

One Bank
One Team
One  UniCredit




Capital Markets Day 2019

Team 23

Glossary

London, 3 December 2019

Banking that matters. |  **UniCredit**

AFC	Anti Financial Crime
AGM	Annual General Meeting
AML	Anti Money Laundering
AT1	Additional Tier 1 Capital
AuM	Assets under Management
Bps	Basis points
BRRD 2	Bank Recovery and Resolution Directive 2
BTP	This refers to the whole Italian sovereign bond portfolio (BTPs, BOT, et al)
CAGR	Compound Annual Growth Rate
Capital distribution	Cash dividend and/ or share buyback. Share buyback subject to regulatory approval



CASHES	Convertible and Subordinated Hybrid Equity-linked Securities
CB	Commercial Banking
CEE	Central Eastern Europe includes: Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Russia, Romania, Bulgaria. Baltics only for Leasing. Assuming full deconsolidation of Yapi
CET1 Ratio	Common Equity Tier 1 ratio fully loaded throughout the document unless otherwise stated
CHP	Combined Heat and Power
C/I	Cost/Income ratio
CMD 2019 perimeter	Capital Market Day 2019 perimeter excluding Fineco, Ocean Breeze, Mediobanca and assuming full deconsolidation of Yapi
CRD5	Capital Requirements Directive 5
CoR	Cost of Risk calculated as LLPs of the period annualised divided by the average net customer loans volume
Coverage ratio	Stock LLPs on NPEs divided by Gross NPEs
CRR2	Capital Requirements Regulation and Directive 2



Glossary (3/9)

CVA	Credit Value Adjustment
DoD	Definition of Default
Digital User	Clients with at least one login in online or mobile applications in the last three months
DPS	Dividend Per Share: Inertial number of shares is corrected by the bought shares. DPS is the ratio between the cash dividend of the year and the number of shares of the years after the buy-back of the year
EBA	European Banking Authority
EC	European Commission
ECB	European Central Bank
E2E	End-to-End
EL	Expected Loss
EoP	End of period



Glossary (4/9)

EPS	Earnings per Share
ESG	Environmental, Social and Governance
Euribor 3M	Daily reference rate, published by the European Money Market Institute
FL	Fully Loaded
FRTB	Fundamental Review of the Trading Book
FTE	Full Time Equivalent: an FTE of 1.0 is equivalent to a full-time worker
FY	Full-Year
FX	Forex
GDP	Gross Domestic Product: Weighted average of UC's country of presence GDP values based on nominal GDP of the year
GHG	Greenhouse Gas



Gross NPEs

Non Performing Exposures (gross of provisions) as sum of Bad Loans, Unlikely to Pay and Past Due, including only Loans to Customers and excluding Debt Securities

KYC

Know Your Customer

ICT

Information Communication Technology

IFRS9

International Financial Reporting Standards 9

LGD

Loss Given Default

LLPs

Loan Loss Provisions

LTIP

Long Term Incentive Plan

MDA

Maximum Distributable Amount

Mid-swap 10Y

Euro 10 year mid-swap rate at 10 years



M&A	Mergers and Acquisitions
MREL	Minimum Requirement for own funds and Eligible Liabilities
Net Loans	Loans to Customers (net of provisions) including Active Repos and excluding intercompany and Debt Securities
Non Core	In 2013, UniCredit ring-fenced the so-called "Non-Core" portfolio in Italy with a target to reduce clients exposure considered as not strategic; selected assets in Italy to be managed with a risk mitigation approach
Non HR costs	Other administrative expenses (incl. direct costs) net of expense recoveries, plus depreciation and amortisation
NPEs	Non Performing Exposures as sum of Bad Loans, Unlikely to Pay and Past Due, including only Loans to Customers and excluding Debt Securities
NPE coverage ratio	Stock of LLPs on NPEs divided by gross NPEs
NPE Ratio	(Gross or Net) Non-performing exposure as a percentage of total loans
NPLs (EBA definition)	Non-Performing Loans (Bad loans, Unlikely to Pay and Past Due from customer loans and loans to banks)



NPS

KPI to measure Customer Satisfaction & Customer Experience

- Strategic NPS is measured by group-wide benchmarking survey among individuals & corporates using double-blind methodology and tracks positioning versus market
- Customer journey NPS is measured via instant feedback on dedicated customer journeys and tracked against internal performance

PD

Probability of Default

P&L

Profit and Loss statement

POI

Profit On Investment

RoAC

Return on Allocated Capital (annualised net profit divided by the allocated capital)

RoTE

Return on Tangible Equity (Annualised Net Income divided by Average Tangible Equity)

RWAs

Risk Weighted Assets

**Senior Bond
Exemption**

Part of TLAC MREL requirement that can be filled with senior preferred (2.5% from 2019/3.5% from 2022)



Shortfall	Difference between provisioning level and expected loss
SREP	Supervisory Review and Evaluation Process
SME	Small and Medium Enterprise: <ul style="list-style-type: none">▪ In Western Europe: companies below € 50m turnover and deserving a specific approach based on dedicated Relationship Manager (RM) and specialists support▪ In CEE: Thresholds range from c. € 1-2m p.a. to c. € 50m (varying country to country)
TBV - TBVpS	Tangible Book Value – Tangible Book Value per Share
TLAC	Total Loss-Absorbing Capacity
UC	UniCredit S.p.A.
UCB AG	Unicredit Bank AG
UCBA AG	UniCredit Bank Austria AG
Underlying profit	Stated net profit adjusted for non-operating items



UTP

Unlikely To Pay: the classification in this category is the result of the judgment of the bank about the unlikelihood, without recourse to actions such as realizing collaterals, that the obligor will pay in full (principal and/or interest) its credit obligations

