


One Bank
One Team
One  UniCredit

Investor Presentation

**Inaugural Senior Preferred Green bond
under UniCredit's Sustainability Bond Framework
June 2021**

Banking that matters. |  **UniCredit**

Agenda

- **Executive summary**
- ESG Strategy & Profile
- Sustainability Bond Framework
- Inaugural Green Bond Transaction
- UniCredit Group Overview
- Annex





Sustainability Strategy & Bond Framework

- Sustainability Bond Framework ('SBF') as a key milestone of UniCredit's Environmental, Social and Governance (ESG) strategy
- SBF is a Group-wide framework for the main issuers UniCredit S.p.A., UniCredit Bank AG and UniCredit Bank Austria AG
- Green, Social and Sustainability bonds will be a recurring part of UniCredit's funding activity



Transaction Summary

- Inaugural Green Bond¹ under the newly established framework EUR-denominated Senior Preferred
- To be issued by UniCredit S.p.A. out of EMTN programme and rated 'Baa1' (Moody's)/'BBB' (S&P)/'BBB-' (Fitch)
- Green bond proceeds dedicated to renewable energy, clean transportation and green buildings located in Italy
- Target to support Sustainable Development Goals ('SDG') n.7 (Affordable & Clean Energy), n.9 (Industry, Innovation & Infrastructure) and n.11 (Sustainable Cities & Communities)



Investment Highlights

- Rock solid balance sheet with strong capital and liquidity position: 1Q21 CET1 ratio at 15.92% with CET1 MDA buffer at 689bps, 1Q21 LCR at 183%
- 1Q21 strong underlying net profit generation with all business divisions profitable
- Strategic review under new CEO expected to be communicated in 2H21 – Overarching objective is disciplined and sustainable profit growth



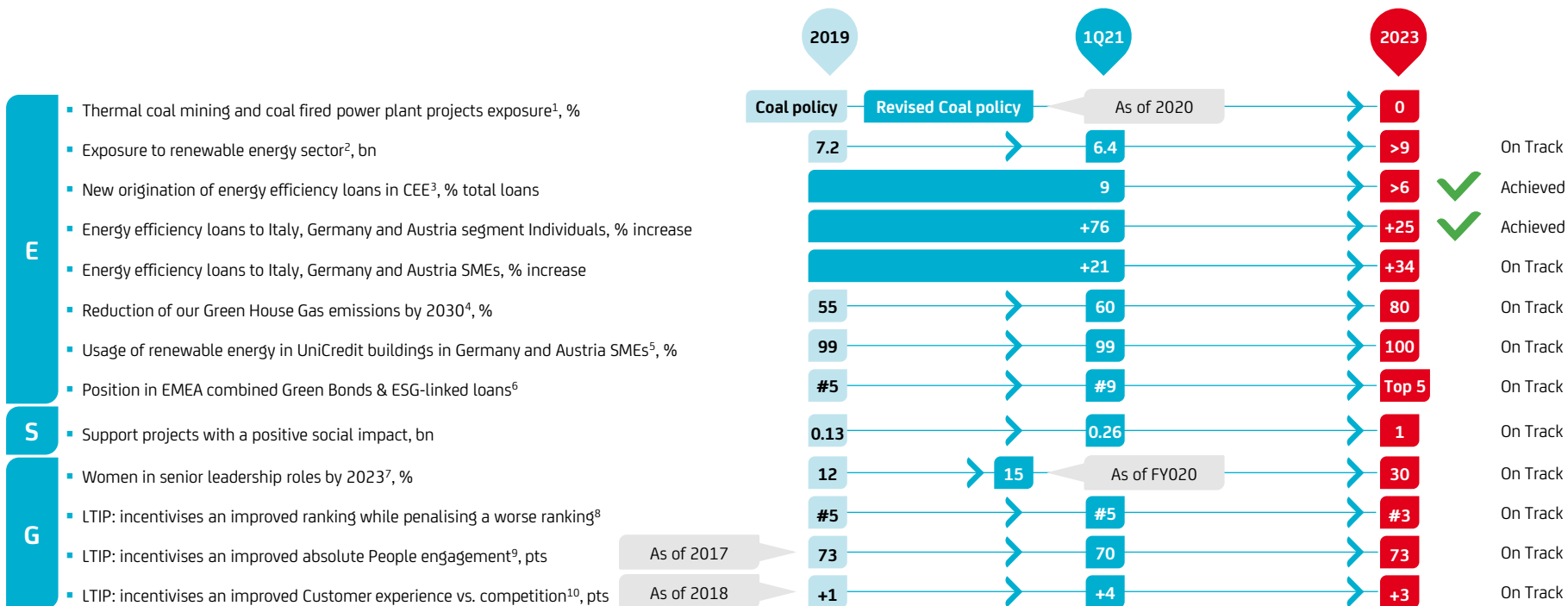
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UniCredit on track to achieve 2023 sustainability targets

ESG Strategy & Profile



Strong footprint across Environmental, Social and Governance areas

ESG Strategy & Profile

Figures as of 1Q21

E Environmental



32.6bn of green/sustainable/ESG-linked loans led by UC for its customers, 13 deals in 1Q21



13bn of green/sustainability bonds and Schuldscheine led by UC for its customers, 20 deals in 1Q21



6.4bn in renewable projects



2.5bn of energy efficiency loans to individuals and SMEs in 1Q21 in Western Europe



Rollout of a dedicated tool supporting WEU Commercial Banking corporate customers in the ESG transition



Dedicated questionnaire launched aimed at assessing customers' climate & environmental vulnerability (primary focus on Large Corporate)



PACTA exercise run on lending portfolio

S Social



11.2bn social bonds led by UC for its customers, 5 deals in 1Q21



Support to Europe SMEs and Individuals for Covid-19 emergency through 24.7bn of State Guaranteed loans and >34.4bn of moratoria¹



>260m of loans from Social Impact Banking with >4,800 disbursements through Microcredit and Impact Financing



>71k students trained with Financial Education Programme and >16K beneficiaries across 268 educational events



UniCredit Foundation's strong role:

- >5,800 projects supported with ~120m donations
- >19m for >300 scholarships and fellowships granted to more than 1,000 students and researchers

UniCredit Foundation

G Governance



Fully dedicated ESG Board Committee, as spin-off of the former Corporate Governance, Nomination and Sustainability Committee



Formalisation of ESG Strategy managerial council with appointment of >40 ESG key reference points (across geographies and functions) and >300 ESG experts



2021 top management short term incentive plan (STIP) further strengthened with inclusion of ESG quantitative KPIs within scorecard



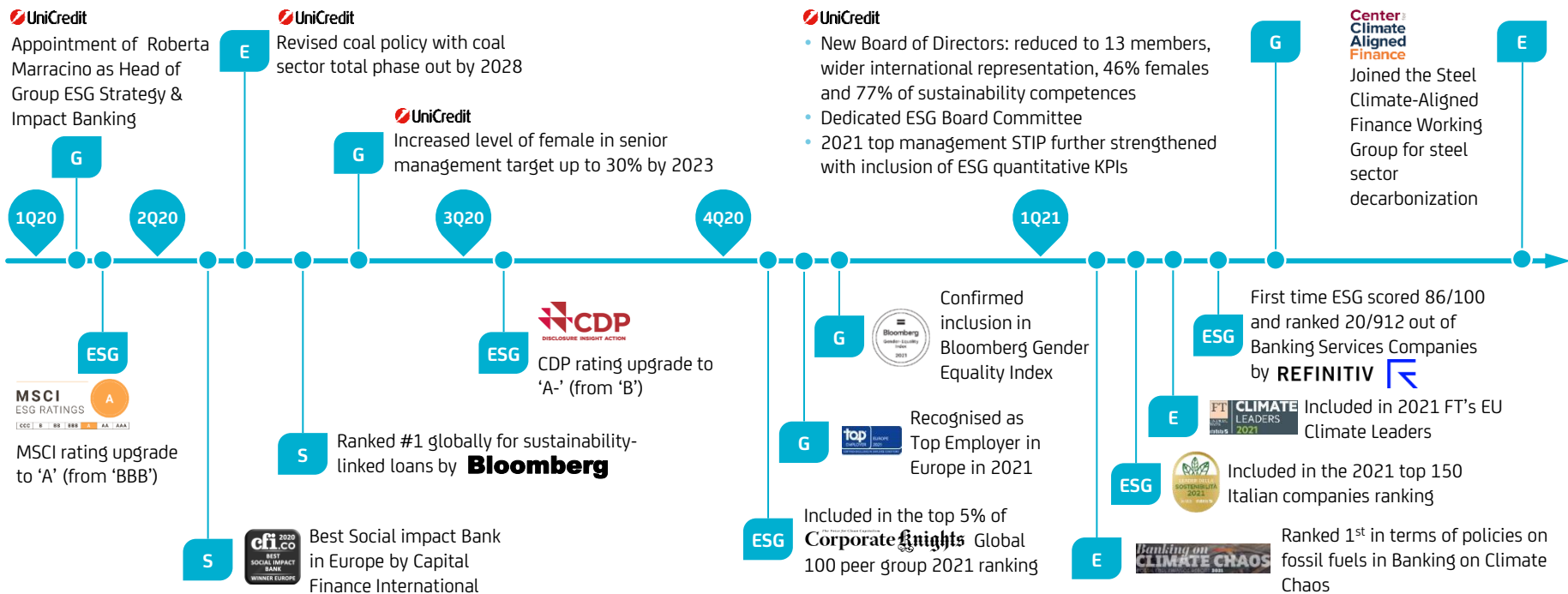
10% of Senior Management LTIP² connected to 3 sustainability criteria³:

