2Q24
1H24 GROUP RESULTS

# UniCredit Unlocked

**Record quarter and first half results; profitable growth and superior distribution trajectory continue**

**Fixed Income & ESG presentation**

**Milan, 24 July 2024**



UniCredit

# Agenda

- **UniCredit at a glance**
- Financial highlights
- Funding, liquidity and securitisation
- ESG

# Setting the benchmark for European banking

Record quarter and first half results; profitable growth and superior distribution trajectory continue

## RECORD RESULTS

- Delivering **record quarter** and **first half**
- **RoTE c.20%**
  - RoTE @13%: c.23.5%
  - OCG: 6.7bn 1H24
  - Net Profit: +20% 1H/1H to 5.2bn
- **Strong delivery** across all key levers, regions and product factories

## BLUE CHIP BANK

- **14th consecutive quarter** of quality growth
- **Leading the sector** across all KPIs
- **Superior RoTE and OCG** ensure **best-in-class distributions** without eroding capital

Today …

## SAME STRATEGY, NEW FOCUS

- **Same vision, strategy** and **guiding priorities**
- **Shifting focus** to
  - boosting sustainable **quality earnings growth**
  - while **maintaining risk, operational** and **capital efficiency**

## QUALITY GROWTH, RESILIENT BASE

- **Significant value** still to unlock
- **Growth** trajectory from ongoing **transformation** and **deployment** of best-in-class **excess capital**
- **Protected** by robust **lines of defense**

## GUIDANCE FURTHER IMPROVED

- **Improved** 2024 **guidance**
- Confirmed **interim** and **full-year distribution guidance**
- Retaining further **flexibility to secure 2025-26**

… Tomorrow

**Valuation still at discount to peers notwithstanding superior fundamentals**

# 14 consecutive quarters of profitable growth, record quarter and 1H

| In million | 2Q24 | Y/Y | 1H24 | 1H/1H |
|---|---|---|---|---|
| **Net Revenue** | 6,313 | +6.0% | 12,581 | +6.7% |
| o/w NII | 3,565 | +1.9% | 7,143 | +5.1% |
| o/w LLPs | -15 | +25.2% | -118 | +7.7% |
| o/w Fees | 2,120 | +10.0% | 4,220 | +6.6% (**+8.6%** excl. CAFR & securitization costs) |
| o/w Trading | 470 | +1.7% | 1,028 | +11.1% |
| **Total Costs** | -2,298 | -1.7% | -4.604 | -1.2% |
| **GOP** | 4,031 | +11.0% | 8,096 | +11.8% |
| **Net Profit** | 2,679 | +15.9% | 5,236 | +19.7% |
| **Cost / Income** (%) | 36.3% | -2.9p.p. | 36.3% | -2.9p.p. |
| **RWA EoP** (bn) | 276.9 | -6.1% | 276.9 | -6.1% |
| **RoTE** | 19.8% | +2.6p.p. | 19.7% | +2.7p.p. |
| **RoTE** based on 13% CET1r | 23.6% | +2.3p.p. | 23.3% | +2.5p.p. |

## 1H KEY HIGHLIGHTS ACROSS OUR LEVERS

**NET REVENUE** — **QUALITY GROWTH**
+6.7%
Net Revenue
(Gross Revenue **+6.7%**)

**COST** — **OPERATIONAL EXCELLENCE**
36.3%
Cost / Income **–2.9p.p.**
(Absolute costs **–1.2%**)

**CAPITAL** — **CAPITAL EFFICIENCY**
234bps
Organic Capital Generation **6.7bn**
(Net Revenue / RWA **9.0%**)

| BOOSTING OUR ... **PER SHARE GROWTH** | **EPS** | **ACCRUED DPS** | **TBVPS** |
|---|---|---|---|
| | **+36%** 1H/1H | **+53%** 1H/1H[1] | **+20%** 1H/1H[2] |

| BUILT ON ... **STRONG FOUNDATIONS** | **CAPITAL** | **ASSET QUALITY** | **LIQUIDITY** |
|---|---|---|---|
| | **16.2%** CET1r | **5bps** CoR 1H24<br>**2.6%** NPE ratio | **>140%** LCR<br>**>125%** NSFR[3] |

**Data as of 30 June 2024, 1H figures and 1H/1H deltas unless otherwise specified**
**1.** Accrued quarterly dividends on outstanding dividend eligible shares at the end of the quarter **2.** Including paid DPS in April 2023, or +14% 1H/1H without it **3.** Managerial figures

# Maintaining advantage through Risk, Operational and Capital excellence

An approach difficult to replicate, ensuring long-term sustainability

### A QUALITY-DRIVEN APPROACH

## Risk efficiency

- **Quality focus:** a decade of de-risking and vigilant origination resulting in a high-quality portfolio and a Net NPE ratio of 1.4%
- **Conservativeness:** strong coverage and highest overlays built over time ensure a structurally lower COR in 2024-26 in any macro scenario

## Operational efficiency

- **Efficiency obsession:** identification and elimination of inefficiencies in the organization, processes and businesses; **re-investing savings in people** and growth projects
- **Promoting a new way of working:** with more ownership and less hierarchy, empowering our people and talents within a clear framework

## Capital efficiency

- **Optimal capital allocation:** focusing on the most profitable and capital accretive clients and products segments
- **Superior profitability portfolio mix:** have worked through majority of inefficiencies, pruned subpar assets

### UNIQUE, BEST-IN-CLASS LINES OF DEFENCE

**OVERLAYS**
To be released gradually to protect a structurally lower CoR or further propel profitability
**1.7bn**

**NON-OPERATING ITEMS[1]**
Already sustained, yielding a low cost base in the future and an important buffer
**1.5bn**

**EXCESS CAPITAL[2]**
Protecting total distributions and/or allowing for strategic flexibility to further propel net income hence distributions
**>6.5bn**

1. FY23 integration charges + expected minimum reduction in systemic charges FY24 vs FY23
2. Excess to the 12.5-13% management target range, calculated as of 2Q24, pro-forma for Basel 4 impact expected in 2025

# Vodeno-Aion: enhancing our technology and a platform to enter new markets

Bringing in-house a new proprietary technology and a fintech to enter new client segments and markets


Tech company owning and managing a full proprietary core banking cloud-based platform and an independent Belgian bank operating on that platform with branches in Poland, Germany and Sweden

## What Vodeno-Aion Brings Us

**ACQUISITION OF NEXT GENERATION CORE BANKING TECHNOLOGY**

Cloud-based, fully operational and scalable digital banking platform with comprehensive products for high-value segments (affluent & SME) across multiple channels, without any dependencies from 3rd-party core banking providers but fully competitive with them

**IMPROVE EMBEDDED FINANCE OFFERING**

Bolster our embedded finance proposition, delivering new services to marketplaces, e-commerce, retailers as well as providing Banking-as-a-Service for selected fintechs

**COST-EFFECTIVE MARKET EXPANSION**

Flexible platform to enter targeted client segments or new European markets profitably and quickly, leveraging a primarily digital bank model that minimizes costs, accelerates time to market and integrate new solutions. We aim to start with Poland

**INNOVATION AND TESTING HUB**

A sandbox for testing new solutions and functionalities, which can then be scaled and implemented across the broader bank

**ENHANCE IN-HOUSE TECHNOLOGICAL EXPERTISE**

Integrate a team of expert technologists and data scientists, enhancing our capability to innovate and adapt swiftly to market changes

**ENHANCED PROPOSITION FOR INDIVIDUALS & SMEs**

Enhances our competitive edge in the digital banking landscape for SMEs and individuals, positioning us as a leader in innovation and customer experience

**INVESTMENT** c.370m[1] All cash

**LIMITED CAPITAL IMPACT** c.15bps CET1r impact

**EXPECTED CLOSING[2]** Q4 2024

**Further details available in Press Release of 24 July 2024**

**1.** Total investment to acquire 100% of Vodeno and Aion Bank **2.** Subject to regulatory approval

# Confident to deliver on 2024 guidance and 2025-26 ambitions

## 2024 GUIDANCE

| | |
|---|---|
| **Net revenue** | >23bn ↑ |
| **Cost of Risk** | <20bps |
| **Costs** | <9.5bn |
| **Systemic charges** | -c.0.4bn vs FY23 |
| **Net profit** | >8.5bn |
| **EPS, DPS** | Double digit growth[3] |
| **RoTE** | c.16.5% |
| **OCG** | >350bps ↑ |
| **Total distributions** | In line with FY23[4] |

60% already accrued at 1H24

c.10bn[1] calendar year distributions
**(c.3.1bn interim,** o/w **c.1.4bn cash dividend[2] and c.1.7bn SBB)**

**RATES[5]**
2023 **3.43%**
2024 **c.3.7%**

**AVG. PASS-THROUGH[5]**
2023 **c.25%**
2024 Slightly >30%

## 2025-26 FINANCIAL AMBITION

Sustainable **Growth**
**EPS, DPS**
Strong growth

High sustainable **Profitability**
**RoTE**
>15%
**Costs**
Broadly flat[6]

Best-in-class sustainable **Distributions,** supported by **OCG**
**Total avg. annual distributions**
FY25-26 > FY24
excluding inorganic
- Cash dividend policy ≥40%
- SBBs

**Distribution subject to supervisory and shareholder approvals. The targets, outlook and trends on which the assumptions underlying the distribution ambitions are based on are forward looking assumptions, based on management current expectations and subject to potential change** **1.** o/w €3bn of cash dividend paid in April 2024, €1.1bn of FY23 share buy-back already executed in 1Q24 (i.e. not including the €1.4bn of FY23 share buy-back already executed during 2023 calendar year) and the €3.1bn related to the residual FY23 share buy-back, and circa €3.1bn FY24 interim distribution (o/w €1.7bn SBB, €1.4bn cash) **2.** Expected to be paid in November 2024 **3.** Guidance FY24 net profit on expected average shares; assuming outstanding shares only net of the shares repurchased via residual calendar year SBB at an average price as of 18.07.2024 close **4.** Ordinary distribution of at least 90% of Net Profit, capped at organic capital generation **5.** Average 3M Euribor Rate. ECB Deposit Facility Rate "DFR" at 4% year end 2023, decreasing in 2024 (assumption) **6.** Same perimeter assumed

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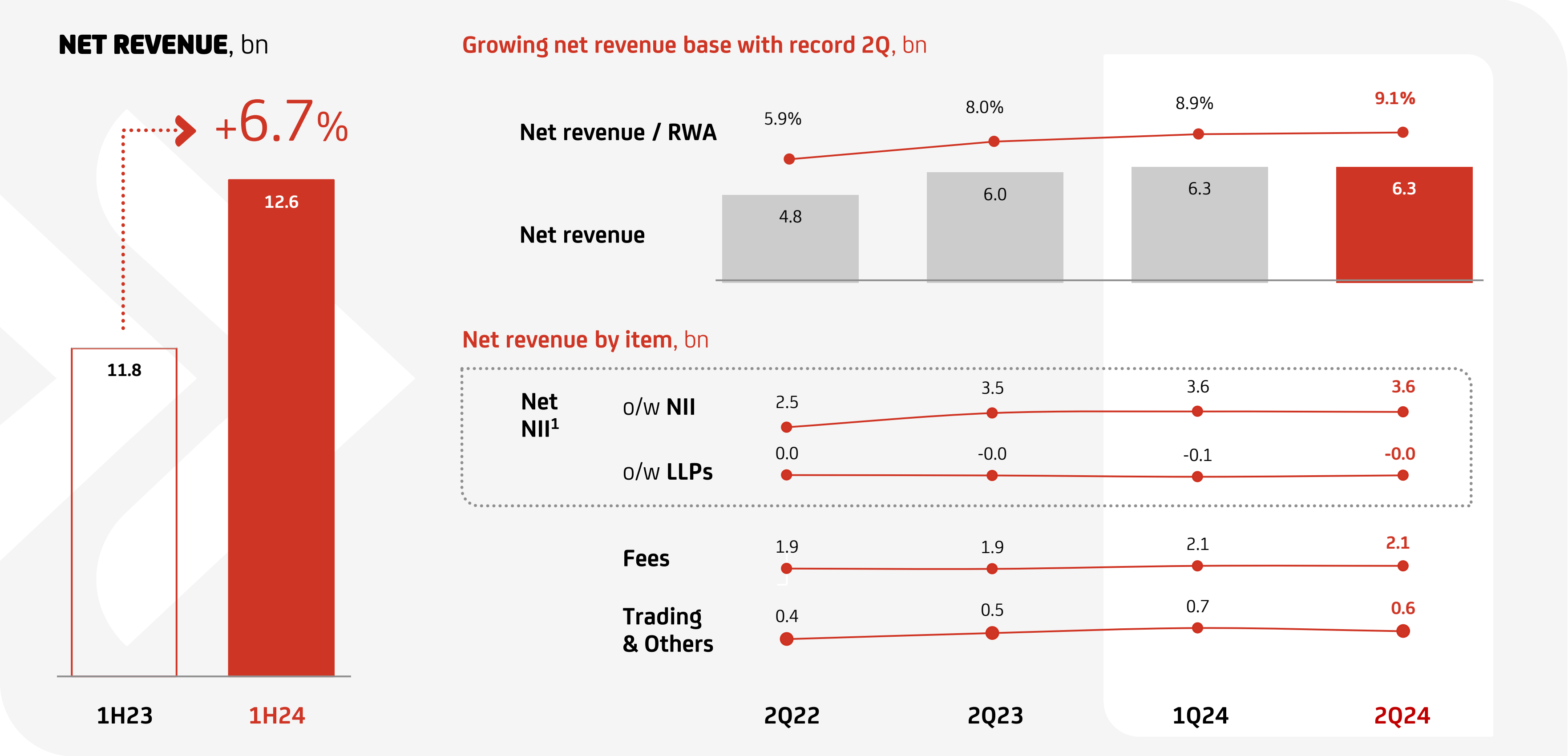
# Net Revenue

