase of financial assets at amortised cost - performing loans (from Item 100 a)                                  | (211)          | -              |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A.                                    | -              | 797            |
| <b>Revenue</b>  | <b>9,915</b>   | <b>9,549</b>   |
| <b>HR costs</b>   | <b>(3,048)</b> | <b>(3,063)</b> |
| <i>Item 160. Administrative expenses: a) staff costs</i>  | (3,263)        | (2,937)        |
| <i>less: Administrative expenses - staff costs - integration costs</i>  | 210            | 249            |
| <i>less: Interest on DBO/TFR/Jubilee</i>  | 5              | 3              |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A.                                    | -              | (14)           |
| <b>Non HR costs</b>   | <b>(1,844)</b> | <b>(1,997)</b> |
| <i>Item 160. Administrative expenses: b) Other administrative expenses</i>  | (2,351)        | (2,501)        |
| <i>less: Other administrative expenses contributions to the Resolution Funds, Deposit Guarantee Schemes (DGS), Bank Levy and Guarantee fees for DTA</i> | 526            | 538            |
| <i>less: Other administrative expenses - integration costs</i>  | 8              | 80             |
| <i>less: Other administrative expenses - Income from restated MSA with SIA</i>  | -              | (71)           |
| + Other operating expenses/income - leasehold improvements (from Item 200)  | (28)           | (29)           |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A.                                    | -              | (14)           |
| <b>Recovery of expenses</b>   | <b>458</b>     | <b>495</b>     |
| + Other operating expenses/income - recovery of expenses (from Item 200)  | 458            | 459            |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A.                                    | -              | 35             |
| <b>Amortisation and depreciation</b>  | <b>(734)</b>   | <b>(746)</b>   |
| <i>Item 180. Net value adjustments/write-backs on property, plant and equipment</i>   | (389)          | (338)          |
| <i>less: Impairment/write backs of right of use of land and buildings used in the business</i>  | 7              | 6              |
| <i>less: Net value adjustments/write-backs on property, plant and equipment - integration costs</i>   | 33             | 18             |
| <i>Item 190. Net value adjustments/write-backs on intangible assets</i>   | (386)          | (3)            |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A.                                    | -              | (429)          |
| <b>Operating costs</b>  | <b>(5,168)</b> | <b>(5,311)</b> |
| <b>GROSS OPERATING PROFIT (LOSS)</b>  | <b>4,747</b>   | <b>4,238</b>   |

# Annex 1 - Reconciliation between reclassified balance sheet and income statement accounts and mandatory reporting schedules

continued: Income statement

|   | YEAR         |               |
|---|--------------|---------------|
|   | 2022         | 2021          |
|   | (€ million)  |               |
| <b>GROSS OPERATING PROFIT (LOSS)</b>  | <b>4,747</b> | <b>4,238</b>  |
| Loan Loss Provisions  | (1,055)      | (978)         |
| Item 100. Gains (Losses) on disposal and repurchase of: a) financial assets at amortised cost   | 13           | 73            |
| less: Gains (Losses) on disposal and repurchase of financial assets at amortised cost - performing loans  | 211          | -             |
| less: Gains (Losses) on disposal and repurchase of financial assets at amortised cost - debt securities   | (194)        | (84)          |
| Item 130. Net losses/recoveries on credit impairment relating to: a) financial assets at amortised cost   | (1,040)      | (975)         |
| less: Net losses/recoveries on impairment relating to: a) financial assets at amortised cost - debt securities  | (6)          | (11)          |
| Item 130. Net losses/recoveries on credit impairment relating to: b) financial assets at fair value through other comprehensive income  | (9)          | (14)          |
| less: Net losses/recoveries on impairment relating to: b) financial assets at fair value through other comprehensive income - debt securities   | 9            | 14            |
| Item 140. Gains/Losses from contractual changes with no cancellations   | 9            | (3)           |
| Item 170. Net provisions for risks and charges: a) commitments and financial guarantees given   | (48)         | 22            |
| <b>NET OPERATING PROFIT (LOSS)</b>  | <b>3,692</b> | <b>3,260</b>  |
| Other charges and provisions  | (440)        | (677)         |
| Item 170. Net provisions for risks and charges: b) other net provisions   | 89           | (141)         |
| less: Net provisions for risks and charges: b) other net provisions - integration costs   | (2)          | 3             |
| + Administrative expenses - other administrative expenses contributions to the Resolution Funds, Deposit Guarantee Schemes (DGS), Bank Levy and Guarantee fees for DTA (from Item 160 b)      | (526)        | (538)         |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A.  | -            | (1)           |
| Integration costs   | (249)        | (415)         |
| + Administrative expenses - staff costs - integration costs (from Item 160 a)   | (210)        | (249)         |
| + Administrative expenses - other administrative expenses - integration costs (from Item 160 b)   | (8)          | (80)          |
| + Other operating income/expenses - integration costs (from Item 200)   | (1)          | (8)           |
| + Net provisions for risks and charges: b) other net provisions - integration costs (from Item 170 b)   | 2            | (3)           |
| + Amortisation, depreciation and impairment losses on intangible and tangible assets - Net value adjustments/write-backs on property, plant and equipment - integration costs (from Item 180) | (33)         | (18)          |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A.  | -            | (57)          |
| Net income from investments   | 135          | 7,249         |
| Item 220. Profit (Loss) of equity investments   | 138          | 7,309         |
| Item 230. Net gains (losses) on tangible and intangible assets measured at fair value   | 8            | (9)           |
| Item 250. Gains (Losses) on disposal of investments   | -            | (1)           |
| + Net losses/recoveries on impairment relating to financial assets at amortised cost - debt securities (from Item 130 a)  | 6            | 11            |
| + Net losses/recoveries on impairment relating to financial assets at fair value through other comprehensive income - debt securities (from Item 130 b)                                       | (9)          | (14)          |
| + Impairment/write backs of right of use of land and buildings used in the business (from Item 180)   | (7)          | (6)           |
| + Net results from trading of physical gold, precious stones and metals (from Item 200)   | (0)          | (41)          |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A.  | -            | -             |
| <b>PROFIT (LOSS) BEFORE TAX</b>   | <b>3,138</b> | <b>9,417</b>  |
| Income taxes  | (31)         | 917           |
| Item 270. Tax expenses (income) from continuing operations  | (31)         | 934           |
| Change in the reclassified item for the merge with UniCredit Services S.C.p.A., Crivelli S.r.l., Cordusio SIM S.p.A.  | -            | (17)          |
| <b>NET PROFIT (LOSS) FOR THE PERIOD</b>   | <b>3,107</b> | <b>10,334</b> |
| Goodwill impairment   | -            | -             |
| Item 240. Goodwill impairment   | -            | -             |
| <b>STATED NET PROFIT (LOSS)</b>   | <b>3,107</b> | <b>10,334</b> |
| Item 300. Net profit (loss) for the period  | 3,107        | 10,334        |

## Annex 2 - Audit fees and other non-audit services

(pursuant to article 149-duodecies, CONSOB Regulation No.11971/99, as supplemented)

(€ million)

| DISCLOSURE OF EXTERNAL AUDITORS' FEES - UNICREDIT S.p.A. - FINANCIAL YEAR 2022 - KPMG NETWORK   |  |                        |  |                     |                     |
|---|--|------------------------|--|---------------------|---------------------|
| As prescribed by Art.149-duodecies of the Consob Issuers Regulation, the following table gives fees paid in 2022 for audit services rendered by the Auditor and firms in its network. |  |                        |  |                     |                     |
| EXTERNAL AUDITING   | SUBSIDIARY ASSIGNING THE SERVICE   |                        | DESCRIPTION OF SERVICE   | TYPE                | FEES <sup>(*)</sup> |
|   | SERVICE PROVIDER   | COMPANY NAME           |  |                     |                     |
| NAME OF AUDITING FIRM   | COMPANY NAME   | DESCRIPTION OF SERVICE | TYPE   | FEES <sup>(*)</sup> |                     |
| Auditing Firm   | KPMG S.p.A.  | UniCredit S.p.A.       | Audit of Company and Consolidated accounts and First Half Report, accounting checks and foreign branches   |                     | 3.2                 |
| <b>Auditing Firm Total</b>  |  |                        |  |                     | <b>3.2</b>          |
| <b>External Auditing Total</b>  |  |                        |  |                     | <b>3.2</b>          |
| CHECKING FOR THE PURPOSES OF OTHER OPINIONS   | SUBSIDIARY ASSIGNING THE SERVICE   |                        | DESCRIPTION OF SERVICE   | TYPE                | FEES <sup>(*)</sup> |
|   | SERVICE PROVIDER   | COMPANY NAME           |  |                     |                     |
| NAME OF AUDITING FIRM   | COMPANY NAME   | DESCRIPTION OF SERVICE | TYPE   | FEES <sup>(*)</sup> |                     |
| Auditing Firm   | KPMG S.p.A.  | UniCredit S.p.A.       | Limited review on 2022 non financial information, Limited review on Q1 2022 and Q3 2022 Company and Consolidated Reports, Comfort Letter for the inclusion of year-end net profit in Common Equity Tier 1 Capital, Assurance Engagement ISAE 3402, Issuing Comfort Letters concerning bond issues, Supervisory Fees ECB ISA805 |                     | 0.9                 |
| <b>Auditing Firm Total</b>  |  |                        |  |                     | <b>0.9</b>          |
| Network Auditing Firm(s)  | KPMG Huazhen LLP, KPMG Auditores SL, KPMG Lower Gulf Limited, KPMG Audit SRL, KPMG AG Wirtschaftsprüfungsgesellschaft, KPMG Česká republika Audit, s.r.o | UniCredit S.p.A.       | Statutory audit of foreign branches Shanghai, Abu Dhabi, Madrid, Bucharest, Munich and Prague financial statements according to local regulations  |                     | 0.3                 |
| <b>Network Auditing Firm(s) Total</b>   |  |                        |  |                     | <b>0.3</b>          |
| <b>Data Checking Total</b>  |  |                        |  |                     | <b>1.2</b>          |
| OTHER NON-AUDITING SERVICES   | SUBSIDIARY ASSIGNING THE SERVICE   |                        | DESCRIPTION OF SERVICE   | TYPE                | FEES <sup>(*)</sup> |
|   | SERVICE PROVIDER   | COMPANY NAME           |  |                     |                     |
| NAME OF THE AUDITING FIRM   | COMPANY NAME   | DESCRIPTION OF SERVICE | TYPE   | FEES <sup>(*)</sup> |                     |
| Auditing Firm   | KPMG S.p.A.  | UniCredit S.p.A.       | Agreed Upon Procedure (AUP) on Own Funds, AUP on quarterly calculation foreign exchange risk of CIUs, AUP on Servicing Report Capital Mortgages and OBG I  | Other services      | 0.2                 |
| <b>Auditing Firm Total</b>  |  |                        |  |                     | <b>0.2</b>          |
| Network Auditing Firm(s)  |  |                        |  | Other services      | 0.0                 |
| Network Auditing Firm(s)  |  |                        |  |                     | 0.0                 |
| <b>Other Non-Auditing Services Total</b>  |  |                        |  |                     | <b>0.2</b>          |
| <b>Grand Total</b>  |  |                        |  |                     | <b>4.6</b>          |

