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UniCredit Group Disclosure (Pillar III)

as at 30 September 2023

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Regulatory framework and key metrics

Regulatory framework

In 2010, the Basel III framework was adopted and consequently translated in the European Union (EU) into Regulation through the Capital Requirement Regulation (CRR) (Regulation 575/2013) and Capital Requirement Directive IV (CRD IV) (Directive 2013/36/EU).

The CRR is binding for all EU member states and became effective on 1 January 2014.

The Basel Committee's framework is based on three pillars:

- Pillar I on minimum capital requirements, which defines the rules for the calculation of credit, market and operational risk;
- Pillar II, about Supervisory Review and Evaluation Process (SREP), which requires banks to (i) undertake an Internal Capital Adequacy Assessment Process (ICAAP) to identify and assess risks, also those not included in Pillar I; (ii) maintain sufficient capital to face these risks; (iii) an Internal Liquidity Adequacy Assessment Process (ILAAP) focusing on maintaining sufficient liquidity (and funding) risk management;
- Pillar III (Market Disclosure), which encourages market discipline and transparency by developing a set of qualitative and quantitative disclosure requirements, thus allowing investors and other market participants to better assess institutions' capital, risk exposures, risk assessment processes and capital adequacy.

On 16 April 2019, the European Parliament approved the final agreement on a package of reforms proposed by the European Commission to strengthen the resilience and resolvability of European banks. The package of reforms, which comprised certain amendments to CRR and CRD IV commonly referred to as "CRR2" (Regulation EU 876/2019) and "CRD V" (Directive 2019/878/EU), came into force on 27 June 2019, also envisaging transitional timetables.

In June 2020, the European Banking Authority (EBA) published the final Implementing Technical Standards (EBA/ITS/2020/04) on Pillar III that implements changes introduced in the CRR2. Such standards are applicable by June 2021, as adopted and published on the Official Journal with the Commission Implementing Regulation (EU) 2021/637 of 15 March 2021¹.

Moreover, the EBA/ITS/2020/04 and the subsequent Regulation above mentioned repealed the EBA Guidelines and Regulations previously issued on specific Pillar III disclosure topics².

The Regulation 2020/873, known as "Quick-Fix", which was published on 26 June 2020 and came into force since 27 June 2020, anticipated some regulatory treatments become part of the go live of the Regulation (EU) 2019/876 (CRR2) starting from 30 June 2021.

Moreover, in January 2022 the EBA published the Final Implementing Technical Standards (EBA/ITS/2022/01) on prudential disclosures on Environmental, Social and Governance risks (ESG) in accordance with the CRR2 article 449a (on an annual basis for the first year and semi-annually thereafter). Such ITS was adopted by the European Commission and published on the Official Journal with the Implementing Regulation (EU) 2022/2453 of 30 November 2022, amending the Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (ESG).

The following regulations are applicable as well: (i) the European Commission Regulatory Technical Standards (RTS) or Implementation Technical Standards (ITS) issued on proposal of the EBA; (ii) the recommendations published on 29 October 2012 in the document "Enhancing the risk disclosures of banks" by the international Enhanced Disclosure Task Force (EDTF), which was established under the auspices of the Financial Stability Board (FSB); (iii) the guidelines issued by the EBA with reference to Pillar III disclosure time to time in force.

Instead, the EBA Guidelines on the reporting and disclosure of exposures subject to measures applied in response to the Covid-19 crisis (EBA/GL/2020/07) are repealed from 1 January 2023; therefore, the disclosure requested is no longer provided starting from this document³.

For further details on the contents of Pillar III Disclosure of UniCredit group and regulatory requirements, refer to the section "Contents cross reference to the regulatory disclosure requirements", which shows the cross reference to the information published in the period, as included in the present document or in external documents⁴. Particularly, the following tables are reported:

- Cross reference to the information required by CRR2;
- Cross reference to the EBA and Regulation EU requirements;
- Cross reference to the EDTF recommendations.

