




# 3Q21 & 9M21 Results Glossary

28 October 2021

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# Glossary (1/8)

|                             |   |
|-----------------------------|---|
| <b>AGM</b>                  | Annual General Meeting  |
| <b>AT1</b>                  | Additional Tier 1 Capital   |
| <b>AuC</b>                  | Assets under Custody  |
| <b>AuM</b>                  | Assets under Management   |
| <b>bps</b>                  | Basis points  |
| <b>BTP</b>                  | This refers to the whole Italian sovereign bond portfolio (BTPs, BOT, et al)                |
| <b>C/I</b>                  | Cost/Income ratio   |
| <b>Capital distribution</b> | Cash dividend and / or share buyback. Share buyback subject to AGM and supervisory approval |
| <b>CASHES</b>               | Convertible and Subordinated Hybrid Equity-linked Securities                                |
| <b>CCyB</b>                 | Countercyclical buffer  |
| <b>CE</b>                   | Central Europe includes: Austria, Czech Republic and Slovakia, Hungary, Slovenia            |



# Glossary (2/8)

|                                |  |
|--------------------------------|--|
| <b>CET1 ratio</b>              | Common Equity Tier 1 ratio fully loaded throughout the document unless otherwise stated  |
| <b>CDP</b>                     | Carbon Disclosure Project  |
| <b>Commercial revenues</b>     | Equivalent to the sum of the following P&L items: net interest income and fees & commissions   |
| <b>Coverage ratio (on NPE)</b> | Stock of LLPs on NPEs divided by Gross NPEs  |
| <b>CRD5</b>                    | Capital Requirements Directive 5   |
| <b>Days effect</b>             | Effect related to quarters having different number of days   |
| <b>DBO</b>                     | Defined Benefit Obligation   |
| <b>Default rate</b>            | 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) |
| <b>D&amp;I</b>                 | Diversity and inclusion  |
| <b>DGS</b>                     | Deposit Guarantee Scheme   |
| <b>DoD</b>                     | New definition of default for prudential purposes which came into force in January 2021  |
| <b>EBA</b>                     | European Banking Authority   |



# Glossary (3/8)

|              |   |
|--------------|---|
| <b>ECB</b>   | Single Supervisory Mechanism (SSM) within the European Central Bank (ECB)                   |
| <b>EE</b>    | Eastern Europe includes: Bulgaria, Bosnia and Herzegovina, Croatia, Romania, Russia, Serbia |
| <b>EL</b>    | Expected Loss   |
| <b>EoP</b>   | End of Period   |
| <b>ESG</b>   | Environmental, Social and (Corporate) Governance  |
| <b>FICC</b>  | Fixed Income, Currency & Commodity  |
| <b>FTE</b>   | Full Time Equivalent: an FTE of 1.0 is equivalent to a full-time worker                     |
| <b>FVOCI</b> | Fair Value through Other Comprehensive Income   |
| <b>FX</b>    | Foreign exchange  |
| <b>FY</b>    | Financial Year  |
| <b>FY/FY</b> | Current full year vs previous full year   |
| <b>GEI</b>   | Gender-equality index   |



# Glossary (4/8)

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|--|---|
| <b>Group Corporate Centre (GCC)</b>          | Group Corporate Centre includes digital and operations services, corporate centre global functions, inter-segment adjustments and consolidation adjustments not attributable to specific segments   |
| <b>Gross Commercial Performing Loans AVG</b> | 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  |
| <b>Group excl. Non Core</b>                  | Equivalent to Group excluding Non Core. It is not a separate division   |
| <b>Gross Loans EoP</b>                       | 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 |
| <b>Gross NPEs</b>                            | 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  |
| <b>Gross NPE Ratio</b>                       | Gross non performing exposures divided by gross loans (incl. repos)   |
| <b>Gross performing loans EoP</b>            | 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  |
| <b>IFRS9</b>                                 | International Financial Reporting Standard 9  |
| <b>LCR</b>                                   | Liquidity Coverage Ratio  |