- Sustainalytics rating relative ranking
- People engagement
- Customer experience



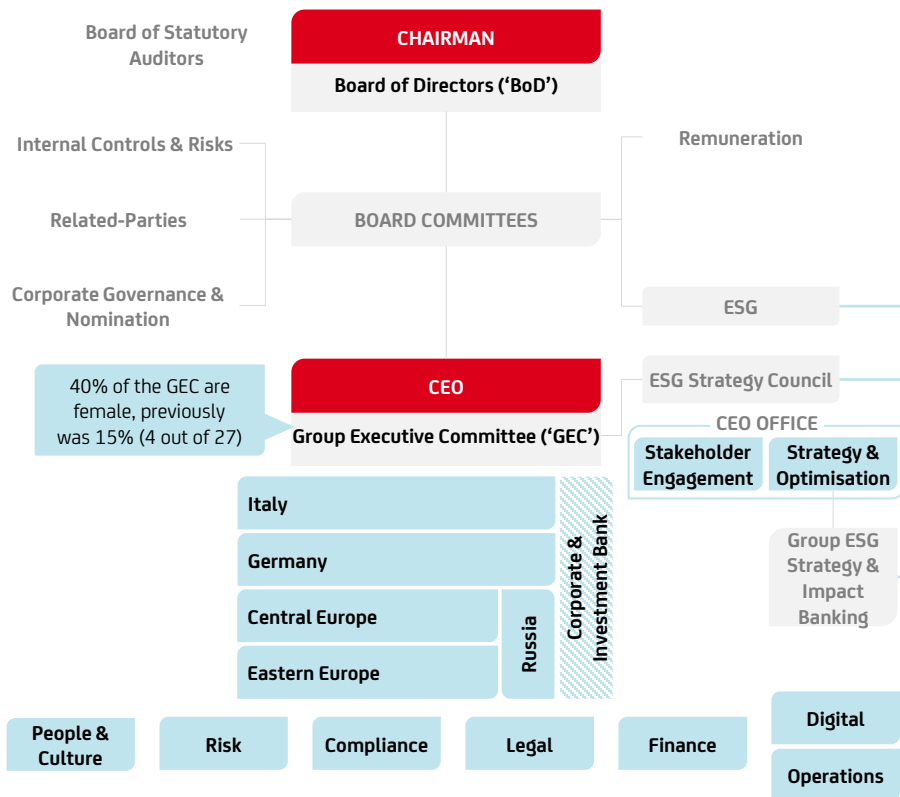
Delivering on commitment to sustainability with clear ESG roadmap

ESG Strategy & Profile



Strong corporate governance supporting integration of ESG in UniCredit's strategy

Organisational and governance structure



ESG GOVERNANCE

- ESG as essential factors for long-term growth and sustainability and fully integrated in strategy, core business and operations
- Corporate governance set-up promotes clarity, accountability and the creation of sustainable long-term value

ESG Committee

- Fully dedicated to ESG and sustainability
- Advises and supports CEO and BoD on ESG strategy, innovation and digitalisation

ESG Strategy Council

- Dedicated working group on ESG strategy formed by subgroup of GEC members
- Created in 2020 providing oversight and strategic guidance across business units, regions and functions on definition and implementation of ESG Strategy

Group ESG Strategy & Impact Banking

- Ensures integration of ESG priorities in Bank's strategy
- Presents proposals, status and achievement of the ESG strategy to the ESG Committee and GEC
- Ensures coordination in implementation of United Nations Environment Programme Principles for Responsible Banking ('UNEP FI')



ESG Strategy Council supervising ESG roadmap working group

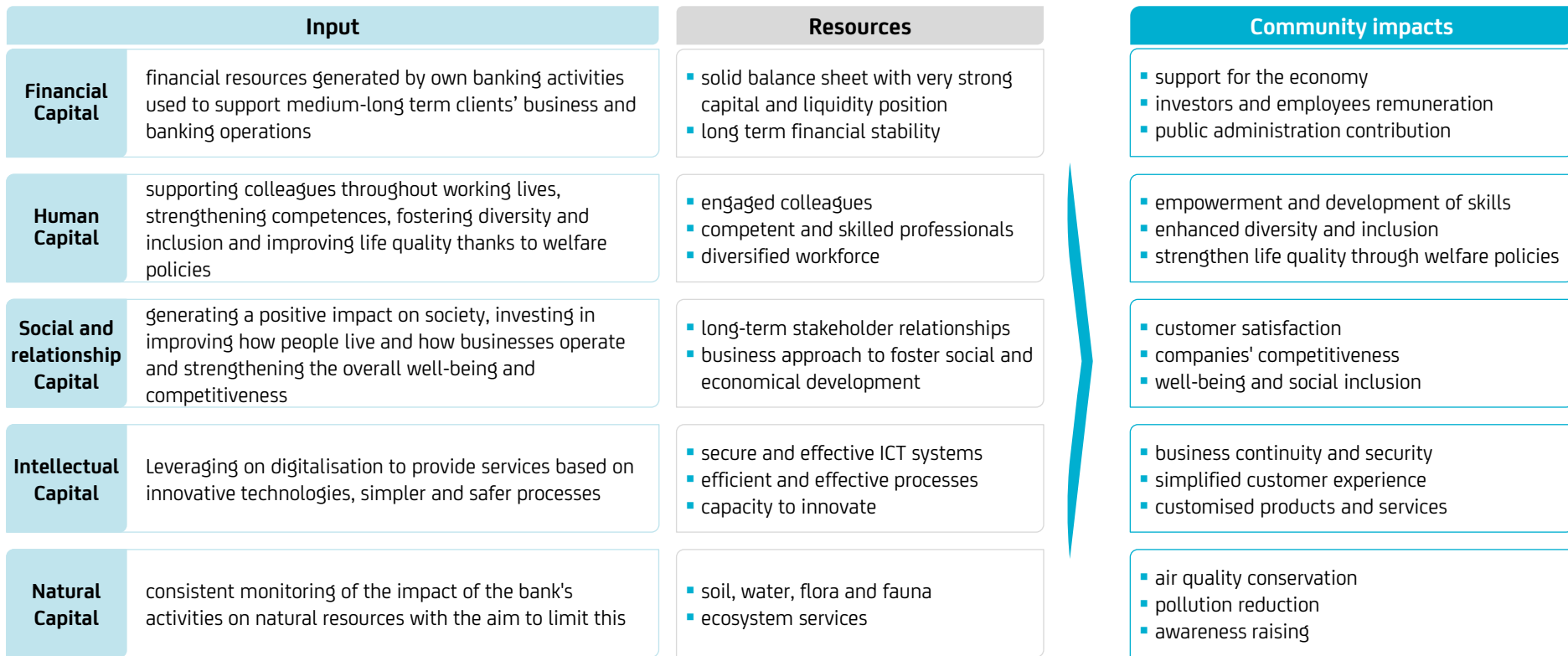
Strengthened ESG governance model

- Newly constituted ESG Committee in the BoD, as spin-off of the former Corporate Governance, Nomination and Sustainability Committee
- ESG Strategy Council composed of a subset of Group Executive Management members, providing oversight and strategic guidance across functions, business units and regions
- ESG Roadmap Working Group with >40 ESG reference points meeting on a monthly basis sharing progress and constraints

Cross functional ESG Roadmap Working Group



Adding value to resources for all stakeholders through UniCredit's business model



Strong and continuous environmental, social and reputational risk management and policies

Environmental, social and reputational risk management

- Economic, financial and non-financial risks are assessed and managed through a global policy on group credit operations and other specific policies
- These include environmental, social and reputational risk impacts associated with customer activity
- Equator Principles are implemented and integrated whenever applicable
- Detailed sector policies, covering significant environmental impacts, have been adopted. Portfolio exposures are monitored accordingly
- A strong inner culture of risk management prioritising environmental and social issues is disseminated across the company

Policies

Equator Principles

Sector Policies

Coal sector

Defence/Armaments

Arctic and non-conventional oil & gas industry

Mining sector

Nuclear energy

Water infrastructure

Human rights (commitment)

