


One Bank
One Team
One  UniCredit



3Q20 and 9M Results

Glossary

5 November 2020

Banking that matters. |  **UniCredit**

Glossary (1/7)

AT1	Additional Tier 1 Capital
AuC	Assets under Custody
AuM	Assets under Management
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
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



Glossary (2/7)

C/I	Cost/Income ratio
CMD	Capital Markets Day
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
Days effect	Effect related to quarters having different number of days
DBO	Defined Benefit Obligation
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)
DGS	Deposit Guarantee Scheme
EBA	European Banking Authority
EL	Expected Loss
EoP	End of Period



Glossary (3/7)

ESG	Environmental, Social and (Corporate) Governance
FVOCI	Fair Value through Other Comprehensive Income
FIC	Fixed Income & Currency
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.
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 (4/7)

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 (5/7)

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 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
P&L	Profit and Loss statement
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



Glossary (6/7)

Senior preferred exemption

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

SNP

Senior Non Preferred

Stated net profit

Refers to Group, Group excl. Non Core and divisions. Profit as shown in our financial statements

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

TRY

New Turkish lira

Underlying net profit

Stated net profit adjusted for non-operating items



Glossary (7/7)

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

9M/9M

First 9 months of current year vs first 9 months of prior year



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.

The information and opinions contained in this Presentation are provided as at the date hereof and the Company undertakes no obligation to provide further information, publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except if required by applicable law. Neither this Presentation nor any part of it nor the fact of its distribution may form the basis of, or be relied on or in connection with, any contract or investment decision.

The information, statements and opinions contained in this Presentation are for information purposes only and do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of an offer to purchase or subscribe for securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments. Any recipient is therefore responsible for his own independent investigations and assessments regarding the risks, benefits, adequacy and suitability of any operation carried out after the date of this Presentation. None of the securities referred to herein have been, or will be, registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any state or other jurisdiction of the United States or in Australia, Canada or Japan or any other jurisdiction where such an offer or solicitation would be unlawful (the “Other Countries”), and there will be no public offer of any such securities in the United States. This Presentation does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States or the Other Countries.

Pursuant the consolidated law on financial intermediation of 24 February 1998 (article 154-bis, paragraph 2) Stefano Porro, in his capacity as manager responsible for the preparation of the Company’s financial reports declares that the accounting information contained in this Presentation reflects the UniCredit Group’s documented results, financial accounts and accounting records.

Neither the Company nor any member of the UniCredit Group nor any of its or their respective representatives, directors or employees shall be liable at any time in connection with this Presentation or any of its contents for any indirect or incidental damages including, but not limited to, loss of profits or loss of opportunity, or any other liability whatsoever which may arise in connection of any use and/or reliance placed on it.