Notes:

(\*) Excluding VAT and expenses.

## Annex 3 - Internal pension funds: statement of changes in the year and final accounts

### Internal Pension Funds

As at 31 December 2022 with regard to internal pension funds UniCredit S.p.A. does not maintain commitments to the funds set up for the employees.

## Annex 4 - Securitisation - qualitative tables

With specific regard to UniCredit S.p.A. as Originator, reference is made to the Annexes, Annex 3 - Securitisations, qualitative tables of Consolidated financial statements of UniCredit group, which is herewith quoted entirely.

## Annex 5 - Sales of financial assets to investment funds, receiving as consideration units issued by the same funds - qualitative tables

With specific regard to UniCredit S.p.A. as Originator, reference is made to the Annexes, Annex 4 - Sales of financial assets to investment funds, receiving as consideration units issued by the same Funds, qualitative tables of Consolidated financial statements of UniCredit group, which is herewith quoted entirely.





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# Incorporations of qualitative information by reference

The following is the list of the incorporations of qualitative information by reference made by the Consolidated financial statements to the Company financial statements:

| PART OF THE CONSOLIDATED FINANCIAL STATEMENTS WHERE A REFERENCE IS PRESENT  | DESCRIPTION OF THE PART OF THE COMPANY FINANCIAL STATEMENTS WHERE IS DETECTABLE THE QUALITATIVE INFORMATION INCORPORATED BY REFERENCE   |
|---|---|
| Part B - Information on consolidated balance sheet - Assets, Section 2 - Financial assets at fair value through profit or loss - Item 20  | The paragraph "Information about the units of Atlante Fund and Italian Recovery Fund (former Atlante II)" is incorporated by reference to Part B - Balance sheet - Assets, Section 2 - Financial assets at fair value through profit or loss - Item 20 of the Notes to the accounts.<br>The paragraph "Information about the investments in the "Schema Volontario" (Voluntary Scheme) is incorporated by reference to Part B - Balance sheet - Assets, Section 2 - Financial assets at fair value through profit or loss - Item 20 of the Notes to the accounts. |
| Part B - Information on consolidated balance sheet - Assets, Section 3 - Financial assets at fair value through other comprehensive income - Item 30  | The paragraph "Information about the shareholding in Banca d'Italia" is incorporated by reference to Part B - Balance sheet - Assets, Section 3 - Financial assets at fair value through other comprehensive income - Item 30 of the Notes to the accounts.   |
| Part B - Information on consolidated balance sheet - Assets, Section 11 - Tax assets and tax liabilities - Item 110 (Assets) and Item 60 (Liabilities)  | The qualitative disclosure of deferred tax assets and liabilities of the Parent Company is incorporated by reference to Part B - Information on balance sheet - Assets, Section 10 - Tax assets and tax liabilities - Item 100 (Assets) and Item 60 (Liabilities) of the Notes to the accounts.   |
| Part B - Information on consolidated balance sheet - Liabilities, Section 13 - Group shareholders' equity - Items 120, 130, 140, 150, 160, 170 and 180  | The paragraphs "12.1 Share capital and treasury shares": breakdown", "12.2 Share capital - Number of shares: annual changes", "12.3 Capital: other information" and "12.5 Equity instruments; composition and annual changes" are incorporated by reference to Part B - Information on balance sheet - Liabilities, Section 12 - Shareholders' equity - Item 110, 130, 140, 150, 160, 170 and 180 of the Notes to the accounts.   |
| Part C - Information on consolidated income statement, Section 21 - Tax expenses (income) for the period from continuing operations - Item 300  | The qualitative disclosure of tax expenses (income) for the period of the Parent Company is incorporated by reference to Part C - Income statement, Section 19 - Tax expenses (income) for the period from continuing operations - Item 270 of the Notes to the accounts.   |
| Part E - Information on risks and related hedging policies, Section 1 - Risks of the accounting consolidated perimeter, Qualitative information.  | The paragraphs "Itaca Transaction" and "Altea Transaction" are incorporated by reference to "Part E - Information on risks and related hedging policies, Section 1 - Credit risk, quantitative information, 2. Credit risk management policies.   |
| Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information  | The qualitative disclosure with reference to the Italian perimeter of UniCredit S.p.A., reporting specific credit risks committees, is incorporated by reference to Part E - Information on risks and related hedging policies, Section 1 - Credit Risk, Qualitative information, 2. Credit risk management policies, 2.1 Organisational aspects of the Notes to the accounts.  |
| Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Quantitative information, E. Prudential perimeter - Credit risk measurement models | The quantitative information of UniCredit S.p.A. on Credit risk measurement model is incorporated by reference to the paragraph in Part E - Information on risks and related hedging policies, Section 1 - Credit Risk, Quantitative information, F. Credit risk measurement models of the Notes to the accounts.   |
| Part E - Information on risks and related hedging policies - Section 2 - Risks of prudential consolidated perimeter - Section 2.5 - Operational risks   | The paragraph "E. Other claims by customers" and the sub-paragraph "Diamond offer" are incorporated by reference to the similar paragraphs of Part E - Information on risks and related hedging policies - Section 5 - Operational risks of the Notes to the accounts.  |

# Incorporations of qualitative information by reference

The following is the list of the incorporations of qualitative information made by reference by the Company financial statements to the Consolidated financial statements:

| PART OF THE COMPANY FINANCIAL STATEMENTS WHERE A REFERENCE IS PRESENT                | DESCRIPTION OF THE PART OF THE CONSOLIDATED FINANCIAL STATEMENTS WHERE IS DETECTABLE THE QUALITATIVE INFORMATION INCORPORATED BY REFERENCE  |
|--|---|
| Report on operations - Introduction and highlights                                   | <p>The paragraph "Share information" is presented by reference to the paragraph "Share information" - Group and UniCredit share historical data series of the Consolidated report on operations.</p> <p>The paragraph "Macroeconomic situation, banking and financial markets" is presented by reference to the paragraph "Macroeconomic situation, banking and financial markets" - Group results of the Consolidated report on operations.</p> <p>References of UniCredit official website where can be found Report on corporate governance and ownership structure, Report on remuneration and Non-financial information are reported in Other information of the Consolidated report on operations.</p> <p>The paragraph "Research and development projects" is presented by reference to the paragraph "Research and development projects" - Other information of the Consolidated report on operations.</p> <p>Information of significant organizational changes and organizational structure are presented by reference to the paragraph "Organisational model" - Other information of the Consolidated report on operations.</p> |
| Report on operations - Results of the year - Capital and value management            | The qualitative disclosure of "Principles of value creation and disciplined capital allocation", "Capital ratios" for information relating to transitional capital requirements and buffers for UniCredit group and "Capital strengthening" are incorporated by reference to the same paragraphs in "Capital and value management" - Group results of the Consolidated report on operations.  |
| Report on operations - Other information   | <p>The paragraph "Group activities development operations and other corporate transactions", with specific reference to events relating to the parent company UniCredit S.p.A., is incorporated by reference to the same paragraph "Group activities development operations and other corporate transaction" - Other information of the Consolidated report on operations.</p> <p>The paragraph "Certifications and other communications" is incorporated by reference to the same paragraph "Certifications and other communications" - Other information of the Consolidated report on operations.</p>  |
| Report on operations - Subsequent events and Outlook                                 | <p>The paragraph "Subsequent events", with specific reference to events relating to the parent company UniCredit S.p.A., is incorporated by reference to the paragraph "Subsequent events" - Other information of the Consolidated report on operations.</p> <p>The paragraph "Outlook" is incorporated by reference to the paragraph "Outlook" of the Consolidated report on operations.</p>   |
| Part A - Accounting policies, A.2 Main items of the accounts                         | The paragraphs relating to main items of the accounts, where applicable, are incorporated by reference to the same paragraphs of Part A - Accounting policies, A.2 - Main items of the accounts of the Notes to consolidated accounts.  |
| Part A - Accounting policies. A.4 Information on fair value                          | The paragraphs relating to information on fair value, where not otherwise specified, are incorporated by reference to the same paragraphs of Part A - Accounting policies, A.4 - Information on fair value of the Notes to the consolidated accounts.   |
| Part B - Balance sheet - Assets, Section 8 - Property, plant and equipment - Item 80 | The description of the "effects produced by update of appraisals" conducted for fair value evaluation is incorporated by reference to the paragraph in Part B - Consolidated balance sheet - Assets, Section 9 - Property, plant and equipment - Item 90 of the Notes to the consolidated accounts  |