Deforestation (commitment)

Other Environmental and Social Impacts (Ad Hoc Assessment)

Environmental, Social and Reputational Risk Prevention Process

Scope and objectives

- framework of standards for determining, assessing and managing environmental and social risk for large projects
- framework of sector-specific standards to identify, assess and mitigate environmental, social and reputational risks and impacts with customers
- ad-hoc analysis leveraging on data analytics, key internal functions and external ESG providers
- Group Reputational Risk Committee ("GRRC") assessing business initiatives, transaction banking, projects, customers, etc.
- awareness and knowledge of potential reputational risks across the Group



UniCredit adheres to the highest global standards playing an active role in industry collaboration for greater sustainability

Key institutional initiatives

Shifting to a low-carbon economy



2019: endorsement of Task Force on Climate-Related Financial Disclosures ('TCFD')

2020: separate document with disclosure aligned with TCFD recommendations to be issued in 2H 2021



2019: joined the Paris Agreement Capital Transition Assessment ('PACTA') methodology developed by 2° Investing Initiative (2°ii)

2020: completion of PACTA road testing



2020: voluntary joined the European Banking Authority ('EBA') first pilot sensitivity exercise aimed at providing a preliminary estimate of sustainable exposures, based on EU green taxonomy and held by banks. Publication expected during 2Q21



2003: started reporting in line with Global Reporting Initiative ('GRI') standards



2003: among first adopters of the ten Equator Principles ('EP')

2020: externally committed to the adoption of EP4, with the approval of a new set of rules taking effect from 01 Jul 20

Key environmental and social initiatives



2004: participated as a signatory to the Ten Principles promoted by the United Nations Global Compact related to human rights, labor, anticorruption practices and environment. Annually submits annual Communication on Progress ('COP'), disclosing progress made in implementing the Ten Principles



2012: among the first 37 financial institutions to endorse the Natural Capital Declaration ('NCD'). Natural Capital Finance Alliance (NCFA) is a collaboration within the finance sector to lead the integration of natural capital considerations into financial decision-making



2015: contributing to achievement of UN Sustainable Development Goals ('SDGs') by monitoring the progress towards the SDGs via measurable KPIs



2019: joined the United Nations Environment Programme Finance Initiative Principles for Responsible Banking ('UNEP FI PRB') aimed at supporting banks in aligning their business strategy with the society's sustainable goals

2020: joined several working groups organised by UNEP FI in support of PRB implementation. UNEP FI PRB reporting disclosed



2019: signed up to the initiative launched at G7 in Biarritz which is a partnership between the OECD and a global CEO-led coalition of companies to fight inequality in income and opportunities



2021: among 6 global banks that have formed the Steel Climate-Aligned Finance Working Group to define the common standards of action for steel sector decarbonisation through a collective climate-aligned finance agreement facilitated by RMI's Center for Climate-Aligned Finance



UniCredit's contribution to UN Sustainable Development Goals

ESG Strategy & Profile

The scope of our footprint

- United Nation ('UN') Agenda 2030 (agreed in 2015) is an ambitious catalogue with 17 Sustainable Development Goals ('SDGs') for achieving economic progress in harmony with social justice and within the ecological limits of the Earth
- UN stresses that the mobilisation of funds is of vital importance for the realisation of the Agenda 2030
- UniCredit supports UN 2030 Agenda contributing to economic growth, job creation and innovation by providing financial resources to SMEs, multinationals, key sectors and promoting financial education, integration and resource conservation



CLUSTER & MATERIAL TOPICS

RELEVANCE FOR OUR STAKEHOLDERS

💡 INNOVATION FOR CUSTOMERS

- > Digitalisation & innovation
- > Value to customers

▶▶ SYSTEMIC TRENDS

- > Cyber security
- > Climate change
- > Demographic change

⚠️ LEAN & SOLID BANK

- > Bank solidity
- > Lean & transparent organisation

🕒 PEOPLE DEVELOPMENT

- > Employees' empowerment
- > Diversity & inclusion

👤 ETHIS

- > Fair business behaviour
- > Business ethics

🌍 POSITIVE IMPACT ON SOCIETY

- > Positive impact on society



Customers



Colleagues



Investors



Regulators



Communities



ESG ratings and indices (1/2)

ESG Strategy & Profile



A



- Ahead of most international peers (pay practices and board structure) in terms of governance



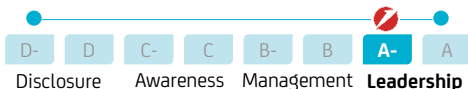
Medium
(22.1)



- In Nov 20 ESG Risk Rating improved to “22.1” from “25.3”
- Medium exposure to and strong management of material ESG issues
- Strong corporate governance performance



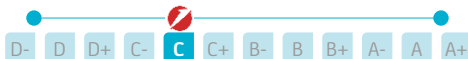
A-



- Now positioned within Leadership band, with rating upgrade to “A-” from “B” in Dec 20
- Average rating for Financial services is “B”, for Europe is “C” and for Global Average is “C”



C
(Prime)



- Ranked among the 10% of companies within the sector with the highest relative ESG performance



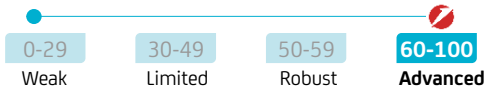
49



- Percentile ranking improved to 67 from 63, despite score drop to 49 from 53
- Assessment based on public sources without any active participation from UniCredit



60
(Advanced)



- Environment score: 64 (Advanced)
- Social score: 62 (Advanced)
- Governance score: 53 (Robust)



ESG ratings and indices (2/2)

ESG Strategy & Profile



EE+
(Very strong)



- Top rated Italian bank, with an EE+ rating. Regarded as an example of European excellence in terms of sustainability
- Strong compliance and ability to manage reputational risks linked to the United Nations, OECD and EU agenda on sustainability and corporate governance



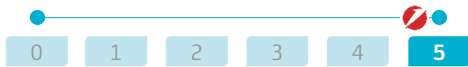
71.7¹



- First bank in the Top 10 ranking, 8th out of 74¹
- Included in the Top 3 in the financial sector



4.6²



- Ranked in the 90th percentile of banks
- Higher scores than the banks subsector and industry averages



86



- ESG scores: 85 (Environment); 85 (Social); 86 (Governance)
- Score > 75 indicates excellent relative ESG performance and high degree of transparency
- Ranked 20/912 out of Banking Services Companies



56.1



- ESG disclosure score: 49.1 (Environmental); 55.0 (Social); 71.4 (Governance)

77.4%



- GEI score improved from last years' 69.2% to 77.4% (global avg. score at 66.4%, financial sector avg. at 68.2% and Italian avg. at 66.7%)



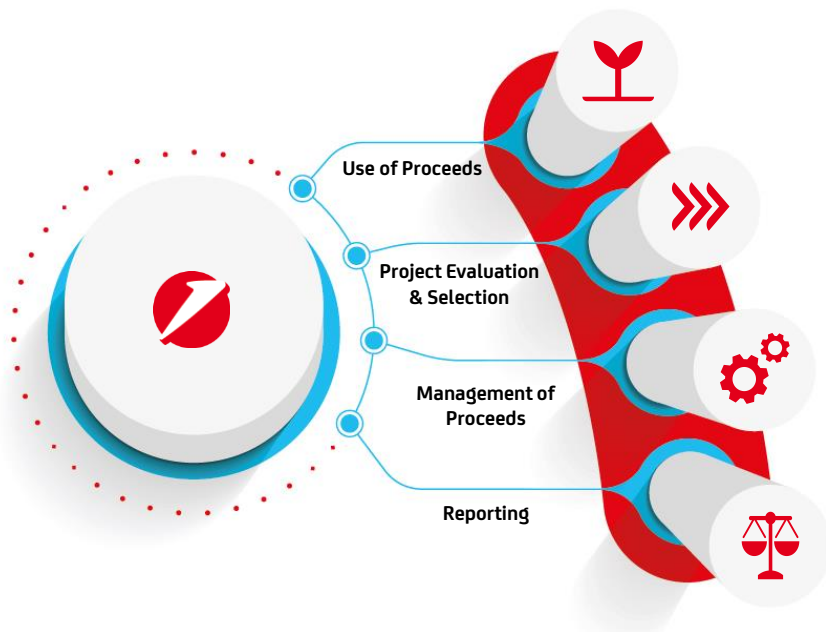
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UniCredit believes in the effectiveness of the sustainable finance market – The Framework links the Bank's business with the UN SDGs

The four components of the Sustainability Bond Framework¹ for the issuance of Green, Social & Sustainability Bonds