¹ The Regulation establishes implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) 575/2013 of the European Parliament and of the Council and repealing Commission Implementing Regulation (EU) 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295. The Regulation was subsequently amended by Regulation (EU) 631/2022 as regards the disclosure of exposures to interest rate risk on positions not held in the trading book.

² The EBA Guidelines and Regulations repealed from June 2021: (i) Sound remuneration policies under articles 74(3) and 75(2) of Directive 2013/36/EU and disclosures under article 450 of Regulation (EU) 575/2013 (EBA/GL/2015/22); (ii) Disclosure requirements under Part Eight of Regulation (EU) 575/2013 (EBA/GL/2016/11); (iii) LCR disclosure to complement the disclosure of liquidity risk management under article 435 of Regulation (EU) 575/2013 (EBA/GL/2017/01); (iv) Disclosure of non-performing and forbore exposures (EBA/GL/2018/10 amended by EBA/GL/2022/13) which continue to apply to small and non-complex institutions and other institutions; (v) Commission Implementing Regulation (EU) 1423/2013, (vi) Commission Delegated Regulation (EU) 2015/1555, (vii) Commission Implementing Regulation (EU) 2016/200; (viii) Commission Delegated Regulation (EU) 2017/2295.

³ EBA Closure Report of Covid-19 measures of the 16 December 2022 (EBA/REP/2022/32).

⁴ Consolidated First Half Financial Report, Annual Reports and Accounts, other documents published on the UniCredit group website, based on the frequency of publication of the relevant information.

Regulatory framework and key metrics

UniCredit internal regulation

UniCredit prepares the Group Disclosure (Pillar III) on a consolidated basis, in accordance with the CRR2 and the CRDV (and with the further regulatory framework above described).

The Pillar III disclosure is published on a quarterly basis in accordance with CRR2 article 433a and it is prepared in accordance with a formal internal policy (Internal Regulation) adopted in the application of the CRR2 article 431(3), that sets out the internal controls and procedures.

The key elements of this policy are:

- identification of roles and responsibilities of the corporate bodies, departments and Group legal entities involved in the process of producing the disclosure;
- identification of the information to be published (in accordance with the EBA GL/2014/14 and CRR2 articles 432 and 433). There is a formal process set up for the identification of the need for higher frequency than the minimum required by CRR2 of all Pillar 3 disclosures which is compatible with the size, the scope and the range of activities of the Group;
- instructions for Group legal entities contributions and related controls;
- consolidation of the disclosure contributions and related controls;
- approval by the Board of Directors;
- publication on the UniCredit group website;
- evaluation related to Pillar III re-publication, after the initial issuance, for alignment with the most recent submissions of regulatory reporting.

Furthermore, pursuant to article 431(3) of Part Eight of CRR2, this document is prepared in accordance with the internal regulation and processes, systems and controls.

The document is also accompanied by the Declaration by the Manager charged with preparing the financial reports, pursuant to article 154-bis, paragraph 2, of the "Consolidated Law on Finance", which attest that the information disclosed in this document corresponds to the accounting documents, books and records.

Notes to this disclosure

The present disclosure is prepared in accordance with the supervisory reporting.

Highlights

Developments in geopolitical tensions between Russian Federation and Ukraine

- With reference to the Risk Weighted Exposures Amount (RWEAs) calculation for the exposures treated according to the Standardised approach, UniCredit continues to apply a risk assessment coherent with the exposures treated according to internal models (also pursuant with the CRR articles 121, par. 2 and 122, par. 2).
- On 2 March 2022, the ECB stopped the quotation of EUR/RUB exchange rate; therefore, for the preparation of the Consolidated First Half Financial Report as at 30 September 2023, and in coherence with the approach adopted since the first quarter 2022, the Group is applying an OTC foreign exchange rate provided by Electronic Broking Service (EBS). In this regard, it cannot be excluded that, once the ECB will restart listing RUB/EUR FX rate, these quotes might be different from EBS quotes, thus requiring the recognition impacts in Net Equity and P&L.