# Incorporations of qualitative information by reference

|   |   |
|---|---|
| Part C - Income statement - Section 10 - Other administrative expenses - Item 160                                 | The paragraph "Contributions to Resolution and Guarantee Funds" and "Guarantee fees for DTA conversion" are incorporated by reference respectively to the paragraphs "Contributions to Resolution and Guarantee Funds" and "Guarantee fees for DTA conversion" of Part C - Consolidated income statement - Section 12 Administrative expenses - Item 190 of the Notes to consolidated accounts.   |
| Part E - Information on risks and related hedging policies - Introduction   | The paragraph "Introduction" is incorporated by reference to the paragraph "Introduction" of Part E - Information on risks and related hedging policies of the Notes to consolidated accounts.  |
| Part E - Information on risks and related hedging policies - Section 1 - Credit risk - Qualitative information    | Qualitative information relating to "1. General aspects", "2. Credit risk management policies", "3. Non-performing credit exposure", "4. Commercial renegotiation of financial assets and forbore exposures" is partially incorporated by reference to the same paragraphs of Part E - Information on risks and related hedging policies Section 2 - Risks of prudential perimeter - 2.1 Credit risk - Qualitative information of the Notes to consolidated accounts.   |
| Part E - Information on risks and related hedging policies - Section 1 - Credit risk - Quantitative information   | Concerning the classification of credit exposure, of loan commitments and financial guarantees given based on internal and external ratings in force for the UniCredit group reference is made to the paragraph of Part E - Information on risks and related hedging policies - Section 2 - Risks of the prudential consolidated perimeter of the Notes to consolidated accounts.<br><br>Quantitative information regarding the sales of financial assets to Investment Funds, receiving as consideration units issued by the same Funds in entirely incorporated by reference to Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter of the Notes to consolidated accounts.<br><br>The paragraph "E.4 Covered bond transaction" is incorporated by reference to the paragraph "D.4 Covered bond transaction" Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information of Part E - Information on risks and related hedging policies of the Notes to consolidated accounts.  |
| Part E - Information on risks and related hedging policies, Section 2 - Market risk                               | Qualitative information as introduction ("Risk management strategies and processes", "Structure and organisation", "Risk measurement and reporting systems", "Hedging policies and risk mitigation", "Internal model for price, interest rate and exchange rate risk of the Regulatory trading book") is incorporated by reference to qualitative information of paragraph of Part E - Information on risks and related hedging policies, Section 2 - Risk of the prudential consolidated perimeter, 2.2 Market risk of the Notes to consolidated accounts.<br><br>Qualitative information of "2.1 Interest rate risk and price risk - Regulatory trading book", "2.2 Interest rate and price risk - Banking book" and "2.3 Exchange rate risk" is incorporated by reference to qualitative information of paragraph of Part E - Information on risks and related hedging policies, Section 2 - Risk of the prudential consolidated perimeter, 2.2 Market risk of the Notes to consolidated accounts.<br><br>Quantitative information of paragraph "3. Regulatory trading portfolio: internal models and other methods for sensitivity analysis" of Interest rate risk and price risk - Regulatory trading book and of "2. Internal models and other methodologies for sensitivity analysis" of Exchange rate risk is incorporated by reference to qualitative information of paragraph of Part E - Information on risks and related hedging policies, Section 2 - Risk of the prudential consolidated perimeter, 2.2 Market Risk of the Notes to consolidated accounts.<br><br>Information on "Credit spread risk" and "Stress test" are incorporated by reference to the relevant paragraphs in Section 2 - Risk of the prudential consolidated perimeter, 2.2 Market risk of the Notes to consolidated accounts. |
| Part E - Information on risks and related hedging policies, Section 4 - Liquidity risks                           | Qualitative information is incorporated by reference to qualitative information of paragraph of Part E - Information on risks and related hedging policies Section 2 - Risk of the prudential consolidated perimeter - 2.4 Liquidity risk of the Notes to consolidated accounts.  |
| Part E - Information on risks and related hedging policies, Section 5 - Operational risk, Qualitative information | The paragraph "A. General aspects, operational processes and methods for measuring operational risk" is incorporated by reference paragraph "A. General aspects, operational processes and methods for measuring operational risk" of Part E - Information on risks and related hedging policies, Section 2 - Risk of the prudential consolidated perimeter, 2.5 Operational risks of the Notes to consolidated accounts.   |

# Incorporations of qualitative information by reference

|   |  |
|---|--|
|   | <p>The paragraph “B. Risks arising from legal disputes” is incorporated by reference to paragraph “B. Risks arising from legal disputes” of Part E - Information on risks and related hedging policies, Section 2 - Risk of the prudential consolidated perimeter, 2.5 Operational risks of the Notes to consolidated accounts.</p> <p>The paragraph “C. Risks arising from employment law cases” is incorporated by reference to paragraph “Risks arising from employment law cases” of Part E - Information on risks and related hedging policies, Section 2 - Risk of the prudential consolidated perimeter, 2.5 Operational risks of the Notes to consolidated accounts.</p> <p>The paragraph “D. Risks arising from tax disputes is incorporated by reference to paragraph “D. Risks arising from tax disputes” Part E - Information on risks and related hedging policies, Section 2 - Risk of the prudential consolidated perimeter, 2.5 Operational risks of the Notes to consolidated accounts.</p> |
| Part E - Information on risks and related hedging policies, Section 5 - Operational risk, Quantitative information                      | Quantitative information is incorporated by reference to the relevant paragraph in Part E - Information on risks and related hedging policies - Section 2 - Risk of the prudential consolidated perimeter - 2.5 Operational risks of the Notes to consolidated accounts.   |
| Part E - Information on risks and related hedging policies, Section 6 - Other risks   | Qualitative information of paragraphs “Other risks included in Economic capital”, “Reputational risk” and “Top and emerging risks” is incorporated by reference to qualitative information in different paragraph of Part E - Information on risks and related hedging policies, Section 2 - Risk of the prudential consolidated perimeter, 2.6 Other risks of the Notes to consolidated accounts.   |
| Part F - Shareholders' equity   | The paragraph “A. Qualitative information” is incorporated by reference to paragraph “A. Qualitative information” of Part F - Consolidated shareholders' equity of the Notes to consolidated accounts.   |
| Part H - Related-party transactions   | The paragraph “Introduction” and the qualitative information of paragraph “2. Related-party transactions” are incorporated by reference to paragraphs “Introduction” and “2. Related-party transactions” of Part H - Related-party transactions of the Notes to consolidated accounts.   |
| Part I - Share-based payments   | The paragraph “A. Qualitative information” and paragraph “B. Quantitative information -1. Annual changes” are incorporated by reference to paragraphs “A. Qualitative information” and “1 B. Quantitative information -1. Annual changes” of Part I - Shared base payments of the Notes to consolidated accounts.  |
| Annex 4 - Securitisations - qualitative tables  | Information is incorporated by reference to information in Annex 3 - Securitisations - qualitative tables of the consolidated financial statements.  |
| Annex 5 - Sales of financial assets to investment funds, receiving as consideration units issued by the same funds - qualitative tables | Information is incorporated by reference to information in Annex 4 - Sales of financial assets to investment funds, receiving as consideration units issued by the same funds - qualitative tables of the consolidated financial statements.   |