Key features and rationale
















- UniCredit strongly believes in the effectiveness of the sustainable finance market and its ability to channel investments to projects and activities with environmental and social benefits
- The Sustainability Bond Framework aims to support UniCredit's ambition to align its business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the United Nations Sustainable Development Goals and the Paris Climate Agreement
- The Sustainability Bond Framework will apply to any Green, Social or Sustainability bond issued by UniCredit Spa, UniCredit Bank AG, UniCredit Bank Austria and all subsidiaries of the UniCredit Group, jointly, "UniCredit"
- Under this Framework, UniCredit can issue Green, Social or Sustainability Bonds



1. According to the Green Bond Principles (2021), the Social Bond Principles (2021) and the Sustainability Bond Guidelines (2021) as administered by the International Capital Markets Association (ICMA)

UniCredit has a strong portfolio of green and social assets reflecting its sustainability strategy

Sustainability Bond Framework

Green Eligible Categories	Examples of Eligible Projects	Social Eligible Categories	Examples of Eligible Projects
Renewable energy 	<ul style="list-style-type: none"> Renewable energy production: i) onshore and offshore wind, ii) Solar, iii) Biogas from biowaste and low carbon gases (Hydrogen), iv) hydroelectric, v) energy storage (batteries) and vi) products and services related to renewable energy production 	Healthcare 	<ul style="list-style-type: none"> Construction of Hospitals and healthcare facilities R&D and construction of medical equipment / healthcare technology
Clean transportation  	<ul style="list-style-type: none"> Low carbon passenger cars and commercial vehicles (electric, hybrid, etc) and relevant infrastructure Enhancement of rail transport and relevant infrastructure Improvement of public electricity-based / sustainable transportation and relevant infrastructure 	Social Assistance 	<ul style="list-style-type: none"> Construction of kindergartens, homes for the elderly, for disabled or for vulnerable people
Green buildings 	<ul style="list-style-type: none"> Construction / acquisition of green buildings meeting one of the following criteria: i) with LEED gold / higher, or BREEAM very good / higher, ii) with Energy Performance Certificate (EPC) class 'A', iii) the energy performance within the top 15% of the national or regional buildings and iv) with other regional / national standards / certifications related to energy efficiency Implementation of energy efficiency solutions or renovations in building¹, which lead to a 30% increase in the building energy efficiency or at least two steps improvement in EPC compared to the baseline before the renovation 	Affordable Housing 	<ul style="list-style-type: none"> Access to affordable housing
Pollution prevention and control 	<ul style="list-style-type: none"> Waste collection, process, disposal and recycling (including related technologies and infrastructure) 	Support to Disadvantaged areas 	<ul style="list-style-type: none"> Financing small and medium-sized enterprises (SMEs) in deprived areas or affected by natural disasters
Sustainable water and wastewater management 	<ul style="list-style-type: none"> Water management Waste water treatments 	Education 	<ul style="list-style-type: none"> Construction of schools, universities, campuses
		Social Impact Banking products    	<ul style="list-style-type: none"> Impact financing: Projects and initiatives that, in addition to generating economic returns, have objectives of social, positive, tangible, and measurable impacts. Microcredit loans to Individual and small companies with limited or no access to credit

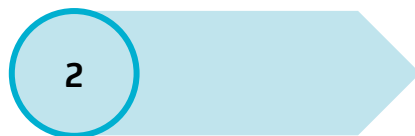
18 1. This includes the acquisition of tax incentives for building-related renovations and improvements under the “Superbonus 110%” introduced by the Italian Government with the relaunch decree (Decreto Rilancio) in July 2020. This also includes similar initiatives from other European countries



A Sustainability Bond Panel will ensure sound governance of the Framework and Project Evaluation & Selection



The assets are approved in compliance with UniCredit's lending policies and processes



The relevant business lines identify the assets which meet the defined selection criteria



The **Sustainability Bond Framework Working Groups** made up of UniCredit's experts on Social and Environmental topics and of business and competence lines representatives assess and pre-select the assets



The **Sustainability Bond Panel** validates and approves the assets



Selected assets are included in the Sustainability Bond Register

UniCredit will govern the Framework through a Sustainability Bond Panel ('SBP')

The SBP includes senior management representatives of products, business lines and competence lines (e.g. finance, treasury, lending and risk management, sustainability functions, investor relations and other relevant functions). The composition of the SBP ensures an adequate representation of global functions as well as of local issuing entities

The SBP is supported by Sustainability Bond Framework Working Groups composed of UniCredit's experts on Social and Environmental topics and of further business and competence lines representatives assessing and pre-selecting the assets and responsible for:

- Assessing and pre-selecting the assets to be included in the specific bond of the local issuing entity
- Proposing the allocation of proceeds for specific issuances and monitoring them after issuance



UniCredit will ensure a robust and solid allocation and tracking of proceeds



The **Working Group** of each issuing legal entity of the bank will track investments in selected assets recorded in the Sustainability Bond Register.

The Sustainability Bond Register of each issuing entity will include on a best effort basis the following information:

1. **Bond details: ISIN, issue date, maturity date**
2. **Green, Social and Sustainability Bond Portfolio:** i) Eligible Category utilized, ii) amount of eligible assets outstanding per Eligible Category, iii) Country, nature and maturity of the eligible assets contained in the Portfolio, iv) Expected social and/or environmental benefits.



On a quarterly basis, the assets are monitored to ensure the timely replacement of the assets matured, repaid or, for any reason, no more satisfying the selection criteria.

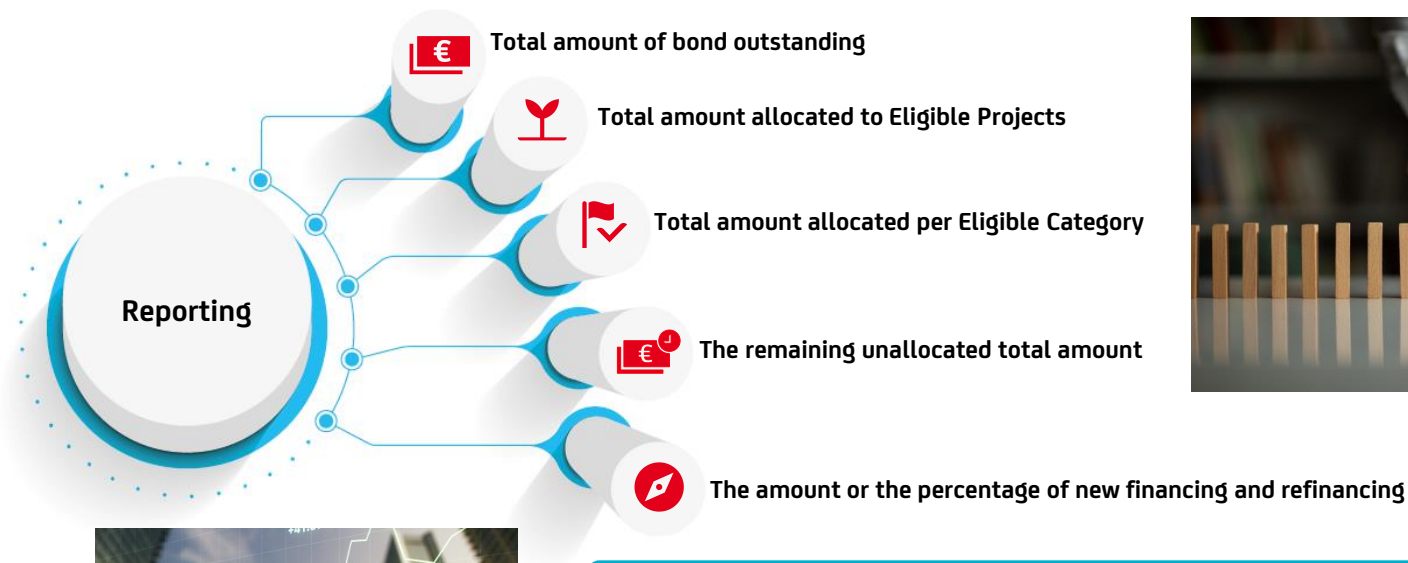
Pending allocation or reallocation to eligible projects, an amount equal to the net proceeds of the bonds will be held in accordance to UniCredit usual liquidity management policy. For the avoidance of doubt, UniCredit confirms that any investment of the liquidity will not be linked to the financing of activities which may conflict with the environmental and social objectives of the UniCredit Sustainability Bond Framework.

UniCredit will **monitor** the investments of the proceeds allocated to eligible assets, through the **review of the external auditor**.



