


One Bank
One Team
One  UniCredit



2Q20 and 1H20 Results

Glossary

6 August 2020

Banking that matters. |  **UniCredit**

Glossary (1/9)

Allocated capital

Allocated Capital based on RWA equivalent figures calculated with a CET1 ratio target of 12.25%, including deductions for shortfall and securitisations

AT1

Additional Tier 1 Capital

AuC

Assets under Custody

AuM

Assets under Management

AVA

Additional Valuation Adjustments

BS

Balance sheet

bps

Basis points

BTP

This refers to the whole Italian sovereign bond portfolio (BTPs, BOT, et al)

Capital distribution

Cash dividend and / or share buyback. Share buyback subject to supervisory approval

CASHES

Convertible and Subordinated Hybrid Equity-linked Securities

CB

Commercial Banking



Glossary (2/9)

CCyB	Countercyclical buffer
CEE	Central Eastern Europe includes: Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Russia, Romania and Bulgaria
CET1 ratio	Common Equity Tier 1 ratio fully loaded throughout the document unless otherwise stated
C/I	Cost/Income ratio
CMD	Capital Markets Day
Commercial revenues	Sum of net interest income and fees
CoR	Cost of risk calculated as LLPs of the period (annualised) divided by average net customer loans (including repos and intercompany at divisional level)
Coverage ratio	Stock of LLPs on NPEs divided by Gross NPEs
CRD5	Capital Requirements Directive 5
Customer loan/depo rates	Real interest on loans divided by the daily average outstanding volumes (assuming 365 days convention, adjusted for 360 days convention where analytically available)
CVA/DVA	Credit/Debt Value Adjustment



Glossary (3/9)

Days effect	Effect related to quarters having different number of days
DBO	Defined Benefit Obligation
DCM	Debt Capital Markets
Default rate	Percentage of gross loans migrating from performing to gross NPEs over a given period (annualised) divided by the initial amount of gross performing loans (including repos)
EBA	European Banking Authority
EL	Expected loss
EMEA	Europe, Middle East and Africa
EoP	End of period
ESG	Environmental, Social and (Corporate) Governance
Euribor 3M	3-month Euribor; daily reference rate, published by the European Money Market Institute
FTE	Full Time Equivalent: an FTE of 1.0 is equivalent to a full-time worker



Glossary (4/9)

FVOCI	Fair Value through Other Comprehensive Income
FX	Foreign exchange
FY	Financial year
Group Corporate Centre (GCC)	Group Corporate Centre includes COO services, corporate centre global functions, inter-segment adjustments and consolidation adjustments not attributable to specific segments
Gross Commercial Performing Loans EOP	End of period stock of performing Loans to commercial clients (e.g. excluding markets counterparts and operations); managerial figures, driver of the network lending activity.
Gross Commercial Performing Loans AVG	Average stock for the period of performing Loans to commercial clients (e.g. excluding markets counterparts and operations); managerial figures, key driver of the NII generated by the network activity.
GDP	Gross Domestic Product
Group excl. Non Core	Equivalent to Group excluding Non Core. It is not a separate division
Gross Loans EoP	Total loans to customers at face value (i.e. before deduction of provisions), including active repos and (in divisional figures) intercompany, both performing and non performing (comprising bad loans, unlikely to pay, and past due); debt securities are excluded



Glossary (5/9)

Gross NPEs

Non performing exposures (before deduction of provisions) comprising bad loans, unlikely to pay, and past due; including only loans to customers and excluding debt securities

Gross NPE Ratio

Non performing exposures divided by gross loans (incl. repos)

Gross performing loans EoP

Total performing loans to customers at face value (i.e. before deduction of provisions), including active repos and (in divisional figures) intercompany; debt securities are excluded.

IFRS9

International Financial Reporting Standard 9

LLPs

Loan loss provisions

MDA

Maximum distributable amount

MREL

Minimum Requirement for own funds and Eligible Liabilities

MtM

Mark to market

NC

Non callable

Net Loans EOP

Total loans to customers at book value (i.e. after deduction of provisions), both performing and non performing (comprising bad loans, unlikely to pay, and past due), including active repos and (in divisional figures) intercompany; debt securities are excluded.



Glossary (6/9)

Net loans excluding repos EOP

Total loans to customers at book value (i.e. after deduction of provisions), both performing and non performing (comprising bad loans, unlikely to pay, and past due), excluding active repos and (in divisional figures) intercompany; debt securities excluded as well.

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

NII

Net interest income

NPEs

Non performing exposures comprising bad loans, unlikely to pay, and past due; including only loans to customers and excluding debt securities

NPE Ratio

(Gross or net) non performing exposures as a percentage of total loans, including only loans to customers and excluding debt securities

NPL ratio (EBA definition)

NPLs (bad loans, unlikely to pay, and past due from customer loans and loans to banks) divided by total customer loans and loans to banks

P&L

Profit and loss statement

PCM

Profit Centre Milan. Dedicated structure in UniCredit SpA supporting CEE countries, including activities mainly related to transactions with Large Corporate customers in CEE

POI

Profit on Investments



Glossary (7/9)

P2R	Pillar 2 requirement
Q/Q	Current quarter vs previous quarter
RoAC	Return on allocated capital computed as 12.25% of RWA plus deductions for shortfall and securitisations (annualised net profit divided by the allocated capital)
RoTE	Return on tangible equity (annualised net profit divided by average tangible equity)
RWA	Risk weighted asset
Senior preferred exemption	Part of TLAC/MREL requirement that can be filled with senior preferred (2.5% from 2019/3.5% from 2022)
SREP	Supervisory review and evaluation process
SMEs	<p>Small and medium sized enterprises:</p> <ul style="list-style-type: none"> ▪ In Western Europe: companies below € 50m annual turnover and deserving a specific approach based on dedicated relationship manager (RM) and specialist support ▪ In CEE: thresholds range from c. € 1-2m to c. € 50m annual turnover (varying country to country)
SNP	Senior non preferred
Stated net profit	Refers to Group, Group excl. Non Core and divisions. Profit as shown in our financial statements



Glossary (8/9)

Tangible equity

Shareholders' equity (including consolidated profit of the period) less intangible assets (goodwill and other intangibles), less AT1 component; dividend payout is accounted for on a cash basis

TFAs

Total Financial Assets. Non-commercial elements, i.e. CIB, Group Corporate Centre, Non Core and Leasing/Factoring are excluded

Time value

Difference between the sum of expected recoverable cash flows of NPEs and the net present value

TLAC

Total Loss Absorbing Capacity

TLTRO

Targeted Longer Term Refinancing Operations

T2

Tier 2 capital

TRY

New Turkish lira

UC

UniCredit S.p.A.

Underlying net profit

Stated net profit adjusted for non-operating items



Glossary (9/9)

Underlying RoTE

Underlying return on tangible equity (underlying net profit divided by average tangible equity)

W.E.

Western Europe includes Italy, Germany and Austria

XVA

Valuation adjustments include: Debt/Credit Value Adjustment (DVA/CVA), Funding Valuation Adjustments (FuVA) and Hedging desk

Y/Y

Current year vs prior year

1H/1H

First half of current year vs first half of prior year



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