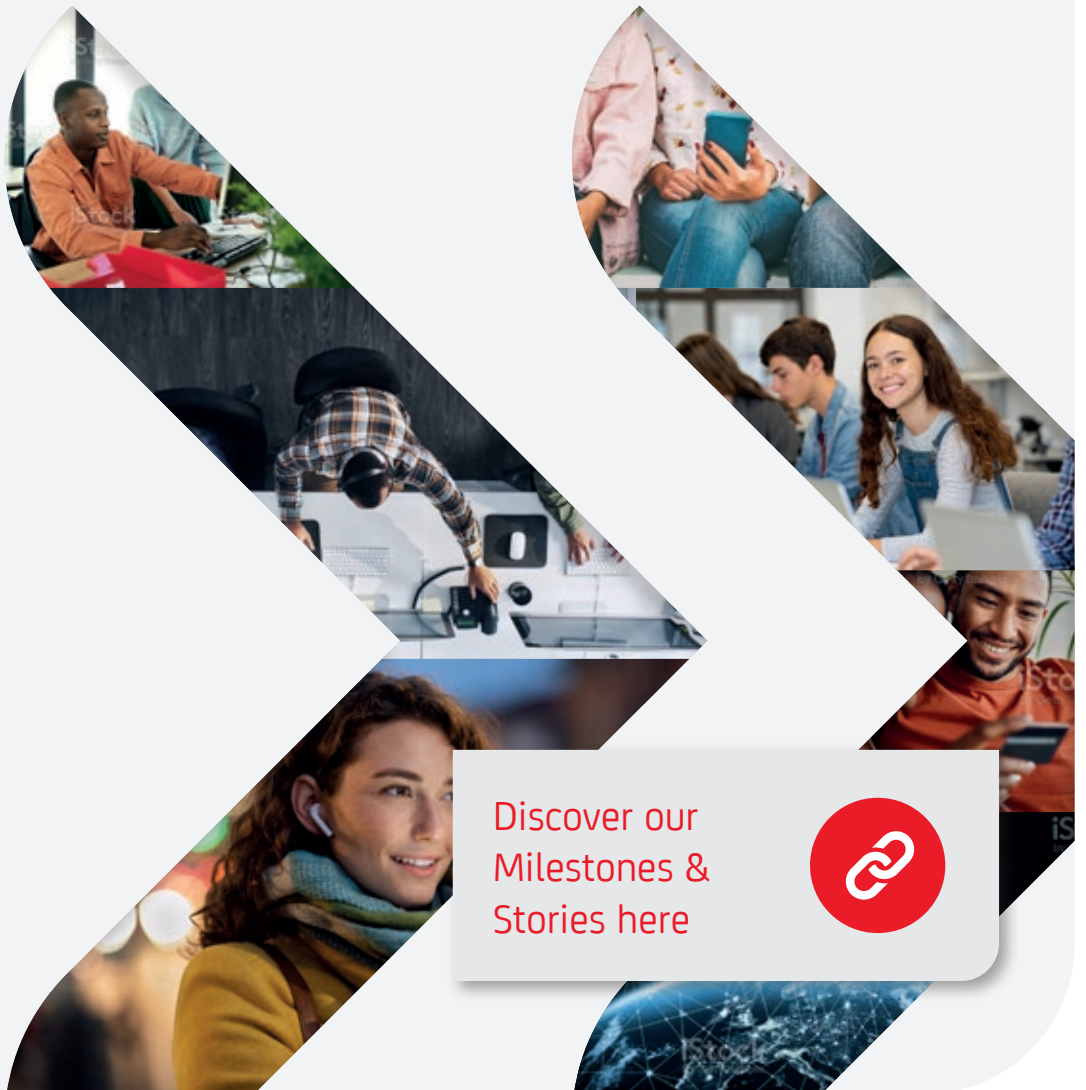
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# Glossary

| ITEM  | DESCRIPTION  |
|---|--|
| <b>ABB Accelerated Bookbuild</b>                              | An accelerated bookbuild is a form of offering in the equity capital markets of material stake of a company's share to institutional investors.  |
| <b>ABCP Conduits - Asset Backed Commercial Paper Conduits</b> | <p>Asset Backed Commercial Paper Conduits are a type of "SPV - Special Purpose Vehicle" (see item) set up to securitise various types of assets and financed by Commercial Paper. Commercial Paper generally matures in 270 days, with payment of principal and interest depending on the cash flow generated by the underlying assets.</p> <p>ABCP Conduits may be single-sellers or multi-sellers according to the number of issues they make. Conduits generally require several SPVs. The first-level vehicles issue the Commercial Paper and finance one or more second-level vehicles or Purchase Companies (see item) which purchase the assets to be securitised.</p> <p>An ABCP Conduit will have the following:</p> <ul style="list-style-type: none"> <li>• issues of short-term paper creating a maturity mismatch between the assets held and the paper issued;</li> <li>• liquidity lines covering the maturity mismatch; and</li> <li>• security covering default risk in respect of both specific assets and the entire programme.</li> </ul>  |
| <b>ABS - Asset Backed Securities</b>                          | Debt securities, generally issued by an "SPV - Special Purpose Vehicle" (see item) guaranteed by assets of various types such as mortgage loans, consumer credits, credit card receivables, etc. Principal and interest payments are subject to the performance of the securitised assets and the existence of any further security guaranteeing the bond. ABSs are divided into tranches (senior, mezzanine and junior) according to the priority with which principal and interest will be paid.   |
| <b>AC</b>   | Financial asset amortised at cost.   |
| <b>Acquisition finance</b>                                    | Finance for business acquisition operations. The most common form of Acquisition finance is the leveraged buy-out (see item "Leveraged finance").  |
| <b>Allocated capital</b>                                      | It represents the amount of capital absorbed by the Group and the Divisions to perform their business activities and to cover all the types of related risks. It is measured by Regulatory Capital obtained by multiplying risk-weighted assets by target Common Equity tier 1 ratio, plus certain regulatory deductions (e.g. shortfall, securitisations, equity exposures).  |
| <b>ALM - Asset &amp; Liability Management</b>                 | Integrated management of assets and liabilities, designed to allocate resources in such a manner as to optimise the risk/return ratio.   |
| <b>AMA - Advanced Measurement Approach</b>                    | Applying this methodology the operational risk requirement is obtained with calculation models based on operational loss data and other evaluation elements collected and processed by the bank. Admittance threshold and specific suitability requirements have been provided for the use of the standardised and advanced approaches. For the AMA approach the requirements concern, beside the management system, also the measurement system.  |
| <b>Asset management</b>                                       | Activities of management of the financial investments of third parties.  |
| <b>Audit</b>  | Process of controlling a company's activities and accounting, carried out either by an internal body (internal audit) or by an external firm of auditors (external audit).   |
| <b>Back-testing</b>   | Statistical technique which entails the comparison of model estimates of risk parameters with the ex-post empirical evidences.   |
| <b>Bad Loans</b>  | Exposures to borrowers in a state of insolvency (even when not recognised in a court of law) or in an essentially similar situation, regardless of any loss forecasts made by the bank (i.e. irrespective of the presence of any protection covering the exposures).   |
| <b>Bank Levy</b>  | Charges applied at national level specifically to financial institutions, mainly based on balance sheet figures, or parts of it.   |
| <b>Banking Book</b>   | Portfolio that identifies the technical forms of lending and funding typical of the core business of the bank, including consumer and residential loans, investments in securities, deposits, etc.   |
| <b>Basel 2</b>  | <p>New international capital agreement redefining the guidelines for determining the minimum capital requirements for banks. Such prudential regulation, which came into force in Italy in 2008, is based on three pillars.</p> <p><b>Pillar 1</b></p> <p>While the objective of a level of capitalization equivalent to 8% of the risk-weighted exposures remains unchanged, a new set of rules has been defined for measuring the typical risks associated with banking and financial activities (credit risk, counterparty risk, market risk and operational risk) which provides for alternative calculation methods characterised by different levels of complexity, with the ability to use internally developed models subject to prior authorization by the Regulatory Authority;</p> <p><b>Pillar 2</b></p> <p>This requires the banks to have processes and tools for determining the adequate level of total internal capital (Internal Capital Adequacy Assessment Process - ICAAP) for covering all types of risk, including risks other than those covered by the overall capital requirement (Pillar 1), within the framework of an evaluation of current and future exposure that takes account of strategies and of changes in the reference context. It is the Regulatory Authority's task to examine the ICAAP process, formulate an overall judgment and, where necessary, apply the appropriate corrective measures;</p> <p><b>Pillar 3</b></p> <p>It refers to the obligations to publish information concerning capital adequacy, exposure to risks, and the general characteristics of the systems used for identifying, measuring and managing those risks.</p> |