UniCredit is committed to disclose its Bond Allocation Reports and Bond Impact Reports annually

Sustainability Bond Framework



On UniCredit website the following documents will be made available:

- Bond Allocation Report (annually)
- Impact Report (annually)
- Sustainability Bond Framework
- Second Party Opinion



ISS ESG's Second Party Opinion confirms UniCredit's Sustainability Bond Framework to be fully aligned with market best practice

ISS ESG's assessment – key summary

- ✓ **Part I – UniCredit's ESG strategy:** UniCredit shows a very high sustainability performance against the industry peer group (rated 27th out of 287 within its sector)
- ✓ **Part II – Alignment with ICMA:** The rationale for issuing sustainability bonds is clearly described
The issuer has defined a formal concept for its Sustainability Bonds regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the ICMA Green Bonds Principles (version 2021), Social Bonds Principles (version 2021) and Sustainability Bond Guidelines (version 2021).
- ✓ **Part III – UN SDG alignment:** UniCredit's use of proceeds categories have a positive contribution to SDG#1 'No Poverty', SDG#3 'Good Health and well-being', SDG#4 'Quality education', SDG#6 'Clean water and sanitation, SDG#7 'Affordable and clean energy', SDG#8 Decent work and economic growth; SDG#11 Sustainable Cities and Communities; SDG#12 Responsible Consumption and Production and SDG#13 'Climate Action'.



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ESG issuance will be a recurring part of UniCredit's funding activity

Inaugural Green Bond Transaction



- UniCredit SpA acts as Group Holding, Italian operating bank and TLAC/MREL issuer under Single-Point-of-Entry ('SPE') framework
- Coordination of Group-wide funding and liquidity management optimising market access and funding costs
- Diversified by geography and funding sources



CEE Banks¹

- All Group Legal Entities to become self-funded by progressively minimising intragroup exposures

- UniCredit SpA, UniCredit Bank AG and UniCredit Bank Austria will become regular issuers in the ESG world
- This issuance flow will be based on the newly established Sustainability Bond Framework



2021 TLAC and MREL funding plan

Inaugural Green Bond Transaction

UniCredit SpA 2021 TLAC/MREL funding plan, bn

	2021 funding plan		Already issued in 2021 ²	Still to be issued in 2021
MREL eligible instruments ¹	4.0 – 5.5	▶	0.9	3.0 – 4.5
TLAC				
Senior preferred exemption	2.0 – 3.0	▶	3.0	–
Senior non preferred	1.5 – 3.0	▶	0.1	1.5 – 3.0
Tier 2	0 – 1.25	▶	-	0 – 1.25
AT1	1.0 – 1.25	▶	-	1.0 – 1.25
Total	8.5 – 14.0		4.0	4.5 – 10.0

Main drivers

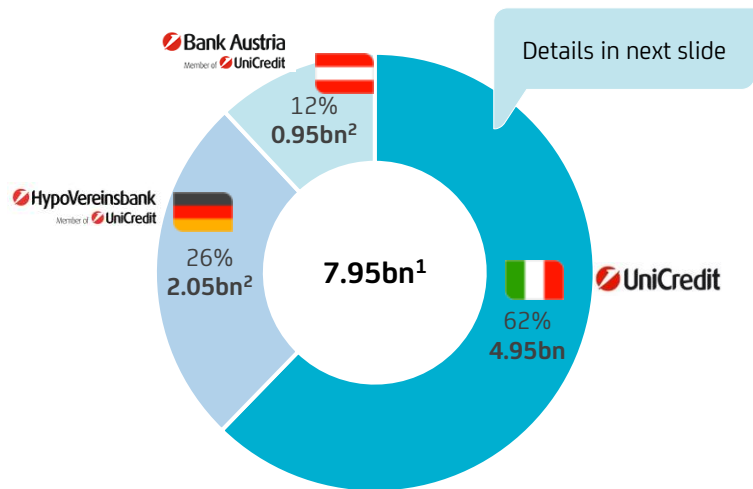
- 2021 issuance plan will be more skewed towards MREL instruments in preparation of the upcoming intermediate requirement in 2022
- Bank capital needs remain quite limited given the very substantial buffers
- In January 2021 UniCredit SpA issued EUR 2bn dual tranche Senior Preferred (in 5Y and 10Y format)
- In May 2021 UniCredit SpA issued USD 2bn dual tranche Senior Preferred (in 6NC5Y and 11NC10Y format)



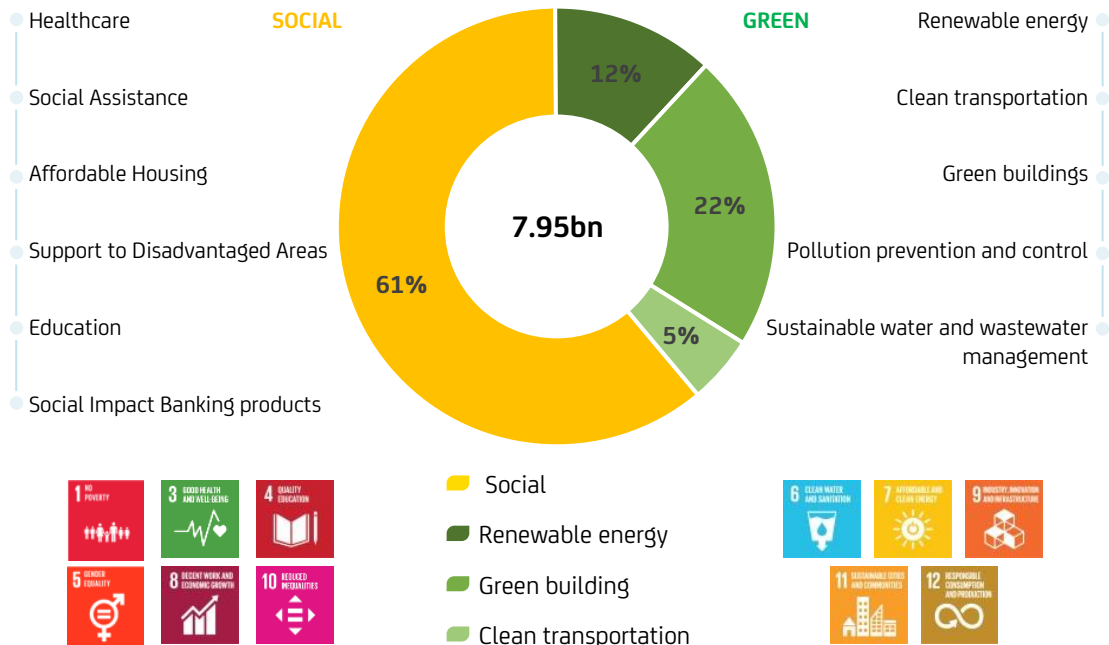
EUR 8bn of Identified Eligible ESG Assets across the UniCredit Group

Inaugural Green Bond Transaction

UniCredit Group Eligible ESG Assets³ per Entity



UniCredit Group Eligible ESG Assets³ Breakdown



- Social
- Renewable energy
- Green building
- Clean transportation



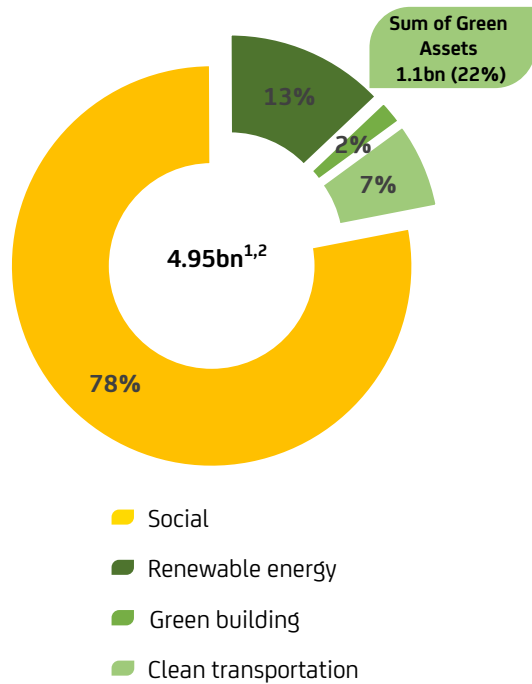
- Asset value as of 31/03/21 for Italy and Austria and 31/12/20 for Germany
- Preliminary estimations which will be finalized in next months
- A look-back period of 3 years is applied to the assets in the portfolio



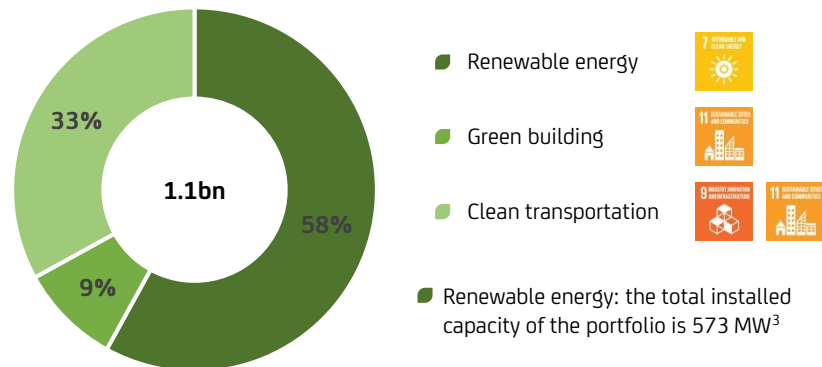
Qualifying eligible assets for UniCredit SpA's Inaugural Green Bond