## Up on growing Fees, resilient NII and solid Trading




**CONSISTENT EARNINGS GROWTH ...**

**Earnings continue to grow** (+6.7% 1H/1H, +6.0% Y/Y)

**... IN A SELECTIVE, PROFITABLE, HIGH QUALITY WAY**

Continuous focus on quality:

- **Resilient, best-in-class Net NII** well above COE
- Top tier **Fees to Revenue**, with strong upside potential
- **LLPs still at low point and stable** driven by conservative **provisioning** and **writebacks**
- **Trading** continues to be solid

**OUTLOOK**

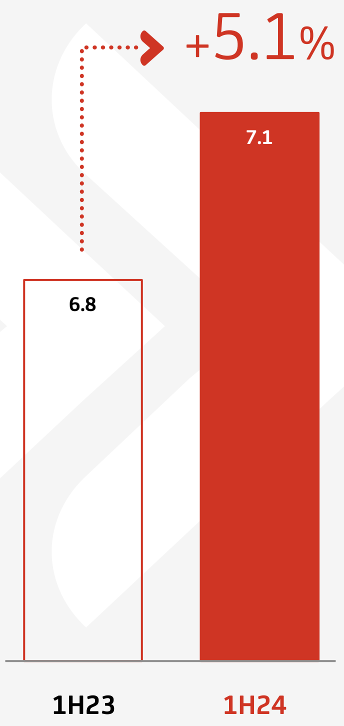
**Strong Fee** growth over medium term and **confirmed** high **quality NII above CoE**

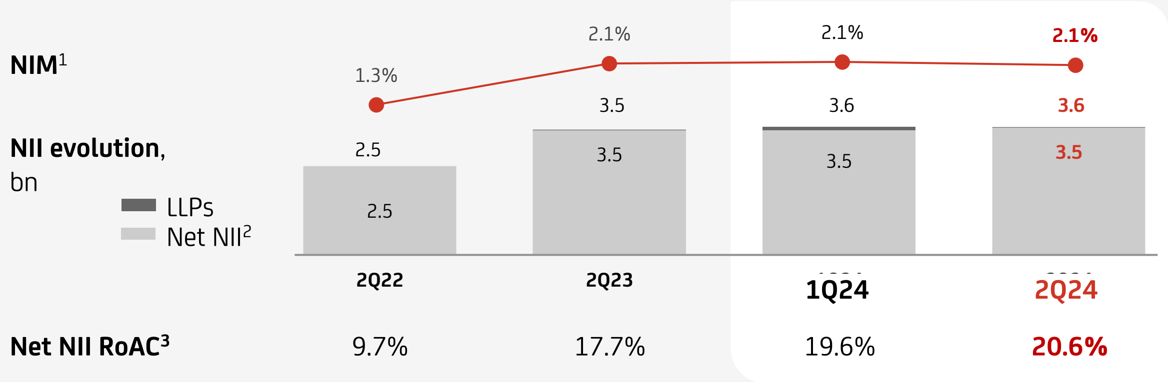
1. Stated NII net of LLPs

# Net Interest Income

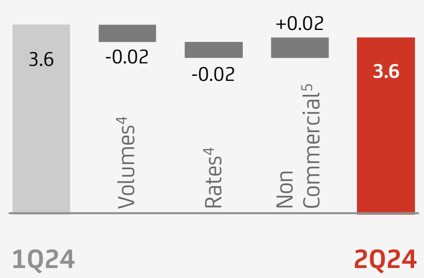
## Resilient and highly profitable on its own merit

**NET INTEREST INCOME**, bn

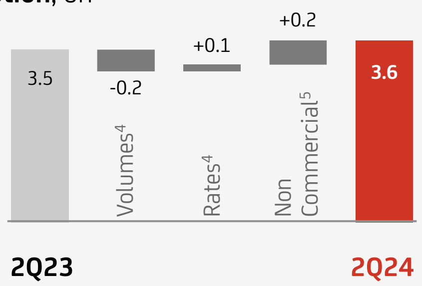



**Q/Q evolution**, bn




**Y/Y evolution**, bn




### RESILIENCE & QUALITY DISCIPLINE

- **Solid, stable NII** (–0.4% Q/Q) despite rates down
- **Relentless** quality focus in last 3 years led to **constrained** growth but **superior Net NII RoAC** now reaching **20.6%**
- Continuous shift in **lending mix** towards **higher profitability** and cross-over segments and products
- **Strong discipline** on **deposit pass-through** management: 31.5% in 2Q24

### NII SENSITIVITY

| Pass-through | Rates[6] |
|---|---|
| ± 1p.p. = c.130m (annualized) | ± 25bps = c.140m (annualized) |

### OUTLOOK

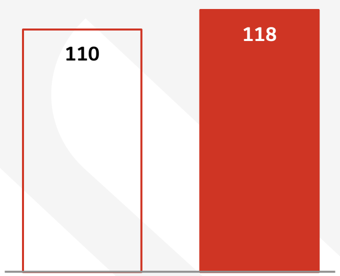
**NII profitability above cost of equity** even when rates normalize, and **grow from there**

**1.** Calculated as Interest income on average interest earning assets minus interest expense on average interest-bearing liabilities **2.** Stated NII net of LLPs **3.** Numerator calculated by adjusting the Stated NII by the C/I ratio (pro quota), LLPs and tax rate (always assumed flat at 30%, to neutralize the possible relevant volatility of this item). Denominator resulting from 13% CET1 * Credit and counterparty risk RWAs (average between RWA BoP and EoP) **4.** Impacts related to both deposits and loans **5.** Including structural hedge of core deposits in 2Q24: amount c.184bn, avg yield c.1.1%, duration slightly below 5 years **6.** Based on average Euribor 3M / ECB Deposit Facility Rate

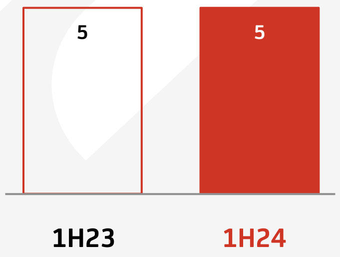
# Asset Quality and Cost of Risk

## Structurally lower cost of risk protected by strong coverage

**LLPs**, m

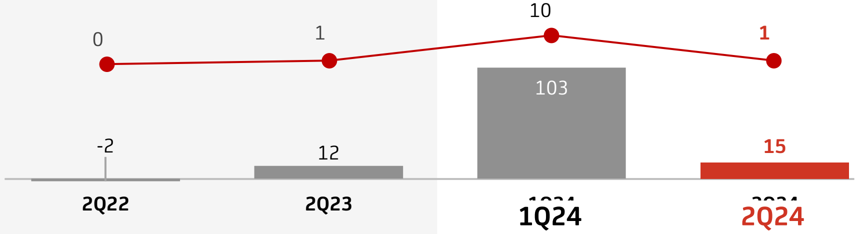



**CoR**, bps




**CoR**, bps

**LLPs**, m




| | 2Q22 | 2Q23 | 1Q24 | 2Q24 |
|---|---|---|---|---|
| **Default rate,** YTD | 1.3% | 0.8% | 1.3% | 1.1% |

**Structurally low and stable CoR going forward**

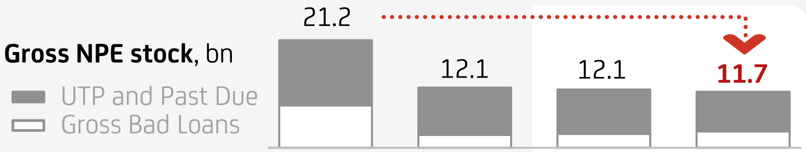
Quality, highly covered performing portfolio

1.7bn

Overlays stock on performing portfolio, **highest among peers**

Reduced, better quality, better covered non-performing exposures

**Gross NPE stock**, bn




| | 4Q20 | 2Q23 | 1Q24 | 2Q24 |
|---|---|---|---|---|
| **Gross NPE Ratio** | 4.5% | 2.6% | 2.7% | 2.6% |
| **Net NPE Ratio** | 1.9% | 1.4% | 1.5% | 1.4% |

### STRUCTURALLY LOWER TODAY

- **Strong and well covered asset quality**, with **overlays** stock remaining **high** to protect the future
- **CoR at 5bps in 1H, in line Y/Y**; stable[1] in ITA and GER, while CEE benefits from continuous writebacks and NPE disposal. Steady de-risking in RU led by writebacks
- **CoR excluding Russia at 12bps in 1H**, broadly in line Y/Y
- Provisioning and portfolio quality allowing to cushion increase in “other charges & provisions”[2] in RU, not impacting profitability

### OUTLOOK

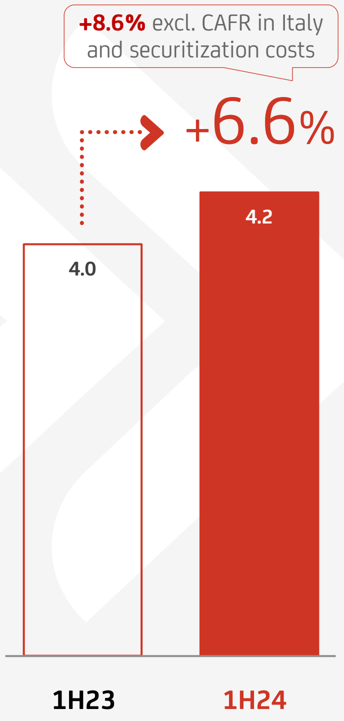
- **Reaffirming 2024 guidance to <20bps** considering possible normalization in overall COR
- **CoR in 20-25bps area in 2025-26**, also leveraging overlays
- **High overlays** to protect against spikes

**1.** Stable Q/Q in Italy (exc. a largely state-guaranteed single name in 1Q24) and in Germany
**2.** Other charges and provisions taken on Russia related to a trade finance transaction based on the current assessment of legal proceeding outcome and client reimbursement probability

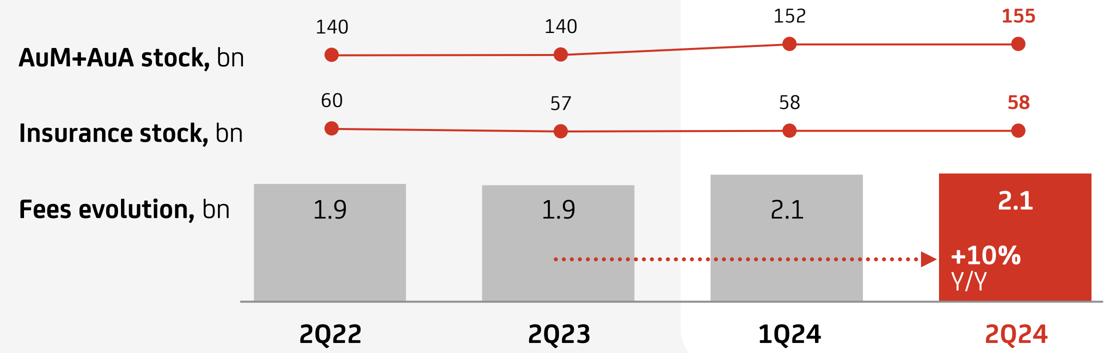
# Fees

## Continued strong momentum across all main categories

**FEES**, bn




**Strong fees from increased client appetite and broader product offering**




**Change by fee categories**

| | Investment (AuM, AuA, AuC) | Insurance (Life & Non-Life) | Payments | Current Accounts | Advisory & Financing: Advisory & Financing | Advisory & Financing: Trade & Corr. Ban. | Client Hedging Fees | Securiti-sation costs |
|---|---|---|---|---|---|---|---|---|
| **Y/Y** | +21% | +5% | +10% | +1% | +11% | +4% | -7% | -11% |
| **1H/1H** | +20% | +5% | +10% | -10% | +5% | +3% | -9% | +38% |