General information

With reference to the best practices identified by the EBA in the Report "on assessment of Institutions' Pillar 3 Disclosure (EBA/Rep/2020/09)", the sustainability and ESG risks (Environmental, Social and Governance risks) disclosure is reported on the basis of the current regulatory framework:

- within the present document in the "Environmental, Social and Governance risks (ESG)" chapter according to article 449a of CRR2, starting from 31 December 2022 with semiannual frequency;
- within the "ESG and Sustainability" section of the Group website (<https://www.unicreditgroup.eu/en/esg-and-sustainability/sustainability-reporting.html>) that includes, among other documents:
 - UniCredit Integrated Report that describes how the bank creates sustainable value that has a positive impact on society by supporting the advancement of local communities, the competitiveness of enterprises and the well-being of individuals. UniCredit has prepared this document of financial and non-financial performance in compliance with the requirements of articles 3 and 4 of Legislative Decree 254/2016, which implements European Directive 2014/95/EU in Italy. The guidelines adopted for the preparation of the sustainability information included in the Integrated Report, including its Supplement, are the "GRI Standards" and the "Financial Services Sector Disclosures", both issued by the GRI - Global Reporting Initiative;
 - separate document dedicated to disclosure requested by the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations: shifting to a low-carbon and climate-resilient economy includes actions such as the endorsement of the Task Force on Climate-Related Financial Disclosure (TCFD) recommendations. UniCredit committed to the TCFD recommendations in 2019 and started reporting already in the 2019 Integrated Report. Since 2020, the TCFD report is published as a stand-alone report, in alignment with the TCFD recommendations issued in 2017.

Regulatory framework and key metrics

Moreover:

- regarding the use of the information published, this document includes the two Annexes which are published, quarterly, in excel format on the UniCredit group website (refer to web links in the Annex section):
 - Annex 1 - Template EU CCA - Main features of regulatory Own Funds instruments and eligible liabilities instruments;
 - Annex 2 - List of templates Regulation (EU) 637/2021;
- in order to facilitate the understanding of the consistency of the quantitative data between the tables of the present document, the Annex 2 reports, in excel format, the reconciliation of the regulatory figures represented in the various templates (where applicable).

It should be also noted that:

- all amounts, unless otherwise specified, are expressed in millions of euro, (therefore, the amounts lower than €0.5 million are reported with "0");
- with reference to the numbering of rows of the templates required by Regulation (EU) 2021/637, in order to allow the comparability between CRR2 disclosure requirements and Basel standards, the templates report:
 - an additional suffix (a, b, c, etc.), in the case of items included in the (EU) Regulation but not in the Basel framework (whenever an additional row is required, the row number is prefixed by "EU");
 - the continued numeration with the text "not applicable", in the case of items included in the Basel framework but not in the (EU) Regulation;Furthermore, the rows and columns of the templates that are not required by the Pillar 3 regulatory framework in force, are showed without any progressive numbering or letter (e.g. (i) rows or columns showing the data of the previous publication period, (ii) additional rows or columns showing the information according to the latest updates of the Data Point Model (DPM) not yet implemented in the mapping tool published by EBA relating to the Pillar III templates feeding);
- data refer to the prudential scope of consolidation;
- any discrepancy between data disclosed in this document is solely due to the effect of rounding;
- the amounts reported are coherent with the most recent submissions of the regulatory reporting for each period; as a result, some amounts may differ from those disclosed in previous publications;
- the disclosures to be provided by the systemically important banks were published on the UniCredit group's website according to the deadline defined in the relevant regulations (<https://www.unicreditgroup.eu/en/investors/financial-reporting/financial-reports.html>).