# Glossary

| ITEM  | DESCRIPTION   |
|---|---|
| <b>Basel 3</b>                                      | As a consequence of the crisis that, since 2008 has hit the financial markets, the Basel Committee on Banking Supervision has approved the substantial enhancement of the minimum capital requirements and the changes to the rules on the liquidity of banks (Basel 3) by providing for the gradual introduction of the new prudential requirements as at 1 January 2014. These rules have been implemented at the European level through the CRD IV "Package".  |
| <b>Best practice</b>                                | Behaviour commensurated with the most significant experience and/or the best level of knowledge achieved in relation to a given technical or professional field.  |
| <b>BRRD -Bank Recovery and Resolution Directive</b> | European Directive that introduced harmonised routes on the recovery and resolution of credit institutions and investment firms.  |
| <b>CBO - Collateralised Bond Obligations</b>        | CDO - Collateralised Debt Obligations (see item) with bonds as underlyings.   |
| <b>CDO - Collateralised Debt Obligations</b>        | Bonds issued by a SPV (see item) with loans, bonds, ABS - Asset Backed Securities (see item) or other CDOs as underlyings. CDOs make it possible to derecognise assets in the bank's balance sheet and also to arbitrage the differences in yield between the securitised assets and the bonds issued by the vehicle.<br>CDOs may be funded if the vehicle legally acquires title to the assets or unfunded if the vehicle acquires the underlying risk by means of a CDS - Credit Default Swap (see item) or similar security.<br>These bonds may be further subdivided as follows: <ul style="list-style-type: none"> <li>• CDOs of ABSs, which have tranches of ABSs as underlyings;</li> <li>• Commercial Real Estate CDOs (CRE CDOs), with commercial property loans as underlyings;</li> <li>• Balance sheet CDOs which enable the Originator (see item), usually a bank, to transfer its credit risk to third investors, and, where possible under local law and supervisory regulations, to derecognise the assets from its balance sheet;</li> <li>• Market Value CDOs whereby payments of interest and principal are made not only out of cash flow from the underlying assets, but also by trading the instruments. The performance of the notes issued by the vehicle thus depends not only on the credit risk, but also on the market value of the underlyings;</li> <li>• Preferred Stock CDOs with hybrid debt/equity instruments or Preference shares (see item) issued by financial institutions;</li> <li>• Synthetic Arbitrage CDOs which arbitrage the differences in yield between the securitised assets acquired synthetically by means of derivatives and the bonds issued by the vehicle.</li> </ul> |
| <b>CDS - Credit Default Swap</b>                    | A derivative in which a seller of protection engages, for a fee, to pay the buyer of protection a fixed amount should a certain event indicating a deterioration of the creditworthiness of a reference entity occur.   |
| <b>CGU - Cash Generating Unit</b>                   | A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.   |
| <b>CIU - Collective Investment Undertakings</b>     | Collective Investment Undertaking means an "UCITS - Undertakings for Collective Investment in Transferable Securities" (see item) that may be constituted in accordance with contract law (as common funds managed by management companies), trust law (as unit trusts), or statute (as investment companies), an AIF (Alternative Investments Fund) or a non-EU AIF.   |
| <b>Commodity risk</b>                               | The risk that the value of the instrument decreases due to commodity prices (e.g. gold, crude oil) changes.   |
| <b>Common Equity Tier 1 Capital</b>                 | Refer to the content reported in the UniCredit Group Disclosure (Pillar III) in the Own Funds chapter.  |
| <b>Common Equity Tier 1 Capital Ratio</b>           | Refer to the content reported in the UniCredit Group Disclosure (Pillar III) in the Own Funds chapter.  |
| <b>Corporate</b>                                    | Customer segment consisting of medium to large businesses.  |
| <b>Cost of risk</b>                                 | The annualised ratio between loan loss provisions and average net volumes of loans and receivables with customers. It is one of the indicators of the bank assets' level of risk: the lower the ratio, the less risky the bank assets.  |
| <b>Cost/Income Ratio</b>                            | The ratio between operating expenses and operating income. It is one of the main key performance indicators of the bank's efficiency: the lower the ratio, the more efficient the bank.   |
| <b>Counterparty Credit Risk</b>                     | The risk that the counterparty to a transaction involving financial instruments might default prior to completing all agreed cash-flows exchanges.  |
| <b>Covered bond</b>                                 | A bond which, as well as being guaranteed by the issuing bank, is also covered by a portfolio of mortgages or other high-quality loans transferred, to this end, to a suitable SPV (see item).  |
| <b>CRD - Capital Requirement Directive</b>          | Directives (EU) 2006/48 and 2006/49, incorporated into Banca d'Italia Circular No.263/2006 of 27 December 2006 as amended.<br>The CRD IV "Package" has replaced the two aforementioned Directives and consists of the Directive (EU) 2013/36 on the taking up of the business of credit institutions and prudential supervision and the Regulation (EU) 575/2013 on prudential requirements, incorporated into Banca d'Italia Circular No.285 of 17 December 2013 as amended.   |
| <b>CRD V</b>  | Directive (EU) 2019/878 of 20 May 2019 amending Directive 2013/36/EU (CRD IV).  |
| <b>Credit Quality Step (or creditworthiness)</b>    | Classification of counterparties used to assign risk weights under external rating based approaches for credit risk.  |
| <b>Credit risk</b>                                  | The risk that an unexpected change in the creditworthiness of a counterparty, the value of the guarantees provided by it or the margins used by it in the event of insolvency might produce an unexpected change in the value of the bank's credit position.  |

# Glossary

| ITEM   | DESCRIPTION   |
|--|---|
| Creditworthiness (or Credit quality step)        | See item "Credit quality step".   |
| CRM  | Credit Risk Mitigation is a set of techniques, contracts accessories to the loan or other instruments (e.g. securities, guarantees), which allows a reduction of the credit risk capital requirements.  |
| CRR - Capital Requirements Regulation            | Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013, and subsequently amendment in Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 ("CRR2"), on prudential requirements for credit institutions and investment firms and that amending Regulation (EU) 648/2012.   |
| CRR2   | Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 ("CRR2") amending Regulation (EU) 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) 648/2012 (see also "CRR" definition). |
| Currency risk                                    | The risk that the value of the instrument decreases due to foreign exchange rates changes.  |
| CVA - Credit Valuation Adjustment                | Adjustment to the valuation of a portfolio of transactions reflecting the market value of the counterparties' credit risk.  |
| Cyber security risk                              | Cyber security risk is the probability of exposure or loss resulting from a cyber-attack or data breach on the organization.  |
| Daily VaR  | It reflects the Value at Risk risk measures calibrated to a 1-day holding period to compare with the 99% confidence level with its trading outcomes.  |
| Default  | A party's declared inability to honor its debts and/or the payment of the associated interest.  |
| Duration   | This is generally calculated as the weighted average of the maturities for payment of the interest and capital associated with a bond and represents an indicator of the interest rate risk to which a security or a bond portfolio is subject.   |
| EAD - Exposure At Default                        | With reference to the on-balance and off-balance sheet positions, EAD is defined as the estimation of the future value of an exposure at the time of the debtor's default. Only banks that meet the requirements for adopting the IRB - Internal Rating Based (see item) advanced approach are allowed to estimate EAD (see item). Other banks are required to refer to regulatory estimations.   |
| Earnings at risk                                 | The change in interest rates affects earnings by changing the net interest income and, depending on the accounting treatment of the individual balance sheet items, it can be reflected directly in equity, following the change in their market value.   |
| EBA - European Banking Authority                 | The European Banking Authority is an independent EU Authority which works to ensure effective and consistent prudential regulation and supervision across the European banking sector. Its overall objectives are to maintain financial stability in the EU and to safeguard the integrity, efficiency and orderly functioning of the banking sector.   |
| ECB - European Central Bank                      | Central bank for Europe's single currency, the euro. The ECB's main task is to preserve the purchasing power of the single currency thus ensuring the maintenance of price stability in the Euro area.  |
| Economic capital                                 | Level of capital required to a bank to cover losses in excess of those expected that could occur with a one-year horizon and a certain probability or confidence level.   |
| Economic value                                   | The change in interest rates impacts the theoretical economic value of assets, liabilities and off-balance sheet instruments, following the change in their current value.  |
| EL - Expected Losses                             | Amount of credit risk exposures expected to be lost for a default event of the obligor in a time horizon of one year.   |
| Eligible Collateral                              | Refers to collateral which allows a reduction of the credit risk capital requirements.  |
| ELOR - Expected Losses on Revenues               | ELOR is a ratio estimated, for the Group and for the main legal entities, with a statistical model, based on the historical losses time series, forward looking factors and the budget revenues.  |
| EPS - Earnings Per Share                         | An indicator of a company's profitability calculated as: Net Profit divided by Average total outstanding shares (excluding treasury shares and shares held under a contract of usufruct).   |
| Equity risk                                      | The risk that the value of the instrument decreases due to stock or index prices changes.   |
| ESG - Environmental, Social and Governance       | Refers to criteria used to measure the environmental, social and governance impact of the company and highlight the sustainability of its initiatives.  |
| ESMA - European Securities and Markets Authority | Authority that works in the field of securities legislation and regulation to improve the functioning of financial markets in Europe.   |
| EU Taxonomy                                      | The EU Taxonomy is a classification system, establishing a list of environmentally sustainable economic activities. The Taxonomy Regulation was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020.   |
| EVA - Economic Value Added                       | EVA indicates the value created by a company. It expresses the ability to create value in monetary terms and it is equal to the difference between the Net Profit (as defined below) and the cost of the Allocated Capital. A corrective factor is applied to divisional Net Profit where capitalisation is higher than Group's target.   |