### CONTINUED STRONG MOMENTUM

**Fees growing** +6.6% 1H/1H (+8.6% excl. CAFR and securitization costs) and +10% Y/Y with **top-tier 34%[1] Fee to Revenues ratio**

### QUALITY AND DIVERSIFICATION

- Fee base **diversification** with strong momentum
- **Strong AUM fees** driven by volumes thanks to advisory activity and early rebalancing
- **Sustained** strength in **Non-life** insurance and **payments**
- Strong acceleration in **Advisory & Financing**, reflecting investments and a supportive macro

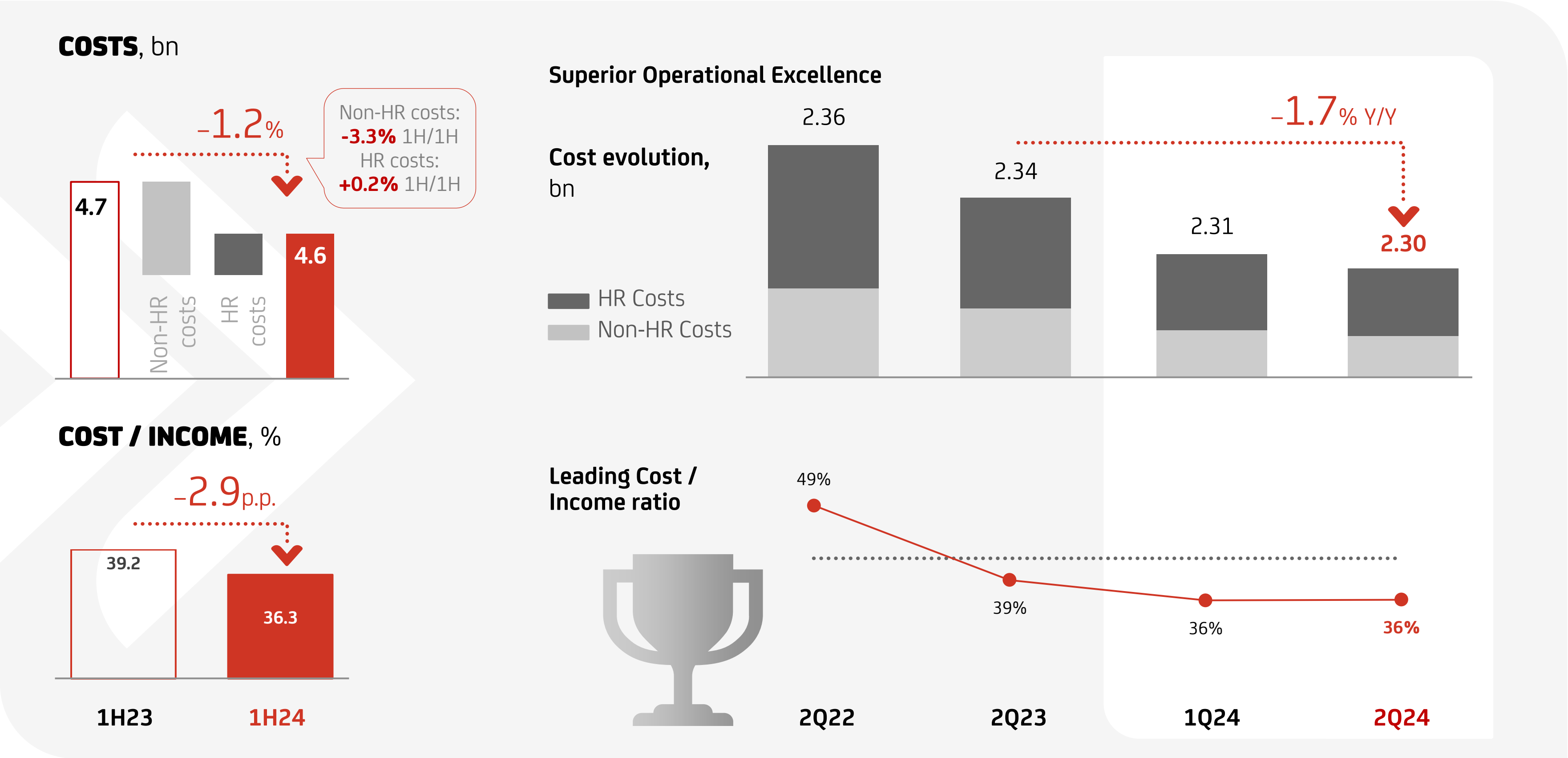
### OUTLOOK

Targeting a **1.4bn[2] growth FY23-FY26** with product factories fully unlocking potential and further internalization

1. Fees and income from Insurance (Dividend or Net Insurance result) as of 2Q24
2. Not including potentially higher securitization costs and including revenue contribution from the Life JV internalization from non fee lines

# Costs and operational efficiency

## Continued discipline led to significant decline in spite of inflation and investments




## CONFIRMING EXCELLENCE

- Continuing cost **reduction** (-1.2% 1H/1H, -1.7% Y/Y) **despite inflation** and ongoing **investments**
- **Only bank** to have **reduced** absolute **cost base consistently** quarter over quarter in the last two years[1]
- **C/I leadership** thanks to both revenues increase and cost reduction

## WINNING APPROACH

- **Streamlining** the organisation and processes, internalizing while reducing non-business-related costs
- **Offsetting inflation** of 3.4% in UniCredit footprint[2]

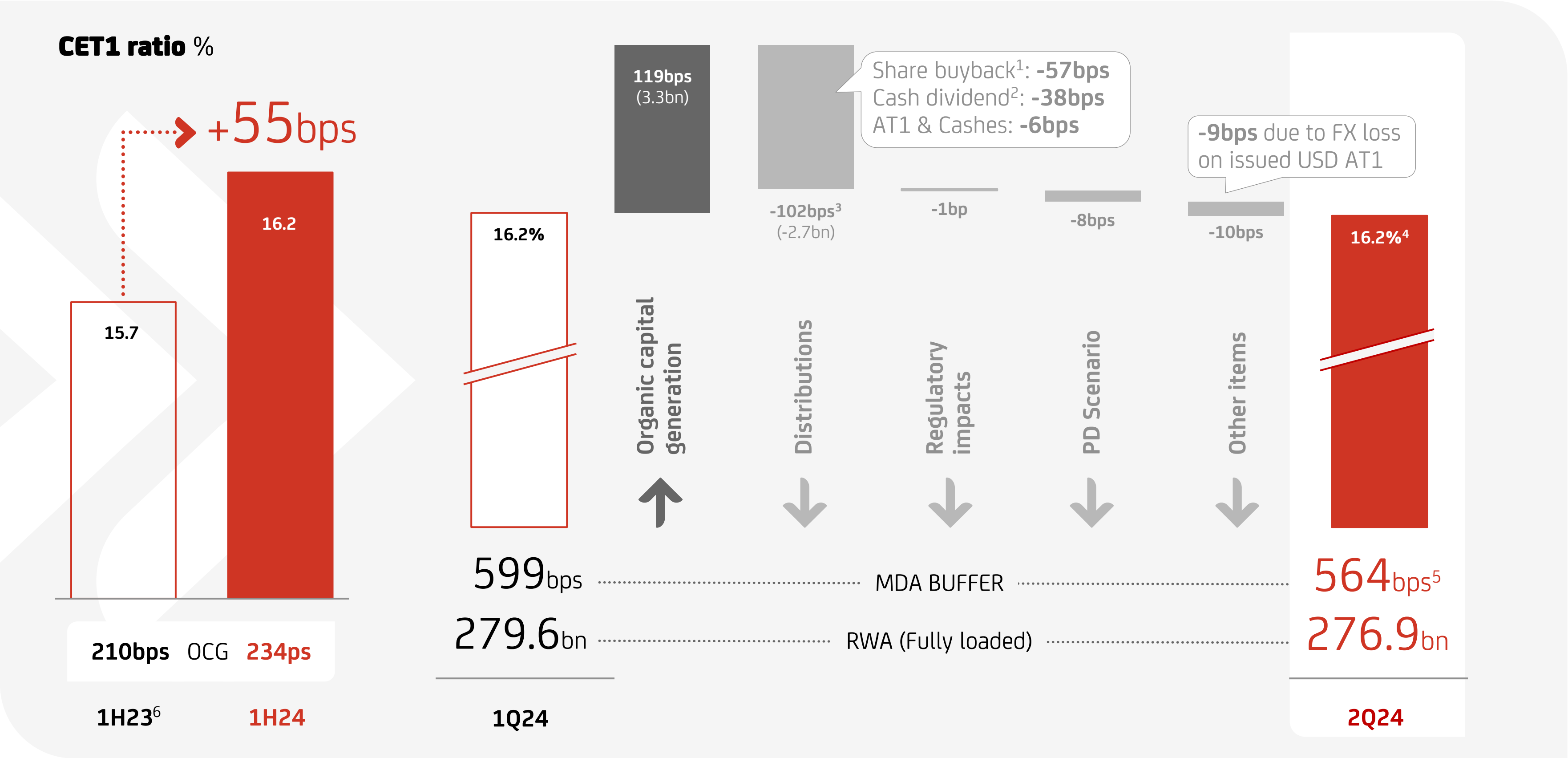
## OUTLOOK

**Continue investing** in our people, factories and digital, **while maintaining cost base broadly flat**[3]

**1.** Absolute cost reduction 1Q22-1Q24. excluding inflation relief and increase in variable payments. Peer group: BBVA, BNP Paribas, Commerzbank, Credit Agricole S.A., Deutsche bank, ING, Intesa San Paolo, Santander, Société Générale **2.** Data for the Group including Russia as of 1H24 (forecast only for Bosnia) **3.** Same perimeter assumed

# RWAs and Capital efficiency

## Excellent organic capital generation continues




### QUALITY GROWTH

- Unique capital generation capability due to **focus on above CoE risk-adjusted profitability** and pro-active and disciplined **capital deployment**
- Another quarter of best-in-class OCG, at +119bps: strongest quarter ever

### BUILDING CET1 DESPITE SUPERIOR DISTRIBUTIONS

- CET1r +32bps vs FY23 and +55bps vs 1H23[6]. Broadly in line Q/Q, while **accruing 5.2bn** in **1H24** - 2.7bn in 2Q24 - or **100% of Net Profit**

### OUTLOOK

- Maintaining **best-in-class OCG** going forward, to support excellent ordinary distributions; excess capital deployment on top
- 2024 **interim distributions of c.3.1bn**, o/w c.1.4bn cash dividend[7] and c.1.7bn SBB

**1.** Subject to supervisory and shareholder approvals **2.** Cash dividend accrual at 40% of Net Profit **3.** On top of 2.7bn Cash dividend + SBB, it includes additional 0.2bn from AT1 & Cashes coupons **4.** As of 30 June 2024: +10bps parallel shift of BTP asset swap spreads has -3bps (-84m) pre and -2.2bps (-61m) post tax impact on the fully loaded CET1 ratio **5.** MDA buffer including a gap of 45bps vs. the 1.88% AT1 bucket requirement computed vs MDA requirement 10.12% as of 2Q24 **6.** Computed on 2Q23 accrual, pro-forma for full 2023 distribution pay-out **7.** Expected to be paid in November 2024

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# Group Funding Plan well advanced. Lower secured funding expected

- Italy
- Germany
- Central and Eastern Europe[1]

- **UniCredit S.p.A.** acts as the Group **Holding** as well as the Italian operating bank and is the **MREL issuer** under Single-Point-of-Entry (SPE)
- **Geographical footprint** and well-established name with recognition in domestic markets **provides for funding diversification**
- **2024 Funding plan execution well advanced**:
  - **Unsecured institutional funding** *de facto* **completed,** with public issuances out of UC Spa encountering strong demand, high quality/granular books and solid performance on the secondary market, **validating investors' appetite**
  - Networks' issuances to follow a more linear pattern
  - **Lower secured funding execution expected for 2024,** with max. 1 or 2 further transactions, **thanks to** the Group's **solid liquidity** position