Regulatory framework and key metrics

Key metrics

Template EU KM1 - Key metrics

		(€ million)				
DESCRIPTION		a	b	c	d	e
		30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2022
	Available Own Funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	50,771	49,945	48,887	51,442	51,337
2	Tier 1 capital	55,613	54,787	54,966	57,521	57,416
3	Total capital	64,515	63,624	63,842	66,062	66,421
	Risk-weighted exposure amounts					
4	Risk-weighted exposure amount	290,072	294,753	298,762	308,466	319,980
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	17.50%	16.94%	16.36%	16.68%	16.04%
6	Tier 1 ratio (%)	19.17%	18.59%	18.40%	18.65%	17.94%
7	Total capital ratio (%)	22.24%	21.59%	21.37%	21.42%	20.76%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.00%	2.00%	2.00%	1.75%	1.75%
EU 7b	Of which: to be made up of CET1 capital (%)	1.13%	1.13%	1.13%	0.98%	0.98%
EU 7c	Of which: to be made up of Tier 1 capital (%)	1.50%	1.50%	1.50%	1.31%	1.31%
EU 7d	Total SREP own funds requirements (%)	10.00%	10.00%	10.00%	9.75%	9.75%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	0.37%	0.36%	0.31%	0.13%	0.08%
EU 9a	Systemic risk buffer (%)	0.03%	0.03%	0.03%	-	-
10	Global Systemically Important Institution buffer (%)	1.00%	1.00%	1.00%	1.00%	1.00%
EU 10a	Other Systemically Important Institution buffer (%)	-	-	-	-	-
11	Combined buffer requirement (%)	3.90%	3.89%	3.85%	3.63%	3.58%
EU 11a	Overall capital requirements (%)	13.90%	13.89%	13.85%	13.38%	13.33%
12	CET1 available after meeting the total SREP own funds requirements (%)	11.67%	11.09%	10.74%	11.19%	10.56%
	Leverage ratio					
13	Leverage ratio total exposure measure	916,182	936,551	987,952	946,901	1,032,101
14	Leverage ratio	6.07%	5.85%	5.56%	6.07%	5.56%
	Additional Own Funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	0.50%	0.50%	0.50%	-	-
EU 14e	Overall leverage ratio requirements (%)	3.50%	3.50%	3.50%	3.00%	3.00%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value-average)	178,073	184,987	187,808	190,318	194,525
EU 16a	Cash outflows - Total weighted value	170,138	174,713	178,795	182,356	183,484
EU 16b	Cash inflows - Total weighted value	56,770	58,937	61,610	63,895	65,779
16	Total net cash outflows (adjusted value)	113,368	115,775	117,185	118,461	117,705
17	Liquidity Coverage Ratio (%)	157%	160%	160%	161%	165%
	Net Stable Funding Ratio					
18	Total available stable funding	538,344	550,426	551,695	545,681	599,630
19	Total required stable funding	408,496	413,601	415,498	420,231	442,917
20	NSFR ratio (%)	132%	133%	133%	130%	135%

Notes:

- The section related to the information on Liquidity Coverage Ratio refer to weighted value average, in coherence with the representation provided in the Template EU LIQ1.
- With reference to Systemic risk buffer set out in row EU 9a, refer to Own Funds chapter.
- With reference to Leverage ratio buffer requirement set out in row EU 14d, refer to Leverage chapter.

Regulatory framework and key metrics

Contents cross reference to the regulatory disclosure requirements

In coherence with the regulatory framework, the tables below show the cross reference to the information published quarterly, as included in the present or in external document.

Cross reference to the information required by CRR2

CRR2 ARTICLE	CONTENT	REG. (EU) 2021/637 AND SUBSEQUENT AMENDMENT REFERENCE(*)	REFERENCE TO THE PRESENT DOCUMENT (P3)/EXTERNAL DOCUMENTS	
437/437a	Own Funds/Owns Funds and eligible liabilities	Template EU CC1	P3	Own Funds
		Template EU CCA	website	Annex 1 - Template EU CCA - Main features of regulatory Own Funds instruments and eligible liabilities instruments (in editable format excel to link https://www.unicreditgroup.eu/en/investors/financial-reporting/pillar-3-disclosures.html) Full terms and conditions of capital instruments and eligible liabilities instruments (article 437 and 437a, paragraph 1, letter c) are reported in the link included in the "Notes" section of the Template EU CCA
438	Own Funds requirements and risk-weighted exposure amounts	Template EU OV1	P3	Own Funds requirements and risk-weighted exposure amounts
		Template EU CR8		Credit risk - Use of IRB approach
		Template EU CCR7		Credit risk - Counterparty risk exposure
		Template EU MR2-B		Market risk
447	Key metrics	Template EU KM1	P3	Regulatory framework and key metrics
		Template EU KM2(**)		Own Funds - Total Loss Absorbing Capacity
451	Leverage ratio	Template EU LR2	P3	Leverage
451a	Liquidity requirements	Template EU LIQ1 Table EU LIQB	P3	Liquidity risk - Liquidity Coverage Ratio