# Glossary

| ITEM   | DESCRIPTION   |
|--|---|
| <b>Expected Shortfall</b>                        | Risk measure representing the expected loss of a portfolio or a counterparty calculated in the scenarios of loss exceeding the VaR.   |
| <b>Factoring</b>                                 | Contract for the sale without recourse (with credit risk borne by the buyer) or with recourse (with credit risk borne by the seller) of commercial credits to banks or specialist companies, for the purposes of management and collection. It may be associated with financing in favor of the seller.   |
| <b>Fair value</b>                                | The sum for which, in a freely competitive market, an item can be exchanged or a liability extinguished between aware and independent parties.  |
| <b>FINREP</b>                                    | Reporting framework with statistical and financial data defined from the European Banking Authority, an independent EU Authority which works to ensure a consistent level of prudential regulation and supervision across the European banking sector. The aim of FINREP is to gather data used from Supervisory Authorities and the European Bank Central Banks for their supervisory activities.  |
| <b>FL - Forward looking</b>                      | IFRS9 adjustment that allows to reflect in the credit parameters the expectations about the future evolution of the economic cycle.   |
| <b>Forbearance/Forborne exposures</b>            | According to EBA Implementing Technical Standards, forborne exposures consist of exposures to which forbearance measures have been extended, i.e. concessions towards a debtor who is facing or about to face difficulties in meeting its financial commitments ("financial difficulties").   |
| <b>Forwards</b>                                  | Forward contracts on interest rates, exchange rates or share indices, generally traded on "OTC - Over-the-Counter" (see item) markets, in which the conditions are fixed when the contract is agreed but execution will take place at a predetermined future date, by means of the collection or payment of differentials calculated with reference to various parameters according to the subject of the contract.   |
| <b>FRTB - Fundamental Review of Trading Book</b> | Fundamental Review of Trading Book consists in a set of proposals by the Basel Committee on Banking Supervision for a new market risk-related capital requirement for banks. This reform this reforme is often named as "Basel IV".   |
| <b>FTE - Full Time Equivalent</b>                | The number of a company's full-time employees. Part-time employees are considered on a pro-rata temporis basis.   |
| <b>Full Revaluation Approach</b>                 | A methodology behind the historical simulation approach for VaR calculation, when the value of a portfolio is estimated by the complete revaluation of its value according to the simulation results.   |
| <b>Funding</b>                                   | Provision, in various forms, of the funds necessary to finance business activities or particular financial transactions.  |
| <b>Futures</b>                                   | Standardised contracts whereby the parties undertake to exchange money, transferable securities or goods at a present price at a future date. These contracts are traded on regulated markets, where their execution is guaranteed.   |
| <b>FVtOCI</b>                                    | Financial asset at Fair Value through Other Comprehensive Income.   |
| <b>FVtPL</b>                                     | Financial Assets at Fair Value through Profit and Loss.   |
| <b>GAR - Green Asset Ratio</b>                   | is the share of green exposures, qualified as environmentally sustainable that contribute or enable the environmental objectives as reported in the EU taxonomy Regulation 2020/852.  |
| <b>GDP - Gross Domestic Product</b>              | Total market value of the products and services produced by Country residents in a given time frame.  |
| <b>GERMAS - Group Ermas</b>                      | Group platform used to compute Interest Rate Risk ("IRR") positions.  |
| <b>GHOS - Governors and Heads of Supervision</b> | This is the oversight body of the Basel Committee on Banking Supervision.   |
| <b>Goodwill</b>                                  | The additional sum paid for the acquisition of an equity interest, equal to the difference between the cost and the corresponding share of net assets, for the portion not attributable to the identifiable assets of the acquired company.   |
| <b>GW BANKS</b>                                  | IRB calculation model - Group Wide model Financial Institution & Banks.   |
| <b>GW MNC</b>                                    | IRB calculation model - Group Wide Multinational Corporate.   |
| <b>Hedge Fund</b>                                | Speculative mutual investment fund adopting hedging techniques which generally are not used by ordinary mutual funds, in order to deliver a constant performance, which is only hardly linked to reference markets. Hedge Funds are distinguished by a limited number of partners and require a high minimum level of investment.   |
| <b>IAS/IFRS</b>                                  | International accounting standards issued by the International Accounting Standard Board (IASB), a private international body established in April 2001, involving representatives of the accounting professions of the principal countries and, as observers, the European Union, IOSCO (International Organisation of Securities Commissions) and the Basel Committee. This body is the successor of the International Accounting Standards Committee (IASC), set up in 1973 to promote harmonisation of the rules for the preparation of company accounts. When the IASC became the IASB, it was decided, among other things, to name the new accounting principles "International Financial Reporting Standards" (IFRS). At international level, work is currently underway to harmonise the IAS/IFRS with the US GAAP - United States Generally Accepted Accounting Principles (Accounting principles issued by the Financial Accounting Statement Board-"FASB", generally accepted in the USA). |

# Glossary

| ITEM  | DESCRIPTION  |
|---|--|
| <b>ICAAP - Internal Capital Adequacy Assessment Process</b>   | The discipline of the so called "Pillar 2" requires banks to implement processes and systems to determine the level of internal capital adequate to face any type of risk, also different from those provided by the capital requirements (Pillar 1) rules; in the scope of an assessment of the exposure, actual and future, that has to consider also the strategies and the evolution of the reference environment.   |
| <b>ILAAP - Internal Liquidity Adequacy Assessment Process</b> | It requires the banks to have processes and tools for determining the adequate level of total internal liquidity (Internal Liquidity Adequacy Assessment Process - ILAAP) for covering liquidity risk, within the framework of an evaluation of current and future exposure that takes account of strategies and of changes in the reference context. It is the Regulatory Authority's task to examine the ILAAP process, formulate an overall judgment and, where necessary, apply the appropriate corrective measures.   |
| <b>ILC - Italian Large Corporate Impaired loans</b>           | IRB calculation model - Italian Large Corporate.<br>Loans are subjected to periodic examination in order to identify those which, following events occurring after their entry in the accounts (at the market value, normally equal to the disbursed amount including the transaction costs and revenues directly attributable to the disbursement of the loan), show objective signs of a possible loss of value. This category includes loans that have been classed as bad, doubtful, restructured or overdue, in accordance with Banca d'Italia rules consistent with IAS/IFRS (see item).   |
| <b>Impairment</b>   | Within the framework of the IAS/IFRS (see item), this refers to the loss of value of a balance sheet asset, recorded when the book value is greater than the recoverable value, i.e. the sum that can be obtained by selling or using the asset.   |
| <b>Interest rate risk - (IRR)</b>                             | Interest rate risk expresses the exposure to unfavorable changes in interest rates on the economic value of the equity and on the net interest income.   |
| <b>Investor</b>   | Any entity other than the Sponsor (see item) or Originator (see item) with exposure to a securitisation.   |
| <b>IRB - Internal Rating Based</b>                            | Method for determining the capital needed to cover credit risk within the framework of Pillar 1 of "Basel 2" (see item). The rules are applied to the exposures of the banking portfolio. Furthermore, in the IRB methods the risk weightings of the assets are determined on the basis of the bank's own internal evaluations of the debtors (or, in some cases, of the transactions). Using systems based on internal ratings, the banks determine the weighted risk exposure. The IRB methods consist of a basic method and an advanced method, which differ in terms of the risk parameters that the bank must estimate: in the basic method, the banks use their own estimates for "PD - Probability of Default" and the regulatory values for the other risk parameters; in the advanced method, the banks use their own estimates for "PD - Probability of Default", "LGD - Loss Given Default", "CCF - Credit Conversion Factor" and, where provided for, "M - Maturity" (see item). The use of IRB methods for the calculation of capital requirements is subject to authorisation from Banca d'Italia. |
| <b>IRC - Incremental Risk Charge</b>                          | Incremental Risk Charge is a measure of potential losses arising from default and migration risks of unsecuritised credit products over a 1-year capital horizon at a 99.9% confidence level, taking into account the liquidity horizons of individual positions.  |
| <b>IRS - Interest Rate Swap</b>                               | See "Swap".  |
| <b>Joint venture</b>  | Agreement between two or more companies for the conduct of a given economic activity, usually through the constitution of a joint stock company.   |
| <b>Junior, Mezzanine and Senior exposures</b>                 | In a securitisation transaction, the exposures may be classified as follows: <ul style="list-style-type: none"> <li>• junior exposures are the last to be repaid, and consequently absorb the first loss produced by the securitisation transaction;</li> <li>• mezzanine exposures are those with medium repayment priority, between senior and junior;</li> <li>• senior exposures are the first to be repaid.</li> </ul>  |
| <b>Ke</b>   | The cost of equity is the minimum return on investment required by the shareholder. It is the sum of a risk-free rate and an additional spread remunerating the shareholder for the market risk and the volatility of the share price. The cost of capital is based on medium/long term averages of market parameters.   |
| <b>KPI - Key Performance Indicators</b>                       | Set of indicators used to evaluate the performance of a business activity or process.  |
| <b>LCR - Liquidity Coverage Ratio</b>                         | Ratio of a credit institution's liquidity buffer to its net liquidity outflows over a 30 calendar day stress period.   |
| <b>Leasing</b>  | Contract whereby one party (the lessor) grants to another party (the lessee) for a given period of time the enjoyment of an asset purchased or built by the lessor at the choice and on the instructions of the lessee, with the latter having the option of acquiring ownership of the asset under predetermined conditions at the end of the leasing contract.   |
| <b>Leverage ratio</b>   | Is a measure which allows for the assessment of institutions' exposure to the risk of excessive leverage.  |
| <b>Leveraged finance/Leveraged buy-out</b>                    | Loans provided mainly to Private Equity funds in order to finance the acquisition of a company through a financial transaction based on the cash flow generation capacity of such target company. This can result in a higher level of debt and therefore a higher level of risk. Leveraged finance may be syndicated.   |
| <b>LGD - Loss Given Default</b>                               | Expected value (which may be conditional upon adverse scenarios) of the ratio, expressed as a percentage, between the loss giving rise to the default and the amount of exposure at the time of the default ("EAD - Exposure At Default", see item).   |
| <b>Liquidity risk</b>   | The risk of the company being unable to meet its payment commitments due to the inability to mobilise assets or obtain adequate funding from the market (funding liquidity risk) or due to the difficulty/impossibility of easily liquidating positions in financial assets without significantly and unfavourably affecting the price because of insufficient depth or temporary malfunction of the financial market (market liquidity risk).   |
| <b>M - Maturity</b>   | The average, for a given exposure, of the residual contractual maturities, each weighted for the relevant amount.  |