# Glossary (5/8)

|                      |  |
|----------------------|--|
| <b>LLPs</b>          | Loan Loss Provisions   |
| <b>MDA</b>           | Maximum Distributable Amount fully loaded throughout the document unless otherwise stated  |
| <b>MREL</b>          | Minimum Requirement for own funds and Eligible Liabilities   |
| <b>MSCI</b>          | Morgan Stanley Capital International   |
| <b>MtM</b>           | Mark to Market   |
| <b>NC</b>            | Non Callable   |
| <b>Net Loans EoP</b> | 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 |
| <b>Non Core</b>      | 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   |
| <b>Non HR costs</b>  | Other administrative expenses net of expense recoveries, plus depreciation and amortisation  |
| <b>NII</b>           | Net Interest Income  |
| <b>NPEs</b>          | Non Performing Exposures comprising bad loans, unlikely to pay, and past due; including only loans to customers and excluding debt securities  |



# Glossary (6/8)

|                                   |  |
|-----------------------------------|--|
| <b>NPE Ratio</b>                  | (Gross or net) non performing exposures as a percentage of total loans, including only loans to customers and excluding debt securities  |
| <b>OECD</b>                       | Organisation for Economic Co-operation and Development   |
| <b>P&amp;L</b>                    | Profit and Loss statement  |
| <b>P2R</b>                        | Pillar 2 Requirement   |
| <b>Q/Q</b>                        | Current quarter vs previous quarter  |
| <b>Regulatory headwinds</b>       | Regulatory Headwinds are driven by regulatory changes and model maintenance (impacting on both P&L, RWA and capital), shortfall and calendar provisioning (impacting on capital)                         |
| <b>RoAC</b>                       | Return on Allocated Capital (annualised net profit divided by the allocated capital). Allocated capital computed as 11.75% of RWA (was 12.25% in 2020) plus deductions for shortfall and securitisations |
| <b>RoTE</b>                       | Return on Tangible Equity (annualised net profit divided by average tangible equity)   |
| <b>RWA</b>                        | Risk Weighted Assets   |
| <b>Senior preferred exemption</b> | Part of TLAC requirement that can be filled with senior preferred (2.5% from 2019/3.5% from 2022)  |
| <b>SBB</b>                        | Share buyback - repurchasing of shares by the company that issued them to reduce the number of shares available on the open market.  |



# Glossary (7/8)

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|--------------------------|--|
| <b>SNP</b>               | Senior Non Preferred   |
| <b>SPE</b>               | Single Point of Entry  |
| <b>Stage 1</b>           | 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)      |
| <b>Stage 2</b>           | Includes credit exposures that, although performing, have seen their credit risk significantly deteriorating since initial recognition   |
| <b>Stage 3</b>           | Includes impaired credit exposures   |
| <b>Stated CoR</b>        | Stated cost of risk based on reclassified P&L and Balance sheet, calculated as LLPs of the period (annualised in the interim periods) divided by average net customer loans (including repos and intercompany at divisional level) |
| <b>Stated net profit</b> | Stated net profit based on reclassified P&L which is shown for Group, Group excl. Non Core and divisions   |
| <b>Tangible equity</b>   | 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                                   |
| <b>TfAs</b>              | Total Financial Assets. Non-commercial elements, i.e. CIB, Group Corporate Centre, Non Core and Leasing/Factoring are excluded. Figures shown are end-of-period.   |
| <b>Time value</b>        | Difference between the sum of expected recoverable cash flows of NPEs and the net present value  |





# Glossary (8/8)

|                              |  |
|------------------------------|--|
| <b>TLAC</b>                  | Total Loss-Absorbing Capacity  |
| <b>TLTRO</b>                 | Targeted Longer Term Refinancing Operations  |
| <b>TRY</b>                   | New Turkish lira   |
| <b>Underlying CoR</b>        | Stated CoR excluding regulatory headwinds  |
| <b>Underlying net profit</b> | Stated net profit adjusted for non-operating items. Underlying net profit is the basis for the ordinary capital distribution policy. |
| <b>Underlying RoTE</b>       | Underlying return on tangible equity (underlying net profit – annualised – divided by average tangible equity for the period)        |
| <b>UTP</b>                   | Unlikely to Pay  |
| <b>XVA</b>                   | Valuation adjustments include: Debt/Credit Value Adjustment (DVA/CVA), Funding Valuation Adjustments (FuVA) and Hedging desk         |
| <b>Y/Y</b>                   | Current quarter vs same quarter in the previous year   |
| <b>Yapi</b>                  | Yapi Kredi   |



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