Notes:

(*) Commission Implementing Regulation (EU) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) 575/2013 of the European Parliament and of the Council, subsequently amended by:

- Commission Implementing Regulation (EU) 2022/631 of 13 April 2022 as regards the disclosure of exposures to interest rate risk on positions not held in the trading book (Template EU IRRBB1);
- Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 as regards the disclosure of environmental, social and governance risks (Tables and Templates ESG).

In this column, according to Regulation (EU) 2021/637, quantitative information is identified with "Template", while qualitative information with "Table".

(**) Reference to Commission Implementing Regulation (EU) 2021/763 (Minimum requirement for own funds and eligible liabilities).

Cross reference to the EBA and Regulation EU requirements

CONTENT	REFERENCE TO THE PRESENT DOCUMENT (P3)
Commission Implementing Regulation (EU) 2021/637 as regard the information referred to Part Eight, Titles II and III, of Regulation (EU) 575/2013	Refer to "Cross reference to the information required by CRR2" table
Commission Implementing Regulation (EU) 2021/763 as regard the minimum requirement for Own Funds and eligible liabilities	
EBA/GL/2020/12 - Guidelines amending Guidelines EBA/GL/2018/01 on uniform disclosures under article 473a of Regulation (EU) No575/2013 (CRR) on the transitional period for mitigating the impact of the introduction of IFRS9 on own funds to ensure compliance with the CRR 'quick fix' in response to the COVID-19 pandemic	Own Funds - Template IFRS9-FL - Comparison of institutions' Own Funds and capital and Leverage Ratios with and without the application of transitional arrangements for IFRS9 or analogous ECLs

Regulatory framework and key metrics

Cross reference to the EDTF recommendations

The table below refers to the document “Enhancing the risk disclosures of banks” published in October 2012 by the Enhanced Disclosure Task Force (“EDTF”), established by the Financial Stability Board (FSB).

This document contains 32 recommendations aiming at improving disclosure transparency for those risk profiles investors envisaged the need of more clear and complete information.

EDTF RECOMMENDATION	REFERENCE TO THE PRESENT DOCUMENT (P3)	SECTION/PARAGRAPH/TEMPLATE
General recommendations		
1.Disclosure - Indexing of risk information	Index	The present disclosure represents the document where all related risk information is reported including reference to other report or means of disclosures
4.New key regulatory ratio	Contents cross reference to the regulatory disclosure requirements	Template EU KM1
Capital adequacy and risk-weighted assets		
9.Capital surcharges & buffers	Own Funds requirements and risk weighted exposure amounts	Template EU OV1
10.Regulatory capital - summary and reconciliation	Own Funds	Template EU CC1
14.RWEA calculation method and models	Own Funds requirements and risk weighted exposure amounts	Template EU OV1
16.RWEA - Changes overtime		
Funding		
21.Funding - Funding strategy	Liquidity risk	Funding strategies

Own Funds

Starting from 1 January 2014, the calculation of capital requirements takes into account the regulatory framework known as “Basel 3”, adopted as a result of the Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation - “CRR”), updated in the Regulation (EU) 876/2019 (“CRR2”) and subsequently amended in the Regulation (EU) 873/2020, and in the Directive (EU) 2013/36 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (Capital Requirements Directive IV - “CRDIV”), also according to their adoption by Italian Laws.