## 2024 Budget - Volumes (€/bn)

| | | Group | | Italy | | Germany | | CE & EE | |
|---|---|---|---|---|---|---|---|---|---|
| | 2023 Realized | 2024 Budget | Already Issued[3] | 2024 Budget | Already Issued[3] | 2024 Budget | Already Issued[3] | 2024 Budget | Already Issued[3] |
| Covered Bonds and Securitizations[2] | 10.5 | up to 8.3 | ~ 1.6 | up to 2.5 | - | up to 2.7 | ~ 0.8 | up to 3.1 | 0.75 |
| Instruments via networks[4] | 4.3 | up to 6.3 | ~ 3.1 | up to 5 | ~ 3.0 | up to 0.8 | - | up to 0.5 | ~ 0.1 |
| Institutional Senior Pref. and Non Pref. | 3.1 | up to 4.2 | ~ 4.4 | up to 3.7 | ~ 4.3 | up to 0.3 | ~ 0.1 | up to 0.2 | - |
| AT1 and T2 | - | up to 2 | 1.0 | up to 2 | 1.0 | - | - | - | - |
| **Total** | ~ 18 | **up to 20.8** | ~ 10.1 | **up to 13.2** | ~ 8.3 | **up to 3.8** | ~ 0.9 | **up to 3.8** | ~ 0.9 |

1. Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia and Slovenia
2. Other secured funding sources like supranational funding not included 3. As of 12 July 2024 4. Senior bonds and Structured Notes

# MREL Funding Plan at c.75%. Strong capital position limiting needs

## **UniCredit SpA 2024 MREL expected funding plan**, €/bn

| | Funding Plan 2024 | Issued in 2024[3] | Expected by YE24 |
|---|---|---|---|
| MREL instruments via networks[1] | up to 3.6 | ~ 1.5 | up to 1.5 |
| Institutional Senior Preferred and Senior Non Preferred[2] | up to 3.7 | ~ 4.3 | - |
| Tier2 | up to 1 | 1.0 | - |
| AT1 | up to 1 | - | up to 1 |
| **Total** | up to 9.3 | ~ 6.8 | up to 2.5 |

## Main drivers

**Overall MREL Funding Plan 2024 executed for c.75%,** with public issuances of 1bn Tier2, 3bn SNP and 1.25bn SP taking advantage of the significant tightening versus EU peers, as recognition of UniCredit's outstanding performance and strong balance sheet

**2024 Institutional MREL funding *de facto* completed**. Potential pre-funding for 2025 will depend on market conditions

**Strong capital position limits capital needs:**

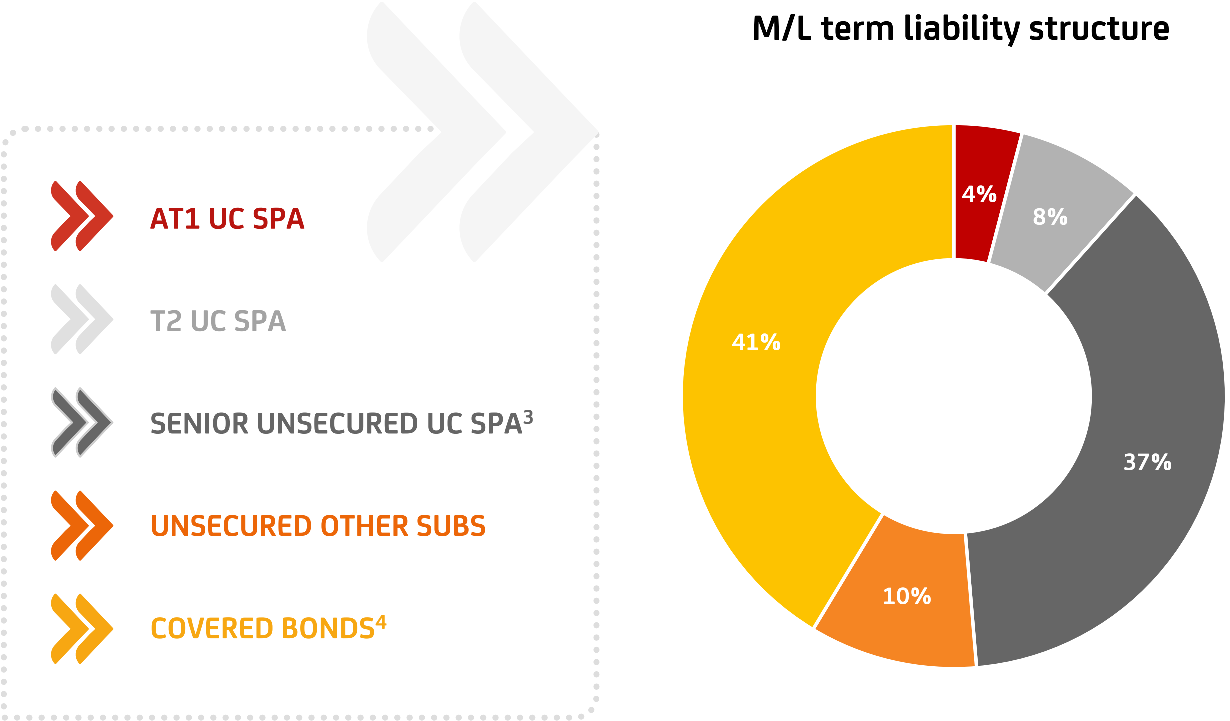
- Early redemption of 1bn Tier2 due Feb24 exercised. No further Tier2 expected by YE24
- Early redemption of USD 1.25bn AT1 due Jun24 exercised. **Up to 1bn AT1 might be issued** in case of conducive market conditions and based on balance sheet development and projections

**1.** Including eligible structured notes; volumes gross of expected buy back flows **2.** Senior Non Preferred to meet MREL subordinated requirement **3.** As of 12 July 2024

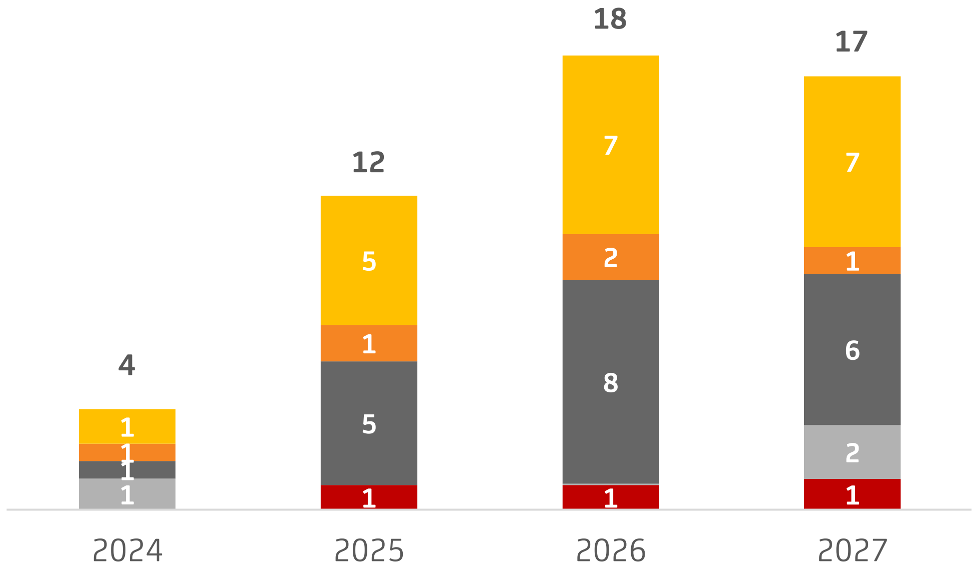
# Balanced profile with contained upcoming redemptions

## Group liabilities structure breakdown[1]

### M/L term liability structure

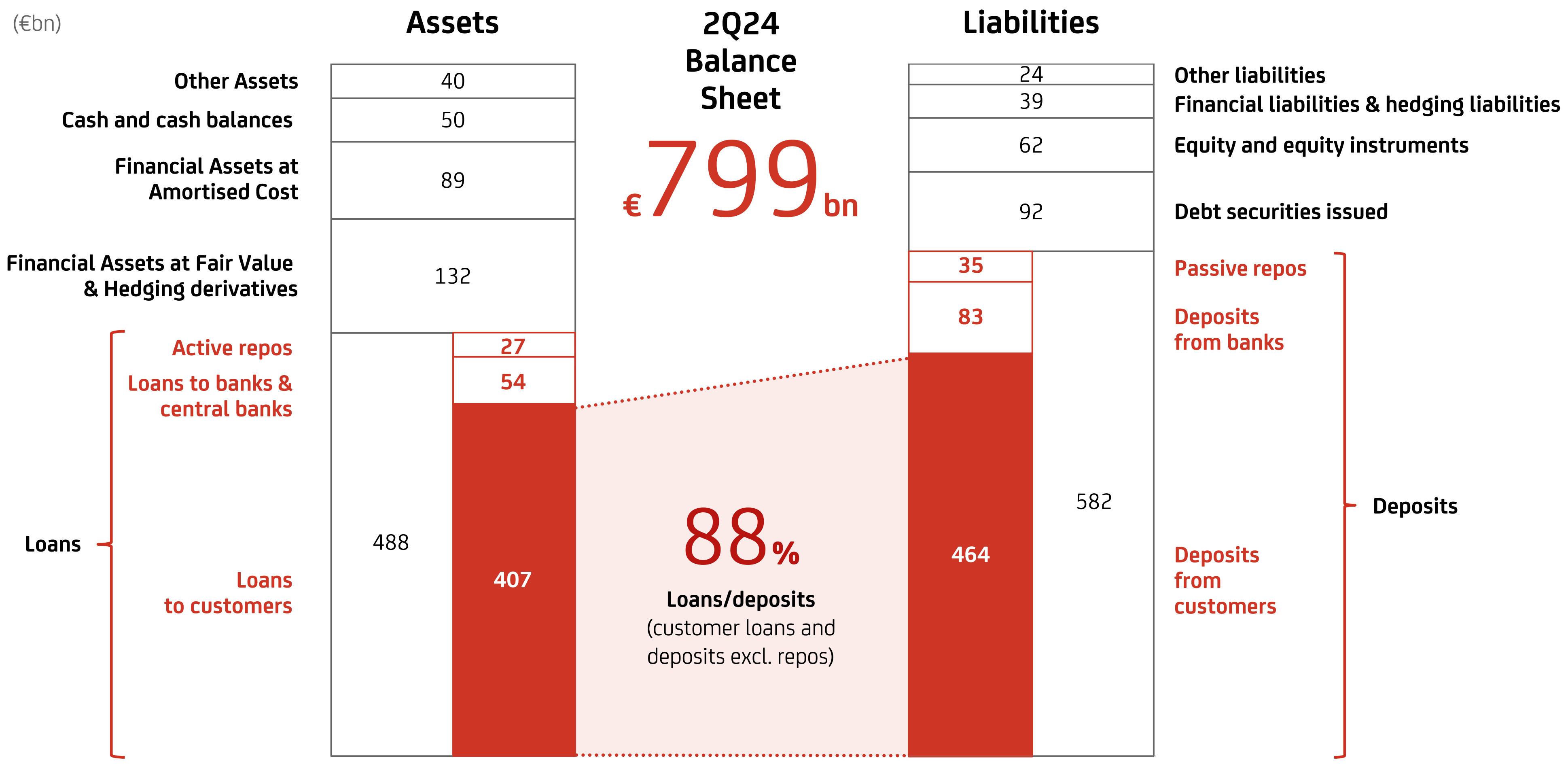



### Maturity profile up to 2027, €bn[2]




1. Managerial data as of 30 Jun 24 2. Redemption profile is based on contractual maturity for bullets and on the 1st call/reset date for callable bonds. For certain instruments, the call exercise is subject to pre-emptive authorization by the competent authority and this mapping should not be seen as guidance on their actual exercise 3. Including instruments placed through networks 4. Including Securitizations

# Balance sheet and liquidity profile




**LIQUIDITY PROFILE**

**LCR** **>140%**
**NSFR[1]** **>125%**

Sound and stable liquidity profile even after full TLTRO repayment[2] thanks also to intragroup collateral optimization