# Glossary

| ITEM   | DESCRIPTION   |
|--|---|
| <b>Market risk</b>   | The effect that changes in market variables might have on the economic value of the Group's portfolio, where this includes both the assets held in the Trading Book and those entered in the Banking Book, or the operations connected with the characteristic management of the commercial bank and its strategic investment choices.  |
| <b>MDA - Maximum Distributable Amount</b>                    | Maximum Distributable Amount, i.e. a limit to the distributable profits in order to preserve the Combined Buffer Requirement.   |
| <b>MREL - Minimum requirement for eligible liabilities</b>   | Minimum requirements for own funds and eligible liabilities, is designed to ensure that there are sufficient resources to write down or convert into equity if a bank or other financial institution is in crisis. This allows the central government to intervene quickly in order to maintain the critical operations of that institution, without using tax money.   |
| <b>Net Profit</b>  | Stated Net Profit adjusted for Additional Tier 1 (AT1), Cash charges and impacts from Deferred Tax Assets from tax loss carry forward sustainability test.  |
| <b>NPE - Non-performing exposures</b>                        | According to EBA Implementing Technical Standards, non-performing exposures are debt instruments and off-balance sheet exposures which satisfy either or both of the following criteria: (i) material exposures which are more than 90 days past-due; (ii) the debtor is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless of the existence of any past-due amount or of the number of days past due.  |
| <b>Operational risk</b>                                      | The risk of losses due to errors, infringements, interruptions, damages caused by internal processes or personnel, systems, or caused by external events. This definition includes legal and compliance risks but excludes strategic and reputational risk.<br>For example, losses arising from the following can be defined as operational: internal or external fraud, employment practices and workplace safety, client claims, products distribution, fines and penalties due to regulation breaches, damages to the company's physical assets, business disruption and system failures, process management.                              |
| <b>Option</b>  | The right, but not the commitment, acquired by the payment of a premium, to buy (call option) or sell (put option) a financial instrument at a given price (strike price) by or at a determined future date (American option/European option).  |
| <b>Originator</b>  | The entity that originated or acquired from third parties the assets to be securitised.   |
| <b>OTC - Over The Counter</b>                                | Over the counter (OTC) trading consists of the exchange of financial instruments such as shares, bonds, derivatives or goods directly between two counterparties. The OTC markets do not have standardised contracts or buying/selling procedures and are not associated with a set of rules (admissions, controls, obligations of information, etc.) like those that govern the official markets.  |
| <b>PACTA - Paris Agreement Capital Transition Assessment</b> | Paris Agreement Capital Transition Assessment is a free, open-source methodology and tool, which measures financial portfolio's alignment with various climate scenarios consistent with the Paris Agreement.   |
| <b>Past Due</b>  | Problematic exposures that, at the reporting date, are more than 90 days past due on any material obligation, as required by the relevant prudential regulation. Past due can be determined either at individual debtor or at single transaction level according to the relevant local prudential regulation.   |
| <b>Payout ratio</b>  | It indicates the percentage of net income distributed or to be distributed to shareholders. The percentage distributed is determined mainly on the basis of the company's self-financing needs and the return expected by shareholders. Based on the strategy for remunerating shareholders underlying UniCredit Unlocked strategic plan, it refers to "Net Profit" when it involves cash dividends or it refers to Organic Capital Generation (i.e. stated net profit plus capital equivalent of RWA changes in the period) when it involves all the remunerations to shareholders such as buyback of own shares (so called Shares Buy-back) |
| <b>PD - Probability of Default</b>                           | Probability of a counterparty entering into a situation of "default" (see item) within a time horizon of one year.  |
| <b>PEPP - Pandemic Emergency Purchase Programme</b>          | Massive new stimulus package from the ECB to support the eurozone economy as a response to the Covid-19 (coronavirus) crisis.   |
| <b>PIT - Point in time</b>                                   | Calibration type of the credit parameters on a horizon that considers the current economic situation.   |
| <b>POCI - Purchased Originated Credit Impaired</b>           | Credit exposures that are already impaired on initial recognition.  |
| <b>Preference shares</b>                                     | Capital instruments that associate forms of remuneration tied to market rates with particularly pronounced subordination conditions, such as non-recovery in subsequent years of the interest not paid by the bank and bearing a share of its losses in the event that these produce a significant reduction in the capital requirements. The regulatory authorities set the conditions under which preference shares may be counted among the core capital of banks and banking groups.  |
| <b>Private equity</b>  | Investments in the risk capital of companies, generally unlisted but with high growth potential and the ability to generate constant cash flows. Investments in private equity include a wide range of operations that vary according to both the development phase of the company concerned and the investment techniques used. These techniques include closed-end private equity funds.  |
| <b>Purchase companies</b>                                    | SPV (see item) used by "ABCP Conduits - Asset Backed Commercial Paper Conduits" (see item) to purchase the assets to be securitised and which are in turn financed by the Conduit vehicle issuing the commercial papers.  |
| <b>RAF - Risk Appetite Framework</b>                         | Within the ICAAP processes, RAF represents a managerial tool for ensuring the business evolution towards a sustainable healthy growth and steering the long- and short-term strategy.   |
| <b>Rating</b>  | Evaluation of the quality of a company or its issues of debt securities on the basis of the company's financial soundness and prospects. This evaluation is made either by specialist agencies or by the bank on the basis of internal models.  |

# Glossary

| ITEM  | DESCRIPTION   |
|---|---|
| <b>Reputational risk</b>                          | Reputational risk is defined as the current or prospective risk to earnings and capital arising from the adverse perception of the image of the financial institution on the part of customers, counterparties (including also debt-holders, market analysts, other relevant parties), shareholders/investors, regulators or employees (stakeholders).<br>Reputational risk is a secondary risk generated as a "knock-on effect" from risk categories, such as credit, market, operational and liquidity risks and all others risks types (e.g., business risk, strategy risk, ESG risk which considers the environmental, social and governance aspects of responsible investments). Reputational risk could also be generated from material events.               |
| <b>Retail</b>                                     | Customer segment consisting principally of private individuals, self-employed professionals, traders and artisans.  |
| <b>RIC</b>  | IRB calculation model - Integrated Corporate Rating.  |
| <b>RIP</b>  | IRB calculation model - Integrated Private Rating.  |
| <b>RISB</b>                                       | IRB calculation model - Rating Integrated Small Business (Small Business Integrate Rating).   |
| <b>RNIME - Risk Not in the Model Engines</b>      | Framework that provides an estimate on the completeness of the risk factors included in VaR, SVaR and IRC.  |
| <b>ROA - Return On Assets</b>                     | Annualised ratio between Stated Net Profit/(Loss) of the year and Total Assets as per IFRS balance sheet.   |
| <b>ROAC - Return On Allocated Capital</b>         | Annualised ratio between the Net Profit (as defined above) and the average allocated capital. It shows in percentage terms the earning capacity for allocated capital units. A corrective factor is applied to divisional net profit where capitalisation is higher than Group's target.  |
| <b>RoTE - Return on Tangible Equity</b>           | Annualised ratio between the Net Profit (as defined above) and the average Tangible Equity.   |
| <b>RWEA - Risk Weighted Exposure Amount</b>       | Risk Weighted Exposure Amount of on-balance sheet assets and off-balance sheet items (credit derivatives and guarantees) is calculated applying to all exposures, unless deducted from own funds, the risk weights in accordance with the CRR and based on the exposure class to which the exposure is assigned and its credit quality in order to define the capital requirements.   |
| <b>SBBS - Sovereign bond-backed securities</b>    | Sovereign bond-backed securities, are securities backed by a diversified portfolio of euro area central government bonds. This is a new financial instrument which has been proposed as a solution to help banks diversify their Sovereign exposures and further weaken the link with their home governments.   |
| <b>Scope 1 - Greenhouse Gases (GHG) emissions</b> | Emissions are direct emissions from owned or controlled sources.  |
| <b>Scope 2 - Greenhouse Gases (GHG) emissions</b> | Emissions are indirect emissions from the generation of purchased energy.   |
| <b>Scope 3 - Greenhouse Gases (GHG) emissions</b> | Emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company.  |
| <b>Securitisation</b>                             | Transfer of a portfolio of assets to an "SPV - Special Purpose Vehicle" (see item) and the issue of securities with various levels of seniority to meet any default by the underlying assets.<br>Securitisations can be:<br>• traditional: method of securitisation whereby transfer of the assets is by means of sale of the portfolio to the "SPV - Special Purpose Vehicle" (see item);<br>• synthetic: method of securitisation whereby the transfer of assets is by means of credit derivatives or similar security enabling the risk of the portfolio to be transferred.  |
| <b>Sensitivity</b>                                | The greater or lesser degree of sensitivity with which certain assets or liabilities react to changes in rates or other reference parameters.   |
| <b>Sponsor</b>                                    | An entity other than the "Originator" (see item) and the "Investor" (see item) which sets up and manages an ABCP programme (see item) or other securitisation scheme where assets to be securitized are acquired from third parties.  |
| <b>SPV - Special Purpose Vehicle</b>              | An entity, partnership, limited company or trust, set up to carry out a set object, such as isolating financial risk or obtaining special regulatory or tax treatment for specific portfolios of financial assets.<br>SPV's operations are accordingly limited by a set of rules designed for this purpose.<br>In general SPVs' sponsors do not hold equity in them. The equity is held by other entities in order to ensure that there is no shareholder relationship with the "Sponsor" (see item). SPVs are usually bankruptcy-remote, in that their assets cannot be claimed by the creditors of the sponsor, even if the latter becomes insolvent.   |
| <b>Stress Test</b>                                | Assessment of bank' vulnerabilities either in terms of capital or liquidity position in case of possible adverse events, both of an idiosyncratic nature and related to macroeconomic scenarios.  |
| <b>Subprime (Residential Mortgages)</b>           | Although Subprime has no univocal definition, this category includes mortgages granted to borrowers who have had repayment difficulties in the past, e.g. delayed installments, insolvency or bankruptcy, or who are more likely to default than the average due to high loan-to-value and installment-to-income ratios.  |
| <b>SVaR - Stressed VaR</b>                        | Stressed VaR is a quantification of exposures to particular extreme losses that can be inflicted to a Bank during market tensions, by modeling the portfolio response conditional on historical data from a (continuous 12-month) period of significant financial stress.   |
| <b>Swap</b>                                       | A transaction that generally consists of the exchange of financial streams between operators according to different contractual arrangements.<br>In the case of an interest rate swap (IRS), the counterparties exchange payment streams that may or may not be linked to interest rates, calculated on a notional principal amount (for example, one counterparty pays a stream on the basis of a fixed rate, while the other does so on the basis of a variable rate).<br>In the case of a currency swap, the counterparties exchange specific amounts in two different currencies, with these amounts being exchanged back in due course according to predefined arrangements that may concern both the capital (notional) and the streams of interest payments. |