Such regulation foresees the following breakdown of Own Funds:

- Tier 1 Capital (T1), made by:
 - Common Equity Tier 1 Capital (CET1) and
 - Additional Tier 1 Capital (AT1);
- Tier 2 Capital (T2);
- The sum of Tier 1 Capital and Tier 2 Capital generates the Total Own Funds (Total Capital).

It is worth mentioning that in the update to the Regulation (EU) 575/2013 transposed in the Regulation (EU) 876/2019 (CRR2), the main impacts on Group Own Funds calculation, applicable starting from 30 June 2019, derived from the modification to the computability rules of the Additional Tier 1 and Tier 2 instruments. In particular, considering the new conditions provisioned by the CRR2 articles 52 and 63, an additional grandfathering framework has been introduced to the instruments issued before 27 June 2019 and valid till 28 June 2025 for those instruments that do not comply with the new computability conditions presented (ref. CRR2 article 494b).

Capital requirements⁵ and buffers for UniCredit group

The minimum capital requirements applicable to the Group as of 30 September 2023, in coherence with CRR article 92, are the following (Pillar 1):

- CET1: **4.50%**
- T1: **6.00%**
- Total Capital: **8.00%**

In addition to such requirements, for 2023 the Group shall also meet the following additional requirements:

- **2.00%**, as Pillar 2 Requirements in coherence with SREP results;
- **2.50%**, as Capital Conservation buffer (CCB) according to CRDIV article 129;
- **1.00%**, as Global Systemically Important Institutions (“G-SII”) buffer⁶;
- **0.37%**, as Countercyclical Capital buffer⁷ (CCyB) according to the CRDIV article 130, to be calculated on a quarterly basis;
- **0.03%**, as Systemic Risk Capital buffer⁸ (SyRB) according to the CRDIV article 133, to be calculated on a quarterly basis.

Moreover, the article 104a.4 of CRDV allows banks to partially use capital instruments that do not qualify as CET1 capital (e.g., Additional Tier 1 or Tier 2 instruments) to meet the Pillar 2 Requirements (P2R). As consequence, in line with Pillar 2 Requirements, required in coherence with 2022 SREP results and equal to 2.00%, UniCredit group shall meet:

- at least the 1.13% of such requirement through Common Equity Tier 1 Capital in the assumption, fulfilled as of 30 September 2023, that the amount of AT1 Capital exceeds the regulatory minimum of 1.50% (i.e., being 1.67%)⁹;
- at least the 1.50% of such requirement through Tier 1 capital in the assumption, fulfilled as of 30 September 2023, that the amount of T2 Capital exceeds the regulatory minimum of 2.00% (i.e., being 3.07%).

Therefore, as at 30 September 2023, the Group shall meet the following overall capital requirements:

- CET1: **9.53%**
- T1: **11.40%**
- Total Capital: **13.90%**

⁵ As at 30 September 2023, the CET1 Systemic risk buffer (aimed at preventing and mitigating long-term, non-cyclical, systemic or macro-prudential risks that are not provided for by the CRR) has not been adopted in Italy, while the Banca d'Italia reciprocated the CET1 Systemic risk buffer measure defined by the German Federal Financial Supervisory Authority (BaFin), making it applicable starting from 1 February 2023 to all the Italian institutions.

⁶ It should be noted that UniCredit group was identified by the Banca d'Italia as an O-SII authorised to operate in Italy, and it has to maintain a CET1 capital buffer; such level is equal to 1.00% in 2023. Nevertheless, it is worth mentioning that according to the CRDIV article 131.14, the higher of the G-SII and the O-SII buffer will apply; hence, UniCredit group is subject to the application of 1.00% G-SII buffer for 2023.

⁷ Amount rounded to two decimal numbers. With reference to 30 September 2023: (I) countercyclical capital rates have generally been set at 0%, except for the following countries: France (0.50%); Ireland (0.50%); Luxembourg (0.50%); Romania (0.50%); Croatia (0.50%); Germany (0.75%); Estonia (1.00%); Hong Kong (1.00%); Netherlands (1.00%); Australia (1.00%); Bulgaria (1.50%); Slovakia (1.50%); United Kingdom (2.00%); Sweden (2.00%); Iceland (2.00%); Czech Republic (2.25%); Denmark (2.50%); Norway (2.50%); (II) with reference to the exposures towards Italian counterparties, Banca d'Italia has set the rate equal to 0%.