**LIQUID ASSETS c.203bn**
o/w c.163bn regulatory HQLA

**CUSTOMER DEPOSIT MIX**

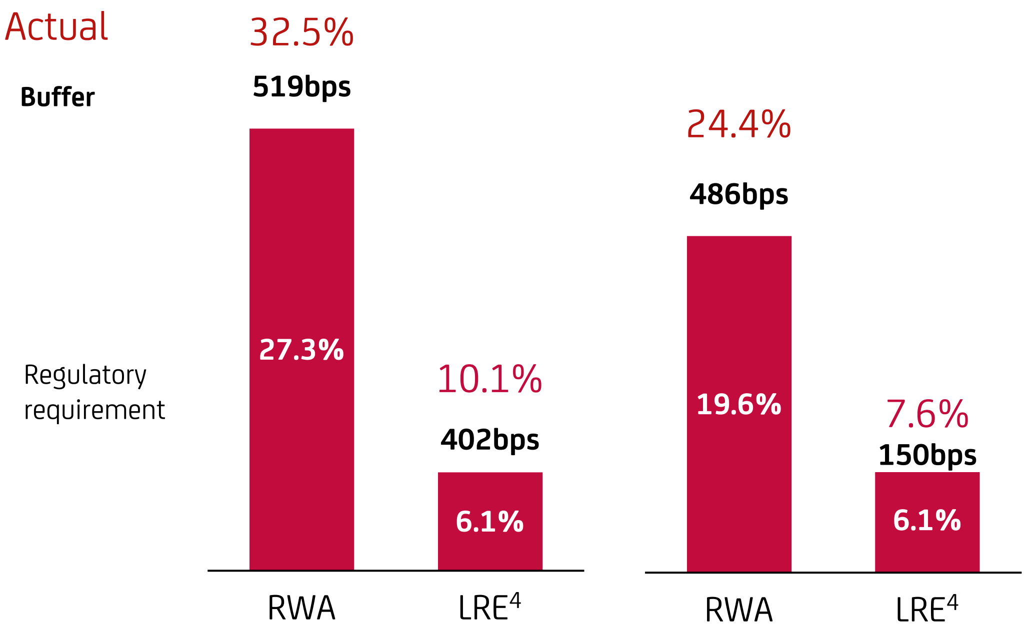
**RETAIL[3]** **58%**
**CORPORATE[4]** **42%**

deposit mix >80% in retail, with SME clients[3] included

**1.** Managerial figures **2.** Total TLTRO drawn 106.8bn, fully repaid in Mar 2024 **3.** "Retail" includes Individuals (mass market, affluent, Private and Wealth Management) and micro-business clients. **4.** "Corporates" includes Small, Medium, Large (the latter including also most of FIG - Financial Institutions Group) clients and central functions (relationships with counterparties, classified Accounting wise as "Customers", held by Treasury or by Corporate Centres for liquidity management purpose)

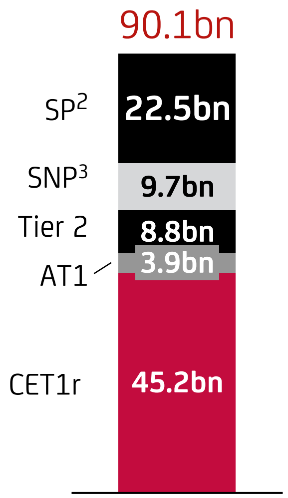
# Ample buffers over MREL requirements

**MREL[1]** **MREL Subordinated[1]**




Buffers (€/bn) c.14.4 c.35.8 c.13.5 c.13.4

**Eligible instruments**




Ample buffers over capital regulatory requirement 2Q24

**CET1 ratio Fully Loaded[5]**
16.2%
Target 2024: **12.5-13%**

**Tier 1 ratio transitional**
17.7%

**Total Capital ratio transitional**
20.9%

**Leverage ratio transitional**
5.5%
Target 2024: **>5%**

**1.** Since UniCredit is no longer designated a G-SIB, TLAC requirement not applying from 1st Jan 24 **2.** Senior Preferred (SP): Including eligible structured notes (e.g. certificates) and deposits
**3.** Senior Non Preferred (SNP) **4.** Leverage Ratio Exposures (LRE) **5.** CET1 ratio Transitional 16.3% as of 2Q24

# Covered Bonds (CB) program

UniCredit is a **key mortgage provider and a leading Covered Bond issuer** in Italy, Germany Austria and Czech Republic

**Low risk profile** as collateral mainly in attractive regions and low >90days past due rate

**High level of collaterisation,** especially on the mortgage portfolio

| | | ITALY | GERMANY | | AUSTRIA | | CZECH REPUBLIC |
|---|---|---|---|---|---|---|---|
| | | Mortgage | Mortgage | Public Sector | Mortgage | Public Sector | Mortgage |
| **Program size** (Euro) | | 35bn | 50bn | 50bn | 40bn | 40bn | 10bn |
| **Maturity** (soft-bullet) | | ✓ | ✓[6] | ✓[6] | ✓[6] | ✓[6] | ✓ |
| (hard-bullet) | | | | | ✓ | ✓ | ✓ |
| **Rating** (Moody's) | | Aa3 | Aaa | Aaa | Aaa | Aaa | Aa2 |
| **Key data[1]** | CB outstanding | 19.0bn | 26.8bn | 5.9bn | 7.7bn | 2.5bn | 4.4bn |
| | Cover Pool outstanding | 30.7bn[5] | 34.4bn | 8.1bn | 17.5bn | 5.7bn | 7.5bn[9] |
| | Overcollateralization | 65.7% | 28.4% | 36.2% | 128% | 126% | 69.5% |
| | Mix (resi / commercial) | 99.1% / 0.9% | 71.2% / 28.8% | n/a | 80.9% / 19.1% | n/a | 72.5% / 27.5% |
| | Weighted avg. cLTV | 46.9% | 51.1%[7] | n/a | 43% | n/a | 58.7% |
| | Residual Maturity[2] | 8.8yrs | 6.8yrs[8] | 12.9yrs[8] | 10.6yrs | 9.0yrs | 17.0yrs |
| | Interest rate (floating / fix) | 35% / 65% | 17% / 83% | 19% / 81% | 43% / 57% | 40% / 60% | 19% / 81% |
| | Portfolio >90days due | 19bps | 2bps | 0bp | 0bp | 0bp | 0bp |
| | ECB Eligibility[3] | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | HQLA Eligibility[4] | ✓ (Level 1) | ✓ (Level 1) | ✓ (Level 1) | ✓ (Level 1) | ✓ (Level 1) | ✓ (Level 1) |

**1.** Program data as of 30.06.2024 **2.** Residual maturity corresponding to average weighted life maturity **3.** Generally valid except for specific instruments (e.g. Namenspfandbriefe) not complying with ECB eligibility criteria **4.** Generally valid for benchmark size, according to Liquidity Coverage Ratio (LCR) Delegated Act **5.** Including 0.8 bn short term exposure to credit institutions in compliance with art. 129 par. 1 c) of reg. EU 575/2013 **6.** Possibility of maturity extension by the Cover Pool administrator, according to Article §30 of the German Pfandbrief Act and according to § 22 Austrian Pfandbriefgesetz **7.** Average loan-to-value ratio, weighted using the mortgage lending value according to section 28 para. 2 no. 3 of German Pfandbrief Act **8.** According to §28 of the German Pfandbrief Act **9.** Regional split of mortgages distribution: 70% Czech Republic and 30% Slovakia

# ARTS program to be expanded

## ARTS: a single program for Securitisations cross assets and regions

In 2024, plan is to strengthen the ARTS program by executing transactions on already securitised segments, with the ambition to expand both in terms of new asset classes and new legal entities

LEs already active in securitisations
LEs with potential for securitisations
Other LEs

| | 4Q21-2023 | 2024 |
|---|---|---|
| **ITALY** | • Residential Mortgages<br>• Large Corporate<br>• SMEs & MidCap<br>• Consumer<br>• Leasing Renewable Energy | **Already securitized segments** through benchmark transactions, with potential to **explore new asset classes** |
| **GERMANY** | • SMEs & MidCap<br>• Large Corporate | Ambition to confirm **UCB GmbH as active part of Group SRT strategy**, focusing on **already securitized asset segments** |
| **CE & EE** | • SMEs & MidCap from Bulgaria | Focus on **expanding activity into new legal entities** |

# Performance recognized in improved stand-alone creditworthiness

| | STANDARD & POOR'S | | MOODY'S | | FitchRatings | |
|---|---|---|---|---|---|---|
| UniCredit | BBB / Stable / A-2[1] | | Baa3 / Stable / P-3[1] | | BBB / Stable / F2[1] | |
| **UniCredit** | | | | | | |
| Covered Bonds (Italian OBG I / OBG II)[2] | AA- / n.r. | UniCredit's stand-alone rating is at 'bbb+', **+1 notch above Italy**<br><br>**Strengthening** of Bank's **earnings capacity** is expected to continue supporting its **capitalization** and providing **substantial buffers** against potentially deteriorating economic conditions<br><br>**Asset quality** metrics will likely remain close to that of large geographically diverse banks operating in Europe | Aa3 / Aa3 | UniCredit's **deposit and senior preferred ratings** are **+2 notches** higher than the Italian Sovereign rating at 'Baa1'<br><br>**Deposits' outlook** was improved to 'Stable' in Nov'23, while outlook on Senior Preferred remains 'Negative'<br><br>The **financial profile** has been upgraded by **+2 notches** to Baa1 due to improvement of our **stand-alone creditworthiness**, while the assigned stand-alone rating remains capped by Italy at Baa3 | AA / n.r. | UniCredit's issuer rating stands at 'BBB' / Stable and reflects the **improved profitability**, the **rigorous risk approach**, and **capitalization**<br><br>Fitch expects that UniCredit's **tight risk discipline** will help mitigate asset-quality pressures at times of uncertainty for its operating environment<br><br>Deposits at 'BBB+', **+1 notch above the sovereign** as it is expected that UniCredit will maintain sufficient **capital buffers** to meet the minimum requirement for own funds and eligible liabilities (MREL) |
| Counterparty / Deposit rating[3] | BBB+ | | Baa1 | | BBB+ | |
| Senior Preferred / Outlook / Short-Term | BBB / Stable / A-2 | | Baa1 / Negative[7] / P-2 | | BBB / Stable / F2 | |
| Senior Non Preferred | BBB- | | Baa3[7] | | BBB- | |
| Tier 2 | BB+ | | Ba1[7] | | BB+ | |
| Additional Tier 1 | n.r. | | Ba3[7] | | BB- | |
| Stand-alone rating[4] | bbb+ | | baa3 | | bbb | |
| HypoVereinsbank (Member of UniCredit) | (A-) / BBB+ / Stable / A-2[1] / [bbb+][4] | | (A1) / A2[5] / Stable / P-1[1] / [baa2][4] | | (A-) / A- / Stable / F2[1] / [bbb+][4] | |
| Bank Austria (Member of UniCredit) | (A-) / BBB+ / Stable / A-2[1] / [a-][4] | | (A1) / A3[6] / Stable / P-2[1] / [baa2][4] | | Not rated | |

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 long-term senior unsecured debt rating 6. Long-term senior unsecured debt rating shown, while deposit rating is 'A2' 7. Negative outlook on Moody's Senior Preferred rating, while outlook on Deposits is Stable (i.e. there is no Negative outlook on SNP, Tier 2, and AT1)

# Agenda

# Updated ESG Targets: focus on more meaningful penetration for 2024


From ESG volumes …
**… to ESG penetration**

Focus on **ESG share over total business for a more transparent view** on UniCredit's ESG performance

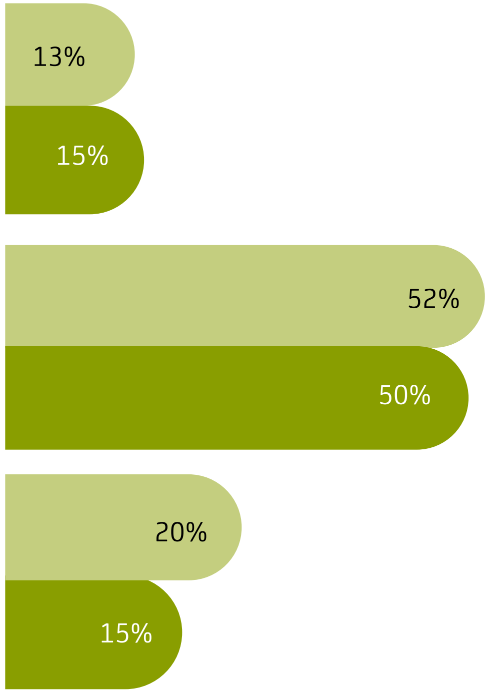
3 indicators **netting out overall market effects not related to ESG: ESG lending** over MLT loans new production, **ESG investments products** penetration rate over total stock, **Sustainable bonds** over total bonds

**Subject to evolution of ESG regulation**, expected to further mature over 2024

**ESG Lending[1]**
Slightly below on environmental lending with 22.2bn, while outperforming on social lending with 11.1bn since Jan 2022

**ESG Investment Products[2]**
Positive year progress with improved ESG penetration rate at 52% (c.102bn stock) at 1H24 vs 48% at Dec 2023

**Sustainable Bonds[3]**
Good performance with 30.1bn since Jan 2022 with focus on Corporates and Financial Institutions in alignment with Group Strategy




**ESG Penetration** 1H24 Actual FY24 Target

1. KPI calculated as ESG new production Including Environmental, Social and Sustainability linked lending, divided by MLT loans new production in given year
2. Based on Art. 8 and 9 SFDR regulation 3. LT Credit. KPI calculated as ESG All regions' bonds, including sustainability linked bonds, divided by all regions' bonds for given year