Inaugural Green Bond Transaction

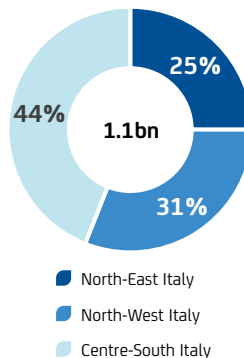
UniCredit SpA Overall Qualifying Assets



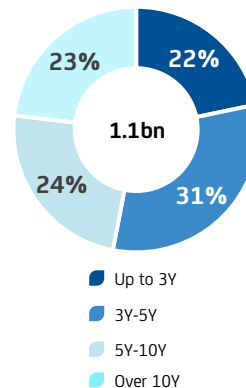
UniCredit SpA Qualifying Assets eligible for bond issue



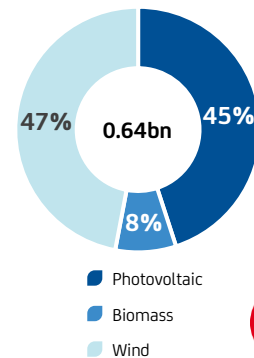
Geographic breakdown



Maturity breakdown



Renewable energy breakdown




- Asset value as of 31/03/21
- A look-back period of 3 years is applied to the assets in the portfolio
- Weighted by UniCredit's share of lending in each project



UniCredit SpA's Project Examples: Renewable Energy

Inaugural Green Bond Transaction

Eligible Categories	Renewable Energy
Examples of Eligible Projects	<p>Renewable energy production:</p> <ul style="list-style-type: none"> Onshore and offshore wind Solar Bioenergy & low carbon gasses (Hydrogen) Hydroelectric Energy storage (batteries) Products and services related to renewable energy production
European Environmental Objectives	Climate Change Mitigation
UN SDGs	

Renewable energy: PLT Wind	
Description of project	project including 6 SPVs owners of wind farms located in the South of Italy
Location:	Calabria and Basilicata, Italy
Installed capacity	110.6 MW
Annual energy production	255,300 MWh
Annual GHG emissions avoided¹	131,200 tons of CO2

Renewable energy: ANDALI ENERGIA	
Description of project	Windfarm composed of 10 Vestas V136-Wind turbine generators
Location:	Calabria Region, Municipality of Andali, Italy
Installed capacity	35 MW
Annual energy production	58,400 MWh
Annual GHG emissions avoided¹	30,000 tons of CO2

Renewable energy: Mercure	
Description of project	Biomass project born from a revamping of an old Enel oil-fired power station
Location:	Calabria Region, Laino borgo Municipality, Italy
Installed capacity	35 MWe
Annual energy production	260,000 MWh
Annual GHG emissions avoided¹	131,588 tons of CO2

¹ The formula applies 0.5138 ton of CO2 saved for each produced MWh as suggested by Istituto Superiore per la Protezione e la Ricerca Ambientale ("ISPRA")



Indicative Termsheet of UniCredit Inaugural Green Bond¹

Inaugural Green Bond Transaction

Issuer	UniCredit SpA
Format	Green Senior Preferred
Regulatory	Intended to be TLAC/MREL eligible
Issue Ratings (M/S/F)	Baa1/BBB/BBB-
ESG Bank Ratings	ISS ESG (C) / MSCI (A) / / Sustainalytics (22.1 - Medium risk) / CDP (A-) / Vigeo (60 – Advanced)
Size	Benchmark
Tenor	Intermediate
Use of Proceeds	As indicated in the relevant Final Terms or in the applicable Pricing Supplement relating to the issuance (i.e., towards Eligible Green Projects, Eligible Social Projects, Eligible Sustainability Projects or a re-financing of any combination of each of the Eligible Green Projects, Eligible Social Projects or Eligible Sustainability Projects)
Second Party Opinion	ISS ESG as of June 18, 2021
Sustainability Bond Structuring Advisor	UniCredit Bank
Sole Bookrunner	UniCredit Bank
Documentation	EMTN signed on 7 th of June 2021
Risk Factors	Notes issued as "Green Bonds" may not be a suitable investment for all investors seeking exposure to green assets. Reference to EMTN risk Factors 1.6.9 for more details.
Governing Law	Italian law
Listing	Luxembourg
Denomination	100k+1k



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- **UniCredit Group Overview**
- Annex

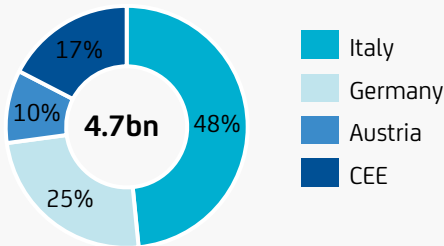


A simple successful pan-European Commercial Bank

Mission

UniCredit is a simple successful pan-European Commercial Bank, with a fully plugged-in CIB, delivering a unique Western, Central and Eastern European network to its extensive and growing client franchise.

Total Revenues by Geography¹



Current positioning - Ranking

Market Shares on Loans³



Presence in
13 countries²



Ranking by Total Assets⁵



1st in Austria
2nd in Italy
2nd in CEE
3rd in Germany

#2

Corporate Lender
in Europe⁴



Strong 1Q21 underlying net profit¹ of 0.9bn

Revenues up 7.1% Y/Y driven by excellent fees and buoyant trading results offsetting persistent net interest headwinds
Significant positive operating jaws with costs down 3.1% Y/Y resulting in C/I ratio at record 51.5%

Seasonally low CoR further supported by write-backs in 1Q21
FY21 underlying CoR^(a) guidance now below 60bps

Rock solid balance sheet with strong capital and liquidity position
1Q21 CET1 ratio at 15.92%^(b) with CET1 MDA buffer at 689bps^(b), 1Q21 LCR at 183^{2%}

FY20 dividend per share of €0.12 paid on 21 Apr 21
Ordinary share buyback of €179m approved by ECB and AGM and expected to be completed by end 3Q21

(a) Underlying CoR: defined as stated CoR excluding regulatory headwinds.

(b) Including deduction of ordinary share buyback of 179m, but not yet including extraordinary share buyback of 652m already approved by AGM and subject to ECB approval (provided that on 30 Sep 21 the ECB will repeal the recommendation of 15 Dec 20).



Underlying RoTE at 6.9% driven by higher revenues and seasonally low CoR

UniCredit Group Overview

	1Q20	4Q20	1Q21	%Δ vs 4Q20	%Δ vs 1Q20
Revenues, bn	4.4	4.2	4.7	+10.6%	+7.1%
Costs, bn	-2.5	-2.5	-2.4	-1.8%	-3.1%
CoR, bps	104	179	15	-165	-89
Underlying net profit ¹ , bn	-0.2	0.2	0.9	n.m.	n.m.
Gross NPE, bn	24.9	21.2	22.4	5.5%	-10.0%
Gross NPE ratio, %	4.9	4.5	4.8	+0.3p.p.	-0.1p.p.
CET1 MDA buffer ^(a) , bps	436	611	689 ^(a)	+78	+253
Tangible equity, EoP bn	51.2	50.5	51.7	+2.3%	+0.9%
Underlying RoTE ² , %	-1.2	1.6	6.9	+5.3p.p.	+8.1p.p.

33 (a) 1Q21 including deduction of ordinary share buyback of 179m. 1Q21 CET1 MDA transitional buffer at 751bps.

The end notes are an integral part of this Presentation. [See page 45](#) at the back of this presentation for information related to the financial metrics and defined terms in this presentation



FY21 underlying net profit broadly in line with previous guidance

Strategic review expected to be concluded in 2H21

Outlook FY21

Underlying net profit¹ broadly in line with previous guidance

- Total revenues broadly in line with consensus^(a)
- Costs confirmed in line with FY19
- Underlying CoR² now below 60bps

Capital distribution to shareholders

- As per previous guidance, ordinary payout confirmed at 50%^(b)
- For FY20, ordinary distribution of 447m^(c) already done or to be completed by end 3Q21
- For 2021, extraordinary capital distribution of 652m share buyback approved by AGM^(d)
- For 2021, ordinary and extraordinary capital distributions combined result in total yield of c. 6%³

Strategic review

- Strategic review initiated following arrival of new CEO and BoD
- Overarching objective is disciplined and sustainable profit growth
- Review expected to be concluded in 2H21 and communicated at a Capital Markets Day

(a) 1Q21 company compiled consensus published on 26 Apr 21 at <https://www.unicreditgroup.eu/en/investors/equity-investors/consensus.html>

(b) Ordinary payout: max 30% cash, min 20% share buyback.

(c) Ordinary distribution: 268m cash dividends paid on 21 Apr 21 and 179m share buy back to be completed by end 3Q21.