# Glossary

| ITEM   | DESCRIPTION  |
|--|--|
| <b>Tangible Equity</b>   | Shareholders' equity (including consolidated profit of the period) less intangible assets (goodwill and other intangibles, including the ones in Discontinued operations), less AT1 and Cashes components and DTA from tax loss carry forward. Dividend pay-out is accounted for on a cash basis.  |
| <b>Tier 1 Capital</b>  | Refer to the content reported in the UniCredit Group Disclosure (Pillar III) in the Own Funds chapter.   |
| <b>Tier 1 Capital Ratio</b>  | Refer to the content reported in the UniCredit Group Disclosure (Pillar III) in the Own Funds chapter.   |
| <b>TLAC - Total Loss Absorbing Capacity</b>                                      | TLAC represents the indicator of the Total Loss Absorbing Capacity, a new Pillar I requirement established by the Regulation (EU) 2019/876 (CRR2), entered into force on 27 June 2019, for Global Systemically Important Banks (G-SIBs). The TLAC standard requires G-SIBs, to hold a sufficient amount of highly loss absorbing liabilities.                                      |
| <b>TLTRO - Target Long Term Refinancing operations</b>                           | Target Long Term Refinancing operations. Non-regular open market operations conducted by the ECB. Operations that provide financing to credit institutions for periods of up to four years. They offer long-term funding at attractive conditions to credit institutions in order to further ease private sector credit conditions and stimulate bank lending to the real economy. |
| <b>Total Capital Ratio</b>   | Refer to the content reported in the UniCredit Group Disclosure (Pillar III) in the Own Funds chapter.   |
| <b>Total own funds</b>   | Refer to the content reported in the UniCredit Group Disclosure (Pillar III) in the Own Funds chapter.   |
| <b>TSR - Total Shareholder Return</b>  | It is the full reward, in terms of capital gain and dividends, that a shareholder gets from holding one share.   |
| <b>TTC - Through the cycle</b>   | Calibration type of the credit parameters on a horizon that considers the entire economic cycle.   |
| <b>UCITS - Undertakings for Collective Investment in Transferable Securities</b> | This term covers open-end real estate investment funds, both Italian and foreign, and investment companies with variable capital. The latter are joint stock companies that have the sole purpose of collective investment of the assets gathered through a public offer of their own shares.  |
| <b>UGRM - UniCredit global Risk Monitor</b>                                      | The pool of software applications, IT structure and database used by the Group for the financial risk analysis.  |
| <b>Unlikely to Pay</b>   | The classification in this category is the result of the judgment of the bank about the unlikeliness, without recourse to actions such as realising 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.            |
| <b>VaR - Value at Risk</b>   | A measure of the risk of potential loss, under a given level of confidence and time horizon, which could occur on a position or a portfolio.   |
| <b>Warehousing</b>   | A preparatory phase of a securitisation transaction during which a "SPV" (see item) acquires assets within a certain period of time until it reaches a sufficient amount to be able to issue an ABS (see item).  |





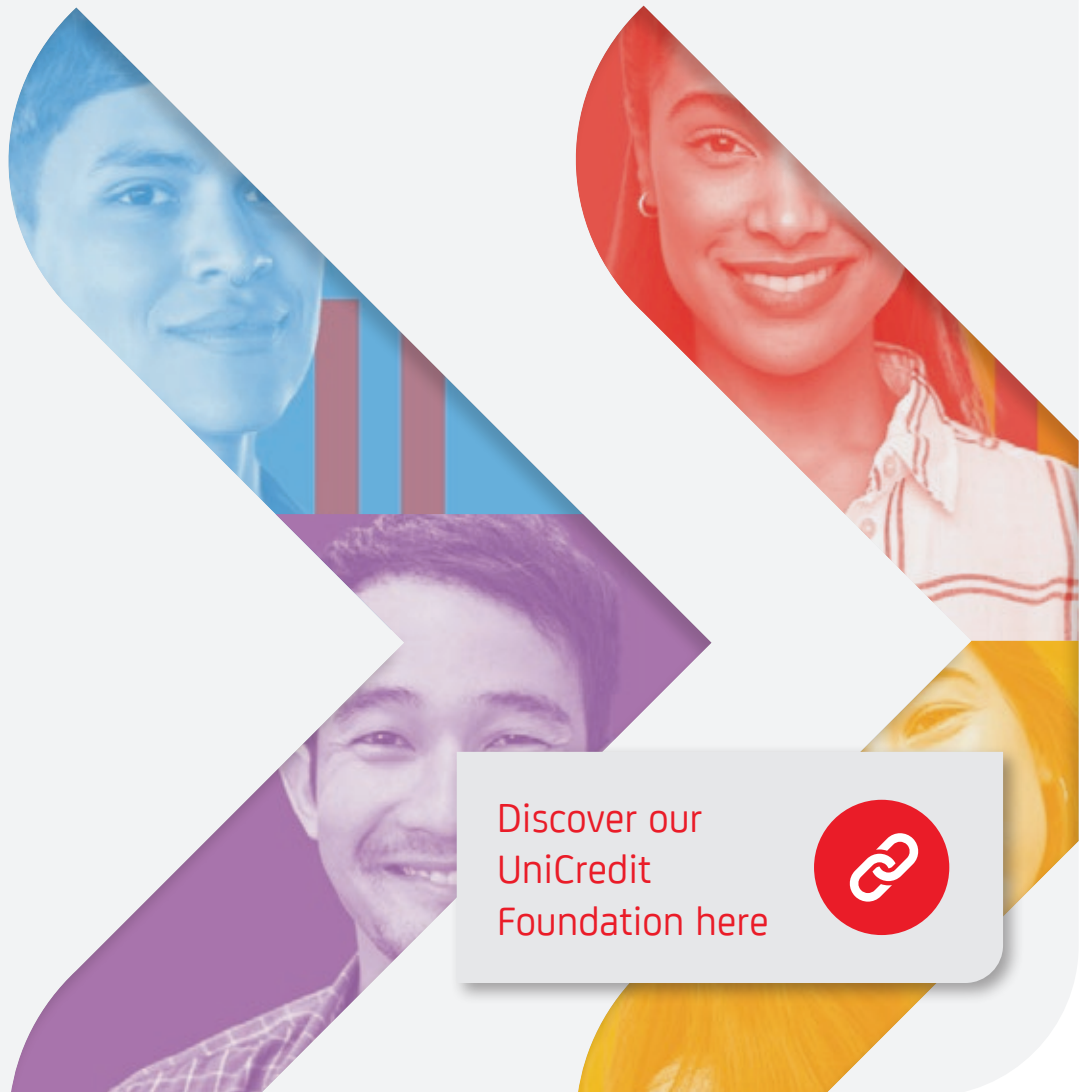
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# Contacts

## **UniCredit S.p.A.**

Head Office in Milan  
Piazza Gae Aulenti 3 - Tower A  
20154 Milano

+39 02 88 62.1

Media Relations:  
E-mail: [mediarelations@unicredit.eu](mailto:mediarelations@unicredit.eu)

Investor Relations:  
Tel. +39 02 88621028; e-mail: [investorrelations@unicredit.eu](mailto:investorrelations@unicredit.eu)





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