# Leading by example and supporting our clients' green and social transition

## Environment

**Promoting sustainable financial instruments**

**11** own Green Bonds issued since 2021

**c.6.5bn** of total amount

**o/w Senior Green Bonds**

3 (1bn, Jun21; 1bn, Nov22; 075bn, Nov23)

**o/w Green Mortgage Covered Bonds**

2 (0.5bn, Sep21; 0.5bn, Sep22)

3 (0.5bn, May22; 0.75bn, Feb23; 0.75bn, Jan24)

2 (0.06bn, Sep21; 0.047bn, Sep23)

1 (0.5bn, Jun23)

Proceeding implementing our **Net Zero Transition plan** and advancing on **Net Zero target setting** (see next slides for more details)

**Partnership with Open-es:** supporting our corporates in a just and fair transition

## Social

**Promoting sustainable financial instruments**

**1** own Social Bond (**155m**, Sep21)

**Communities initiatives**

**30bn** UniCredit per l'Italia – third edition in 1Q24

**59.6m** FY23 contribution to communities vs. 36.5m in FY22

Member of **Venice Sustainability Foundation**

**UniCredit Foundation**

**30m** enhanced funding to UniCredit Foundation in 2024

**20m** contributed to support youth education across Europe in 2023[1]

**Education and awareness beneficiaries**

FY22 +FY23 +1H24

**504k** Financial education

**213k** ESG Awareness

Launched **Skills for Transition** social programme to deliver training to young people and companies expected to be impacted by the green transition

## Governance

**CEO & Top Management remuneration[2]**

**20%** weight of long-term performance linked to ESG business, DE&I ambitions, Climate risk

**Solid diversity, equity and inclusion framework**

- **DE&I Global Policies and Guidelines[3]**
- Holistic **well-being** approach[4]
- **Training** on DE&I, ESG and Climate change
- **1000+ Employee Networks active members** on several diversity traits[5] across Group countries

**Female**

| 47% | 50% | 33% |
|---|---|---|
| BoD | GEC | Leadership team |

**International presence**

| 33% | 67% | 37% |
|---|---|---|
| BoD | GEC | Leadership team |

1. 20m, o/w 12m 3-year partnership with Junior Achievement Europe and Teach for All to enhance education 2. On top of long-term scorecard, short-term scorecard envisages a 20% weight linked to the Group culture goal "Winning, the right way, together" 3. Inclusive language, recruitment, gender transition & pronouns in e-mail signature (on voluntary basis) 4. Five pillars (mental, physical, social, career & financial) to support employees in the entire employment lifecycle 5. LGBTQIA+, Gender, STEM, Disability, Cultural Diversity, Generations, Caregiving

# Main strategic commitments supporting our ESG stance beyond climate

**NET ZERO BANKING ALLIANCE** (NZBA)

- **Oct 21:** signed **Net Zero Banking Alliance** commitment to reduce emissions on lending portfolio
- **Jan 23:** set baseline and 2030 interim targets on Oil&Gas, Power and Automotive
- **Jan 24:** set baseline and 2030 interim target on Steel, in line with Sustainable Steel Principles
- **March 24:** defined Net Zero transition plan and reported first baseline monitoring on Oil&Gas, Power and Automotive
- **July 24:** set baseline and 2030 interim targets on Shipping and Commercial Real Estate; defined baseline on Residential Real Estate

**STEEL**

- Signed the **Sustainable Steel Principles** that set common standards for Steel sector decarbonization
- Defined and disclosed portfolio alignment score for UniCredit Steel portfolio

**EQUAL PAY FOR EQUAL WORK**

- Achieve **gender equity** at **all organisational levels** and promote a more **diverse, inclusive** and **sustainable workplace**
- Allocated **c.100m to close the Non-Demographic Gender Pay Gap on an equal pay for equal work** basis during 2022-2024
- In 2023, further **c.17m** invested (c.30m already invested in 2022) leading to a significant **reduction of Gender Pay Gap** (GPG) on comparable roles to **2.0%**[1]

**UNEP-FI FOR FINANCIAL HEALTH & INCLUSION**

- **Promote** universal **financial inclusion** and foster a **banking sector that supports the financial health of all clients**
- **Define concrete actions to promote the financial inclusion focusing on young people:**
  - by increasing the percentage of young clients, aged 17 to 30, with two or more active UniCredit financial products from different categories (transactional, loans, investment)
  - by increasing the percentage of new UniCredit clients that are young people, per month
- **Disclosure of the first Group results FY23 published in our last Principle Responsible Banking (PRB) Report:**
  - percentage of young clients with two or more active UniCredit financial products (from different categories): 12.6% versus a target of 12.3%
  - percentage of new UniCredit clients that are young people: 35.5% versus a target of 36.2%

**BIODIVERSITY**

- **Signed** the **Finance for Biodiversity Pledge (FfB)** to improve **collaboration**, **knowledge sharing** and **engaging** with companies
- Participation to publication of a **guide** of FfB for financial institutions titled "**Unlocking the biodiversity-climate nexus**"
- Joined the **UNEP FI PRB Biodiversity community** supporting banks biodiversity journey and publication of the **Nature target setting Guidance for Banks**
- Published our first **Natural Capital and Biodiversity Statement**, setting the peace for our ambitions

**CIRCULAR ECONOMY**

- **Joined the Ellen MacArthur Foundation** to support and accelerate the **transition to a circular economy**
- Joined the **Pollution and Circular Economy group** of **UNEP FI PRB** to raise awareness and build capacity on these topics
- Joined the **UNEP FI PRB Circular Economy community** supporting banks journey and publication of the Circular economy as an enabler for responsible banking - Driving the nexus with environmental and social impact

1. Non-Demographic Gender Pay Gap. FY2022 Non-Demographic Gender Pay Gap was equal to 2.6%

# New 2030 Net Zero targets set on Shipping and Commercial Real Estate

| Sector | UniCredit Design Elements: Value chain | UniCredit Design Elements: Primary metric[1] | UniCredit Design Elements: Emission coverage | Baseline: Year | Baseline: Measure | Baseline: Value[2] | Progress: 2022 vs 2021 | Target: By 2030[2] |
|---|---|---|---|---|---|---|---|---|
| Shipping (NEW) | Shipping Operators[3] | Physical intensity | Scope 1, 3 – WTW[4] | 2022 | Passenger: gCO2e/ GT-nm<br>Merchant : gCO2e/ dwt-nm | 14.1<br>9.5 | - | -30% |
| Commercial Real Estate[5] (NEW) | RE operators – building owners (asset financing) | Physical intensity | Operational emissions[6] | 2022 | kgCO2e/ m2[7] | 44.2 | - | -44%/-55% |
| Residential Real Estate[5] (NEW) | Homeowners (mortgages) | Physical intensity | Operational emissions[6] | 2022 | kgCO2e/ m2[7] | 36.3 | - | - |
| Steel | Crude steel producers[8] | Physical intensity | Scope 1, 2 and 3[9] | 2022 | tCO2/tSteel | 1.45<br>Alignment Score: **-0.69** | - | 1.11 |
| Oil & Gas | Full value chain | Financed emissions | Scope 3[10] | 2021 | MtCO2e | 21.4 | -10% | -29% |
| Power generation | Generation only | Physical intensity | Scope 1 | 2021 | gCO2e/kWh | 208 | 152 | 111 |
| Automotive | Road vehicle[11] manufacturers | Physical intensity | Scope 3[10] – Tank to Wheel | 2021 | gCO2/vkm | 161 | 165 | 95 |
| Coal | **Phase out by 2028[12]** – Policy in place | | | | | | | |

**1.** Physical intensity is exposure weighted; **2.** Baselines and targets could be updated over time according to guidance and methodology evolutions and/or data quality enhancements; **3.** Including asset financing and general-purpose loans. **4.** Well to Wake approach including Scope 3 Category 3; **5.** Considered only Italy, Germany and Austria UniCredit geographies; **6.** Include clients' Scope 1, 2 or Scope 3 for building owners that leased assets; **7.** Emissions intensity available in Italy as kgCO2/m2 vs kgCO2e/m2 in Germany and Austria; **8.** Excluding pure re-rollers and including crude steelmakers downstream activities (i.e., production of steel products, sales and transportation); **9.** Category 1 Purchased goods and services and Category 10 Processing of sold products (all emissions in the Fixed System Boundary included); **10.** Scope 3 category 11; **11.** Light duty vehicles; **12.** Green financing allowed beyond 2028 only for clients that are not coal developers (no increase in coal business since Sep. 2020) and with a phase out plan in line with Local National Energy and Climate Plan

# Strong environmental, social and reputational risk management and policies

## Client applicability

**OIL & GAS**

| | A | B | C |
|---|---|---|---|
| Current revenues from unconventional Oil & Gas | ≤ 25% | >25% & ≤50% | >50% |
| | and | or | or |
| Current revenues from Arctic Oil & Gas | ≤ 25% | >25% & ≤50% | >50% |
| | and | or | |
| Net Zero "Red/Laggards"[1] | No | Yes | |
| **Full general and project financing**[2] | ✓ | X | X |
| **Partial general financing** | ✓ | ✓ | X |
| **Advanced banking** | ✓ | ✓ | X |
| **Basic banking** | ✓ | ✓ | X |

**COAL**

| | A | B | C |
|---|---|---|---|
| Increase in coal business since September 2020 | No | No | Yes |
| | and | and | or |
| Phase out plan | By 2028 | In-line NECPs | No |
| | and | | |
| Current revenue from coal | ≤ 25% | | |
| **Full general and project financing**[2] | ✓ | X | X |
| **Partial general financing** | ✓ | ✓ | X |
| **Advanced banking** | ✓ | X | X |
| **Basic banking** | ✓ | ✓ | X |

**Group Reputational Risk Management Global Policy**[3]

**Other sector policies**

- Defence/Armaments
- Mining sector
- Water infrastructure[4]
- Civil Nuclear[4]

**Commitments**

- Tobacco[5]
- Deforestation
- Human Rights **updated**
- Equator Principles

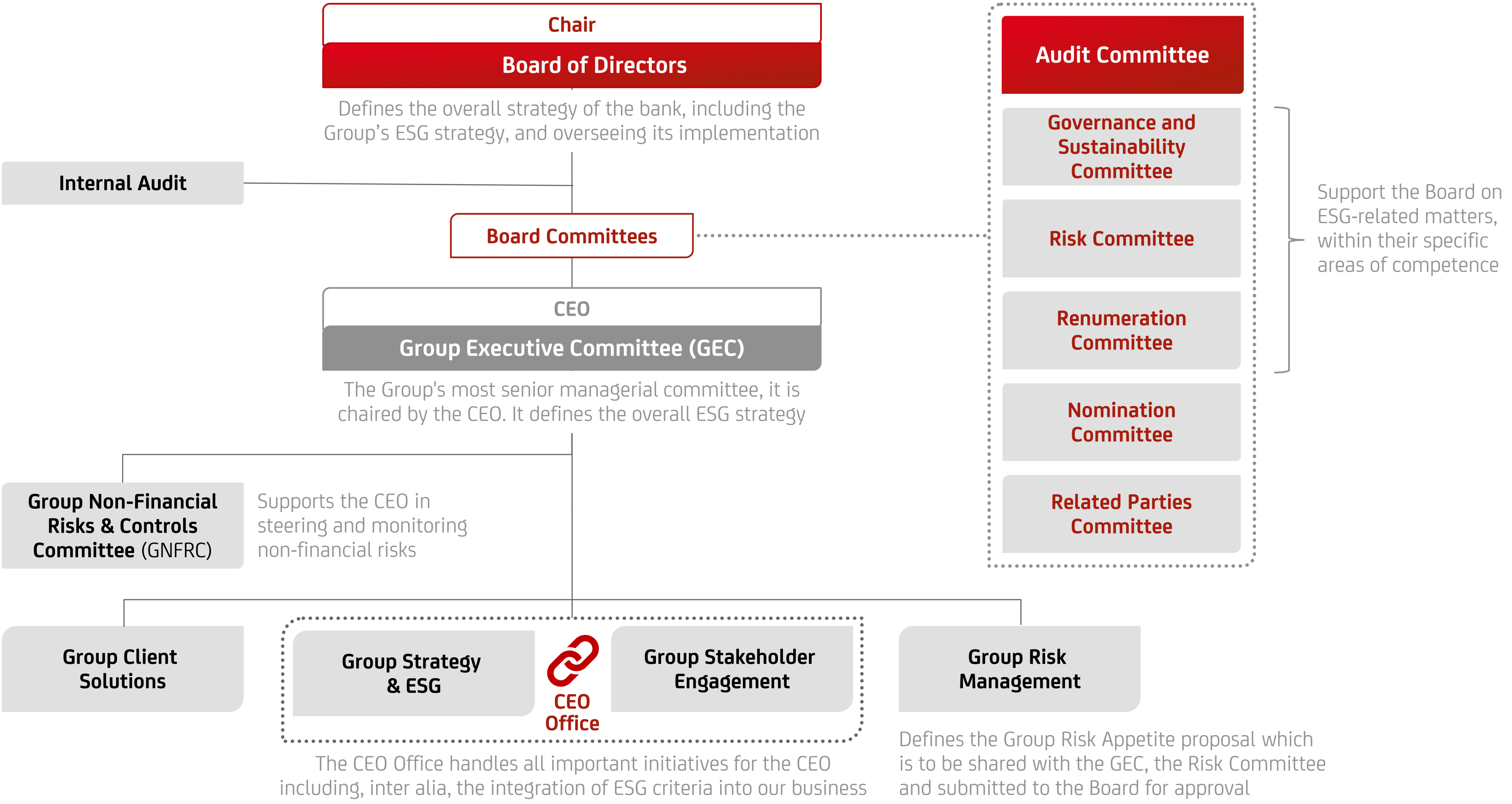
Other environmental, social and reputational risk prevention process and impacts (ad hoc assessment)