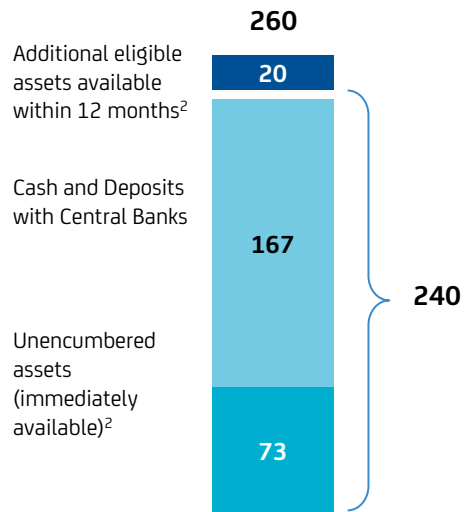
(d) Subject to ECB approval (provided that on 30 Sep 21 the ECB will repeal the recommendation of 15 Dec 20, expected not to commence before 01 Oct 21).

The end notes are an integral part of this Presentation. See pages 45 at the back of this presentation for information related to the financial metrics and defined terms in this presentation



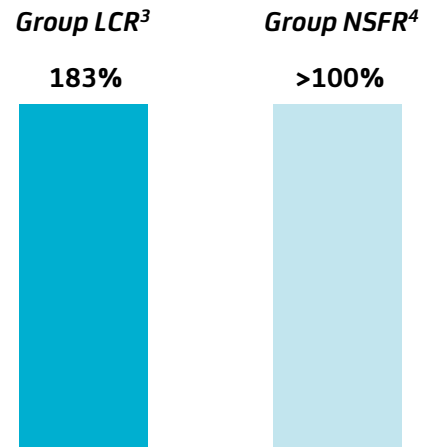
Strong and disciplined liquidity steering

1Q21 strong liquidity buffer¹, bn



- **240bn liquid assets** immediately available, **well above 100% of wholesale funding maturing in 1 year**

1Q21 Compliant with key liquidity ratios, %



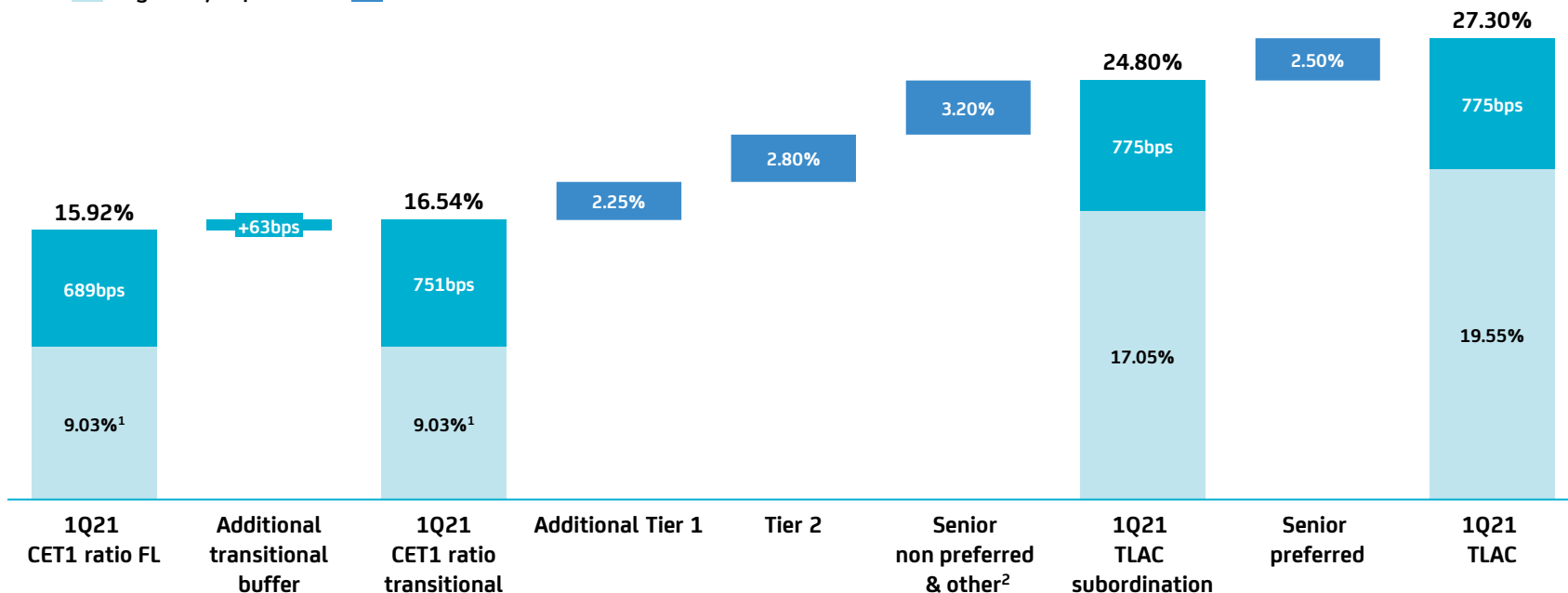
- UniCredit S.p.A. **LCR³ and NSFR⁴ >100%**



1Q21 TLAC buffer at 775bps

Transitional Total Loss-Absorbing Capacity, %

■ Buffer ■ Regulatory requirement ■ Actual data



Rating agencies acknowledge improved asset quality and capitalisation

UniCredit Group Overview

STANDARD
& POOR'S

MOODY'S

Fitch Ratings



BBB/Stable/A-2¹

Baa3/Stable/P-3¹

BBB-/Stable/F3¹



Covered Bonds (Italian OBG/ OBGII) ²

Counterparty/ Deposit rating³

Senior Preferred/ Outlook/ Short-Term

Senior Non Preferred

Tier 2

Additional Tier 1

Stand-alone rating⁴

AA-/n.r.

BBB+

BBB/ Negative/A-2

BBB-

BB+

BB-

bbb

Aa3/Aa3

Baa1

Baa1/ Stable/P-2

Baa2

Baa3

Ba3

baa3

AA-/n.r.

BBB

BBB-/ Stable/F3

BB+

BB

B+

bbb-

- In Oct '20 UniCredit's rating was affirmed at 'BBB/Neg', primarily due to longer than expected economic rebound given the current pandemic
- Compared to the past, UniCredit is now simpler, better capitalised, less risky and more efficient
- UniCredit is expected to be overall more resilient in this downturn than most Italian banks. UniCredit's enhanced debt and capital base, could provide a cushion to cover potential losses from a hypothetical sovereign default

- In Mar '21 UniCredit's ratings affirmed reflecting resilience of UniCredit's overall credit profile, underpinned by sound capital buffers and Moody's view of improved profitability in 2021
- The deposit and senior preferred ratings are +2 notches higher than the Italian Sovereign rating
- The stable outlook reflects that in case of a Stand-alone rating downgrade, the deposit and senior preferred rating will be kept

- In May '20 UniCredit's rating was aligned with the Italian sovereign in order to reflect the influence that the Italian economy and sovereign risk have on UniCredit
- Deposits at 'BBB', +1notch above the sovereign as UniCredit will maintain sufficient capital buffers to meet regulatory requirements (e.g. TLAC and MREL)
- Capitalisation is a rating strength, given satisfactory buffers over regulatory requirements



(A-)/BBB+/Negative/A-2¹
(bbb+)⁴

(A1)/A2⁵/Stable/P-1¹
(baa2)⁴

(BBB+)/BBB⁶/Negative/F2¹
(bbb)⁴



(A-)/BBB+/Negative/A-2¹
(bbb+)⁴

(A2)/Baa1⁷/Stable/P-1¹
(baa2)⁴

Not rated



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Agenda

- Executive summary
- ESG Strategy & Profile
- Sustainability Bond Framework
- Inaugural Green Bond Transaction
- UniCredit Group Overview
- **Annex**



Examples of potential key social and environmental impact indicators include (I/II)

Eligible Sustainable Categories	Examples of Potential Key Environmental Impact Indicators
Renewable Energy	<ul style="list-style-type: none"> • Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent • Annual renewable energy generation in MWh/GWh • Capacity of renewable energy systems installed in MW
Green Buildings	<ul style="list-style-type: none"> • Annual energy savings in MWh/GWh • Annual GHG emissions reduced/avoided in tonnes of eq. CO2 • Gross Building Area
Clean Transportation	<ul style="list-style-type: none"> • Number of trains deployed • Number of km of new electric train lines created / maintained • Number of km of new electric bus lines created / maintained • Number of passengers transported per year • Number of electric vehicles purchased / relevant infrastructure deployed
Pollution prevention and control	<ul style="list-style-type: none"> • % of waste recycling • Tonnes of waste processed
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> • m3 of water transported/processed • Km of water pipeline constructed/renewed • Water savings
Healthcare	<ul style="list-style-type: none"> • Number of hospital beds • Number of medical examinations