**1.** Clients identified as Red/Laggards based on Net Zero Clusterisation (Upstream and Midstream only), considering Environmental Impact (based on financed emissions vs. UCG portfolio) and Client Transition Strategy. These clients have high environmental impact vs. UCG portfolio and are not committed to a transition strategy **2.** Activities restricted by the above profile exclusions (i.e. Coal related, Unconventional and Arctic region Oil & Gas related) **3.** It provides the Group's definition of "Reputational Risk" and defines a set of principles and minimum governance requirements for assessing and controlling reputational risk in the Group **4.** Adoption of the cluster framework for clients in order to streamline the risk assessment process **5.** Stop financing companies who manufacture/produce tobacco

# Supporting the integration of ESG into UniCredit's strategy

## Organisational and governance structure, focus on ESG components

Since 12 April 2024, UniCredit operates under a one-tier corporate governance system based on the existence of a Board of Directors and of an Audit Committee, established within the Board itself, both appointed by the Shareholders' Meeting



# Delivering on commitment to sustainability

## 2Q23

As signatory bank of the Principle for Responsible Banking (PRB) Commitment on Financial Health and Inclusion, UniCredit set new targets for 2025 for young people: (i) increase the % of young clients with two or more active UniCredit financial products; (ii) increase the % of new UniCredit clients that are young people

UniCredit awarded best rating among Italian banks by Standard Ethics, based on the sustainability principles promoted by the UN, OECD and European Union

UniCredit Foundation

In partnership with Junior Achievement Europe, UniCredit Foundation launch "Re-power your future", to prevent early school leaving, and invest 6.5m in a cross-country 3-year program

## 3Q23

MSCI rating upgraded to "AA" from "A" thanks to the bank's efforts to strengthen its focus on social issues and recognition of robust integration of ESG practices into lending

Sustainalytics score improved to "14.2" from "18.3" (the lower the better) mainly thanks to improvement in the Product Governance and ESG integration – Financials practices, including controversies management

## 4Q23

Moody's ESG Solutions

Improved to "64" from "60" (Advanced) mainly thanks to improvement in governance and social areas, including controversies management

UniCredit is the first pan-European bank to win a Global EDGE Certification for gender equity and inclusion

For the eighth year in a row, UniCredit has been officially certified by the Top Employers Institute for its continued commitment to the concrete wellbeing of employees achieved through excellence in HR policies and people practices

## 1Q24

Best Bank for Sustainability in Central and Eastern Europe (CEE)

Best Bank for ESG in Austria and in Czech Republic

UniCredit ranked for the third year in a row in the Top 100 Globally for Gender Equality by Equileap: #2 in Italy (the only bank) and #18 in the global financial sector

## 2Q24

'UniCredit for CEE' initiative launched with over 2.6bn financial and advisory solutions for SMEs to grow and confront the issues associated with the green transition transition

Best Bank for ESG in Italy, Bosnia, & Herzegovina and Romania

Milano Finanza Innovation Award in the Talent category "Attracting and developing the best talents" for the project "Unlock the invisible"

# ESG ratings and indices: our efforts recognised thanks to improvements

| Agency | Scale (current rating in bold) | Comments |
|---|---|---|
| MSCI | CCC – B – BB – BBB – A – **AA** – AAA | • Rating **upgraded to "AA"** as of July 23. Included in the **Bloomberg MSCI Green Bond Index**<br>• Improvements in efforts to manage social risks and robust integration of ESG practices into lending |
| SUSTAINALYTICS | Severe 100 - 40 – High 40 - 30 – Med 30 - 20 – **Low 20 - 10** – Neg 10 - 0 | • ESG **Risk Rating improved at "14.2"** from "18.3", within the low band, as of December 2023<br>• Low exposure to and strong management of material ESG issues |
| CDP | D- – D (Disclosure) – C- – C (Awareness) – B- – **B** (**Management**) – A- – A (Leadership) | • Positioned within the **upper Management band** with "B" score as of December 2022<br>• Average rating for Financial services is "B-", for Europe is "B" and the Global Average is "B-" |
| ISS ESG | D- – D – D+ – C- – **C** – C+ – B- – B – B+ – A- – A – A+ (**Prime**) | • **Score at 54.46 (1 decile rank)** as of Jul 23. Prime companies are industry sustainability leaders<br>• **Ranked among the top 10% of companies** within the sector with the highest relative ESG performance |
| S&P Global | 0 – **59** – 100 | • **ESG score dropped to 59** from 65, but **percentile ranking improved to 90th** from 74th as of Feb 24<br>• Included in the **Dow Jones sustainability diversified indices** |
| Moody's ESG Solutions | 0-29 – 30-49 – 50-59 – **60-100** | • As of October 2023: **64** (Environment); **62** (Social), **67** (Governance)<br>• Included in the **Euronext MIB ESG index** |
| Bloomberg | 0 – **5.5** – 10 | • 2022 ESG score: **5.2** (Environmental); **5.1** (Social); **6.6** (Governance)<br>• 2022 ESG Disclosure score at **65.7**, o/w 59.7 (Environmental); 40.5 (Social); 96.8 (Governance) |
| standard ethics | F – FF – FFF – E – **EE+** (**Very strong**) – EEE | • **EE+ (very strong) top rating in the Italian bank sector.** Example of EU excellence in sustainability<br>• Included in the **Standard Ethics indices**: European Best in Class, 100, Banks, and Italian Banks |

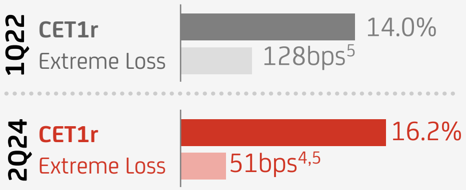
# Annex

# Orderly accelerated solvent wind-down of our Russian activities

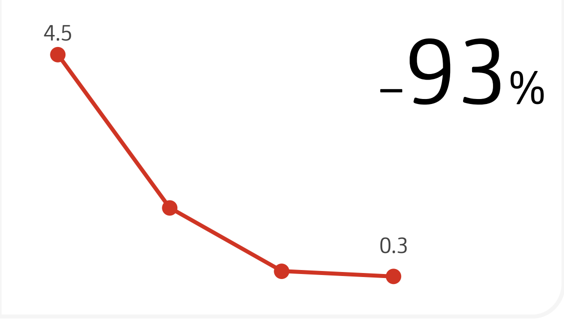
## Russia contribution to Group steadily decreasing: drag to growth and profitability but minimum losses

### CONTINUING A CLEAR STRATEGY

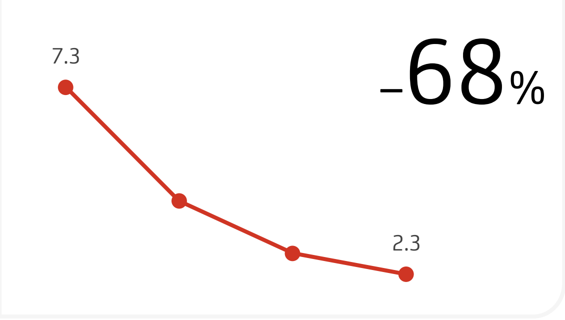
- **ACCELERATED ORDERLY SOLVENT WIND-DOWN** of Russian exposure always within the letter and the spirit of the legal, regulatory and sanction limitations also to avoid Russia taking control of our assets and related value with cause
- **ABSORBED VOLATILE AND SUB-PAR RETURNS:** absorbed impact from accelerated compression of exposures including volatile sub-par returns that negatively affected Group overall growth and profitability
- **REDUCED EXTREME LOSS IMPACT ON AN INCREASED CET1**



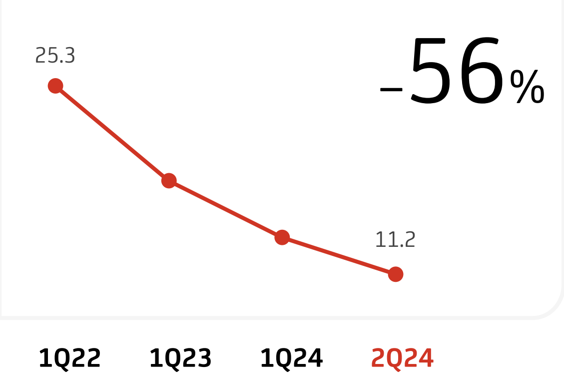

**Cross-border exposure**, bn



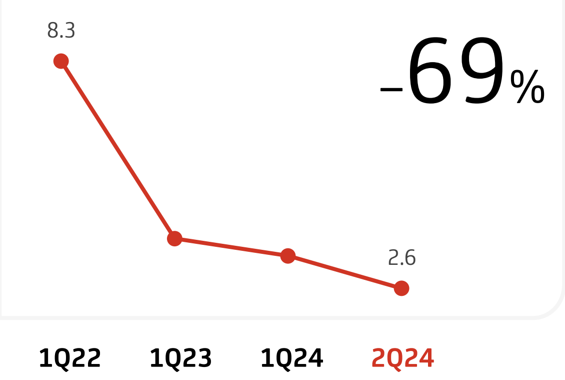

**Net Local Loans**[1], bn




**Cross-border payments**[2], bn




**Local Deposits**[1,3], bn




**Existing 2025 Plan targets: outsized orderly reduction in under three years**

Virtually nil
c.-100%
**Cross-border exposure**

Below 1bn
c. > -85%
**Net Local Loans**

Below 2bn
c. > -75%
**Local Deposits**

Below 8.5bn
c. > - 66%
**Cross-border Payments**

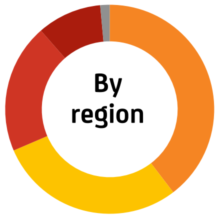
**1.** Loans net of provisions, figures excluding Russian subsidiaries of international Groups **2.** Quarterly figures for total cross-border payments in currencies other than RUB **3.** Net of AO Bank deposit at UC SpA **4.** -63bps including impact from threshold deduction. The basket of Significant Investments in Financial Sector Entities + DTA from temporary differences which exceeds the Threshold equal to 17.65% of CET1 capital is deducted from Capital, while the one below threshold generates RWA at 250% **5.** 128 bps is gross extreme loss assessment as per p.3 1Q22 market presentation, while 51bps are residual, meaning not already reflected in actual CET1r

# Deposit details

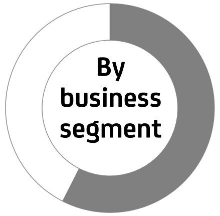
**Deposits from customers**
(Net of repos and IC - **EoP**)

464bn
(-0.5% Q/Q)

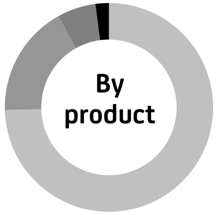
- Italy
- Germany
- Central Europe
- Eastern Europe
- Russia




| | |
|---|---|
| Retail[1] | -0.4% Q/Q |
| Corporates[2] | -0.6% Q/Q |




| | |
|---|---|
| Sight Deposits | +0.7% Q/Q |
| Term Deposits | -4.6% Q/Q |
| Saving Deposits | -0.4% Q/Q |
| Other | |




| | **2Q24 avg commercial deposits, bn** | **vs 1Q24** | Gross customer deposits rates 2Q24 (vs 1Q24) |
|---|---|---|---|
| Italy | **181** | -0.2% | -0.59% *(-2bps)* |
| Germany | **130** | -0.5% | -1.88% *(-9bps)* |
| Central Europe | **93** | -0.2% *at constant FX* | -2.02% *(+7bps at constant FX)* |
| Eastern Europe | **47** | +1.1% *at constant FX* | -0.98% *(-2bps at constant FX)* |
| Russia | **7** | -8.7% *at constant FX* | -3.20% *(-5bps at constant FX)* |
| **Group** | **457** | **-0.3%** | **-1.33%** ***(-2bps)*** |