Examples of potential key social and environmental impact indicators include (II/II)

Eligible Sustainable Categories	Examples of Potential Key Environmental Impact Indicators
Social Assistance	<ul style="list-style-type: none">• Number of beds• Number of beneficiaries
Education	<ul style="list-style-type: none">• Number of students served
Affordable housing	<ul style="list-style-type: none">• Number of beneficiaries of social infrastructures
Employment generation	<ul style="list-style-type: none">• Number of SME financed• Number of employees working in the SME financed
Social Impact Banking	<ul style="list-style-type: none">• Number of beneficiaries, Number of organisations supported• Outputs: Number of places available for the service provided• Outcomes: No. of people from disadvantaged and vulnerable groups who improve their material living conditions



Group P&L

Annex

<i>Data in m</i>	<i>1Q20</i>	<i>4Q20</i>	<i>1Q21</i>	<i>Δ % vs 4Q20</i>	<i>Δ % vs 1Q20</i>
Total revenues	4,378	4,238	4,687	+10.6%	+7.1%
Operating costs	-2,493	-2,458	-2,415	-1.8%	-3.1%
Gross operating profit	1,885	1,780	2,272	+27.7%	+20.6%
LLPs	-1,261	-2,058	-167	-91.9%	-86.7%
Net operating profit	624	-278	2,105	n.m.	n.m.
Other charges & provisions	-528	-91	-702	n.m.	+33.0%
<i>o/w Systemic charges</i>	-538	-53	-620	<i>n.m.</i>	<i>+15.3%</i>
Integration costs	-1,347	-82	0	-99.9%	-100%
Profit (loss) from investments	-1,261	130	-195	n.m.	-84.5%
Profit before taxes	-2,512	-322	1,207	n.m.	n.m.
Income taxes	-140	-34	-314	n.m.	n.m.
Net profit from discontinued operations	0	48	1	-97.5%	n.m.
Goodwill impairment	0	-878	0	-100%	n.m.
Stated net profit	-2,706	-1,179	887	n.m.	n.m.
Underlying net profit ¹	-159	204	883	n.m.	n.m.



Please note that numbers may not add up due to rounding, and some figures are managerial. These notes refer to the metric and/or defined term presented on [page 5 \(2023 ESG targets\)](#):

1. Based on New Coal Policy issued in 2Q20:
 - Zero general financing in all cases of expansion of coal operations (i.e. Coal Fired Power Plants acquisition or opening) by 2028
 - Zero exposure to thermal coal mining and coal fired power plant projects by 2023
2. Including: biomass, hydro, photovoltaic, wind, CHP (combined heat and power) plants, battery storage, energy from waste and other renewables as well as corporates predominantly operating renewable energy assets.
3. Including Individuals and SME.
4. Vs. base year 2008. Long term target: 80% by 2030.
5. 100% usage of renewable electricity in our buildings in Italy, Germany and Austria.
6. ESG-linked include: green Loans, KPI-linked loans, ESG-score linked loans. Green Bonds: include Green, Social and Sustainability bonds. Positioning based on Dealogic League Tables.
7. Women in senior leadership roles figure reported on a 6 months basis
8. External rating by the independent provider, Sustainalytics, UniCredit ranks 5th among a peer group (15 banks)
9. People Engagement is calculated as the average of two measurements across the Plan horizon
10. Customer experience tracking is based on Strategic Net Promoter Score (NPS), a metric used across industries to measure customer experience. It is based on the sole question 'How likely are you to recommend our Bank'.

These notes refer to the metric and/or defined term presented on [page 6 \(ESG Achievements\)](#):

1. Moratoria include both outstanding (18.9bn) and expired (15.5bn) volumes. State Guaranteed loans are as of 02 Apr 21 (CEE figures only as of 31 Mar 21). Moratoria are as of 31 Mar 21
2. Long Term Incentive Plan (LTIP) has a 9-year duration, of which 4 performance years (plan horizon), 4 years deferral, 1 additional year of holding of the shares
3. Targets end of 2023: 3rd in Sustainalytics relative rating ranking; 73pts in absolute People engagement; +3pts in relative Customer experience, which is based on Strategic Net Promoter Score (NPS).

This notes refer to the metric and/or defined term presented on [page 15 \(ESG ratings 2/2\)](#):

1. Score downgraded to 71.7 from 74 mainly due to changes in the assessment process (UniCredit ranking has in fact improved to 8/74 from 10/61) - covering Italian companies only.
2. Rating downgraded to 4.6 from 5 mainly due to changes in FTSE4Good assessment methodology.



Please note that numbers may not add up due to rounding, and some figures are managerial.

This note refer to the metric and/or defined term presented on [page 24](#) **(Diversified funding and liquidity profile)**:

1. Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia and Slovenia.

These notes refer to the metric and/or defined term presented on [page 25](#) **(TLAC/MREL funding plan)**:

1. Volumes gross of expected buy back flows, including plain vanilla senior preferred exceeding the “exemption” allowed by TLAC.
2. As of 31 Mar 21.

These note refer to the metric and/or defined term presented on [page 31](#) **(Pan European commercial bank)**:

1. Data as of 31 Mar 21.
2. Italy, Germany, Austria, Bosnia, Czech Republic, Croatia, Bulgaria, Romania, Hungary, Serbia, Slovenia, Slovakia, Russia.
3. Market Shares on total loans (National Bank Data); IT, BG and CZ as of Feb 21; other countries as of Jan 21.
4. Data as of 1Q21, where available (otherwise as of 4Q20), based on available public data; peers include: BNP, Deutsche Bank, Santander, HSBC, ISP, Société Générale. FX exchange rate at 31 Mar 21.
5. Data updated with last available disclosure: Austria single bank, Germany only private banks.

These notes refer to the metric and/or defined term presented on [page 32](#) **(Highlights)**:

1. Underlying net profit is the basis for the ordinary capital distribution policy.
2. LCR shown is point in time ratio as of 31 Mar 21, regulatory figure published in Pillar 3 as of 1Q21 will be 180% (trailing 12M average).

These notes refer to the metric and/or defined term presented on [page 33](#) **(Group key figures)**:

1. Underlying net profit is the basis for the ordinary capital distribution policy.
2. Based on underlying net profit.

These notes refer to the metric and/or defined term presented on [page 34](#) **(Closing remarks)**:

1. Underlying CoR: defined as stated CoR excluding regulatory headwinds.
2. Underlying net profit is the basis for the ordinary capital distribution policy. See page 43-44-45 in annex for details. For 2021, as an exception, the ordinary capital distribution will comply with the ECB’s payout recommendations published on 15 Dec 20.



Please note that numbers may not add up due to rounding, and some figures are managerial.

These notes refers to the metric and/or defined term presented on [page 35](#) **(Strong and disciplined liquidity steering)**:

1. Managerial figures.
2. Unencumbered assets are represented by all the assets immediately available to be used with Central Banks. Additional eligible assets (available within 12 months) consist of all the other assets eligible within 1 year time. Figures are net of ECB haircut.
3. LCR shown is point in time ratio as of 31 Mar 21, regulatory figure published in Pillar 3 as of 1Q21 will be 180% (trailing 12M average).
4. Managerial figure based on Basel III assumption as of 31 Mar 21.

These notes refer to the metric and/or defined term presented on [page 36](#) **(TLAC)**:

1. As of Mar 21, P2R at 175bps and countercyclical buffer of 5bps.
2. Non computable portion of subordinated instruments.
3. Ordinary share buyback approved by supervisory and AGM.

These notes refer to the metric and/or defined term presented on [page 37](#) **(Credit rating overview)**:

1. Order: (Counterparty)/Long-term senior unsecured debt rating / Outlook or Watch-Review / Short-term rating.
2. Soft bullet/Conditional pass through.
3. Rating shown: S&P: Resolution Counterparty Rating; Moody's: Long Term Counterparty Risk Rating and Deposit Rating; Fitch: Deposits rating.
4. Stand-alone rating.
5. Deposit and senior-senior rating shown, while junior-senior debt at 'Baa3'.
6. Long-term senior preferred debt rating and long-term Deposit Ratings at 'BBB+'.
7. Long-term senior unsecured debt rating shown, while deposit rating at 'A3' with stable outlook.

This note refer to the metric and/or defined term presented on [page 42](#) **(Group P&L - Summary)**:

1. Underlying net profit is the basis for the ordinary capital distribution policy.



Disclaimer

This Presentation includes “forward-looking statements” which rely on a number of assumptions, expectations, projections and provisional data concerning future events and are subject to a number of uncertainties and other factors, many of which are outside the control of UniCredit S.p.A. (the “Company”) and are therefore inherently uncertain. There are a variety of factors that may cause actual results and performance to be materially different from the explicit or implicit contents or expectations of any forward-looking statements and thus, such forward-looking statements are not a reliable indicator of future performance.

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