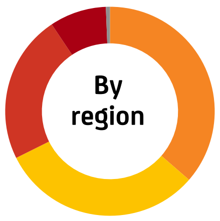
**1.** "Retail" includes Individuals (mass market, affluent, Private and Wealth Management) and micro-business clients. **2.** "Corporates" includes Small, Medium, Large (the latter including also most of FIG - Financial Institutions Group) clients and central functions (relationships with counterparties, classified Accounting wise as "Customers", held by Treasury or by Corporate Centres for liquidity management purpose)

# Loan details

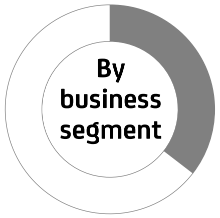
**Loans to customers** (Net of repos and IC - **EoP**)

407 bn (-0.3% Q/Q)

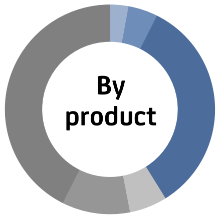
- Italy
- Germany
- Central Europe
- Eastern Europe
- Russia




| | |
|---|---|
| Retail[1] | -0.3% Q/Q |
| Corporates[2] | -0.3% Q/Q |



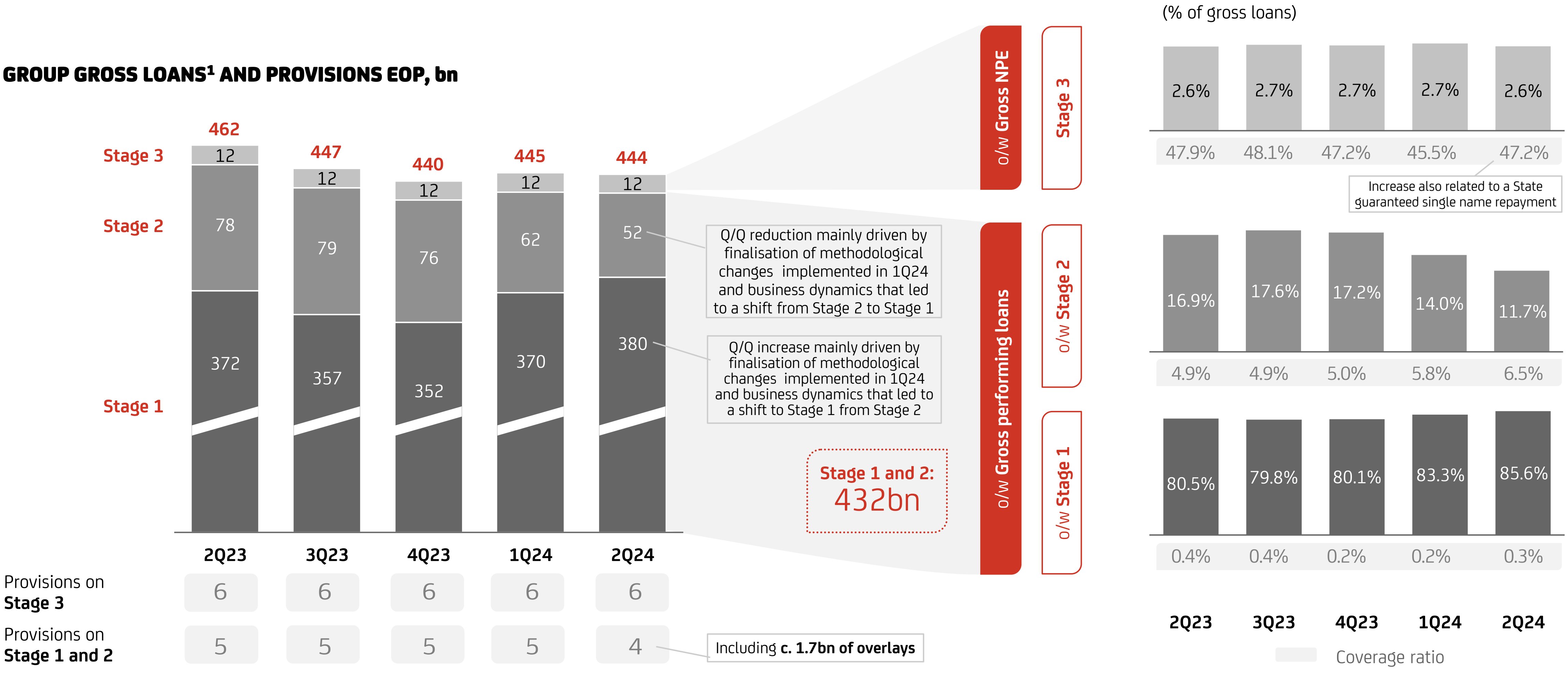

- Impaired Loans
- Consumer Finance
- RE Mortgages
- Overdraft Loans
- S/T Loans
- Other ML/T Loans




| | **2Q24 avg gross commercial performing loans, bn** | **vs 1Q24** | Gross customer performing loan rates 2Q24 (vs 1Q24) |
|---|---|---|---|
| Italy | **144** | -1.5% | 4.83% *(-1bp)* |
| Germany | **110** | +0.1% | 3.97% *(+3bps)* |
| Central Europe | **91** | -0.5% *at constant FX* | 4.52% *(-4bps at constant FX)* |
| Eastern Europe | **36** | +3.3% *at constant FX* | 5.50% *(+3bps at constant FX)* |
| Russia | **3** | -10.5% *at constant FX* | 10.56% *(+63bps at constant FX)* |
| **Group** | **383** | **-0.4%** | **4.62%** ***(flat)*** |

**1.** "Retail" includes Individuals (mass market, affluent, Private and Wealth Management) and micro-business clients. **2.** "Corporates" includes Small, Medium, Large (the latter including also most of FIG - Financial Institutions Group) clients and central functions (relationships with counterparties, classified Accounting wise as "Customers", held by Treasury or by Corporate Centres for liquidity management purpose)

# Group gross loans breakdown by stages




Total loans to customers end-of-period, 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 and non current assets held for disposal are excluded

# End notes

# Disclaimer

This presentation may contain “forward-looking statements” which includes all statements that do not relate solely to historical or current facts and which are therefore inherently uncertain. All forward-looking statements 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”). 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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# General notes related to this presentation

END NOTES ARE AN INTEGRAL PART OF THIS PRESENTATION

All data throughout the documents are in **Euros**

Numbers throughout the presentation may not add up precisely to the totals provided in tables and text due to **rounding**

**Russia** includes the local bank and legal entities, plus the cross border exposure booked in UniCredit S.p.A.

**CET1 ratio** fully loaded throughout the document, unless otherwise stated

**Shareholder distribution** subject to supervisory and shareholder approvals

**Delta Q/Q** means: current quarter versus previous quarter (in this presentation **equal to 2Q24 versus 1Q24**)

**Delta Y/Y** means: current quarter of the current year versus the same quarter of the previous year (in this presentation **equal to 2Q24 versus 2Q23**)

**Delta 1H/1H** means: 6 months of the current year versus 6 months of the previous year (in this presentation **equal to 1H24 versus 1H23**)

# Main definitions

| | |
|---|---|
| **Allocated Capital** | Calculated as 13.0% of RWA plus deductions |
| **CAFR** | Current Account Fee Reduction in Italy |
| **Clients** | Clients that made at least one transaction in the last three months |
| **Cost of risk** | Based on reclassified P&L and Balance sheet, calculated as (i) LLPs of the period annualised in the interim periods) over (ii) average loans to customers (including active repos, excluding debt securities and IFRS5 reclassified assets) |
| **Coverage ratio (on NPE)** | Stock of LLPs on NPEs divided Gross NPEs excluding IFRS5 reclassified assets |
| **Customer Loan** | Net performing and non-performing loans to customers excluding active repos, debt securities, IFRS5 reclassified assets and intercompany for divisions |
| **Default rate** | Percentage of gross loans migrating from performing to non performing over a given period (annualized) divided by the initial amount of gross performing loans |
| **DPS**<br>Dividend per share | Calculated as end-of-reference-period cash dividend amount accrued, divided by the number of outstanding shares eligible for cash dividend payments, as at the end-of-reference-period (i.e. excluding treasury shares bought back as of the same date, excluding the ordinary shares underlying the Usufruct contract (Cashes)). |
| **EPS**<br>Earning per share | Calculated as Net Profit - as defined below - divided average number of outstanding shares excluding average treasury and CASHES usufruct shares |
| **Gross Commercial Performing Loans Average** | Average stock for the period of performing Loans to commercial clients (e.g. excluding markets counterparts and operations); It is a managerial figures, key driver of the NII generated by the network activity |
| **Gross NPEs** | Loan to customers non performing exposures before deduction of provisions, comprising bad loans, unlikely to pay, and past due (including active repos, excluding debt securities and IFRS5 reclassified assets) |
| **Gross NPE Ratio** | Gross non performing exposures over gross loans to customers (including active repos, excluding debt securities and IFRS5 reclassified assets) |

# Main definitions

| | |
|---|---|
| **HQLA**<br>High-Quality Liquid Assets | Assets which can be easily and immediately converted into cash at little or no loss of value even in periods of severe idiosyncratic and market stress. These assets are unencumbered, which means free of legal, regulatory, contractual, or other restrictions on the ability of the bank to liquidate, sell, transfer, or assign them |
| **LCR**<br>Liquidity Coverage Ratio | Ratio between the high-quality liquid assets (HQLA, as defined above) and the net cash outflows expected over the coming 30 days, under stress test conditions |
| **Net NPEs** | Loan to customers non performing exposures after deduction of provisions, comprising bad loans, unlikely to pay, and past due (including active repos, excluding debt securities and IFRS5 reclassified assets) |
| **Net NPE Ratio** | Net non performing exposures over net loans to customers (including active repos, excluding debt securities and IFRS5 reclassified assets) |
| **Net Profit** | Stated net profit adjusted for impacts from DTAs tax loss carry forward resulting from sustainability test. |
| **Net profit after AT1/Cashes** | Net profit as defined above adjusted for impacts from AT1 and Cashes coupons. The result is used for RoTE and RoAC calculation |
| **Net Revenues** | Calculated as (i) Revenue, minus (ii) Loan Loss Provisions |
| **NSFR**<br>Net Stable Funding Ratio | Ratio between the available amount of stable funding and the required amount of stable funding that are calculated applying defined weighting factors to on and off-balance sheet items. The relevant instructions for its calculation are included in the Regulation (EU) 876/2019 of the European Parliament |
| **OCG**<br>Organic Capital Generation | Calculated as (Net Profit, as defined above, minus delta RWA excluding Regulatory impacts and PD scenario impacts x CET1r actual)/ RWA |
| **Pass-through** | Calculated as average cost of total deposits on average Euribor 3M or equivalent interest rate in the period. Deposit amount including term and sight products. |

# Main definitions

| | |
|---|---|
| **PD scenario** | Impacts deriving from probability of default scenario, including rating dynamics |
| **RoAC** | Annualized ratio between (i) Net profit after AT1/Cashes minus excess capital charge (where applicable) and (ii) average allocated capital, both as defined above |
| **RoTE** | (i) Annualized Net profit after AT1/Cashes – as defined before, over (ii) average tangible equity – as defined below, minus CASHES and DTA from tax loss carry forward contribution |
| **RoTE@13%CET1r** | RoTE as defined above, but with a tangible equity assuming to distribute the capital in excess of a 13% CET1r (FL), upper end of UniCredit CET1 management target, reducing immediately the TE by this amount of distribution |
| **Stated net Profit** | Accounting net profit |
| **Regulatory impacts** | Regulatory impacts are mostly driven by regulatory changes and model maintenance, shortfall and calendar provisioning (impacting on capital) |
| **SBB**<br>Share buy back | Repurchasing of shares by the company that issued them to reduce the number of shares available on the open market |
| **UTP**<br>Unlikely to pay | The classification in this category is the result of the judgment of the bank about the unlikeliness, without recourse to actions such as realizing collaterals, that the obligor will pay in full (principal and/or interest) its credit obligations |
| **Tangible Book Value (or Tangible Equity)** | For Group, calculated as Shareholders' equity (including Group Stated Profit of the period) less intangible assets (goodwill and other intangibles), less AT1 component |
| **TBVpS**<br>Tangible Book Value per Share | For Group, calculated as End of Period Tangible Equity over End of Period number of shares excluding treasury shares |