⁸ Amount rounded to two decimal numbers.

⁹ Following the authorization granted by the European Central Bank, UniCredit S.p.A. early redeemed in whole its AT1 Notes €1,250 million - ISIN XS1619015719 - exercising the option on 3 June 2023 (the First Call Date). The early redemption was communicated to the market on 27 April 2023. The notes have been deducted from Own Funds from the date of the early redemption notice, i.e. with effect in the second quarter of 2023. As at 30 September 2023, following the deduction, the AT1 capital ratio (1.67%) is lower than the regulatory requirement (1.88%); as a consequence, the AT1 shortfall equal to 0.21% is covered through the CET1 capital.

Own Funds

Here below a scheme of the UniCredit group capital requirements and buffers which also provides evidence of the "Total SREP Capital Requirement" (TSCR) and the "Overall Capital Requirement" (OCR) related to the outcome of the SREP process held in 2022 and applicable for 2023.

Capital requirements and buffers for UniCredit group

REQUIREMENT	CET1	T1	TOTAL CAPITAL
A) Pillar 1 requirements	4.50%	6.00%	8.00%
B) Pillar 2 requirements	1.13%	1.50%	2.00%
C) TSCR (A+B)	5.63%	7.50%	10.00%
D) Combined capital buffer requirement:	3.90%	3.90%	3.90%
<i>of which:</i>			
1. Capital Conservation Buffer (CCB)	2.50%	2.50%	2.50%
2. Global Systemically Important Institution buffer (G-SII)	1.00%	1.00%	1.00%
3. Institution-specific Countercyclical Capital buffer (CCyB)	0.37%	0.37%	0.37%
4. Systemic risk buffer for UniCredit (SyRB)	0.03%	0.03%	0.03%
E) OCR (C+D)	9.53%	11.40%	13.90%

The following table shows UniCredit group transitional¹⁰ capital ratios as at 30 September 2023 compared with previous periods.

Group transitional capital ratios

DESCRIPTION	30.09.2023			30.06.2023	31.03.2023	31.12.2022	30.09.2022
	RATIO	DELTA Q/Q	DELTA Y/Y				
CET1 Capital	17.50%	0.56%	1.46%	16.94%	16.36%	16.68%	16.04%
Tier 1 Capital	19.17%	0.58%	1.23%	18.59%	18.40%	18.65%	17.94%
Total Capital	22.24%	0.66%	1.48%	21.59%	21.37%	21.42%	20.76%

Transitional capital ratios of UniCredit S.p.A.

The following table shows the transitional¹¹ capital ratios of UniCredit S.p.A. as at 30 September 2023 compared with previous periods.

Transitional capital ratios of UniCredit S.p.A.

DESCRIPTION	30.09.2023			30.06.2023	31.03.2023	31.12.2022	30.09.2022
	RATIO	DELTA Q/Q	DELTA Y/Y				
CET1 Capital	26.75%	0.45%	1.36%	26.31%	25.78%	25.70%	25.39%
Tier 1 Capital	29.65%	0.49%	0.84%	29.16%	29.35%	29.21%	28.81%
Total Capital	34.41%	0.60%	0.89%	33.81%	33.98%	33.81%	33.53%

Consolidated profit/loss of the period eligible for Own Funds purposes

- The Group consolidated net profit as at 30 September 2023 is equal to €6,696 million.
- Starting from 2023, the dividend policy envisages a 35% cash pay-out ratio applied to Net Profit after AT1 and Cashes coupon payment. Since, for the third quarter 2023 the Net Profit is equal to €6,696 million and AT1 and Cashes coupon amounts equal to €251 million, the 35% corresponds to €2,256 million. Thus, an amount equal to €4,440 million is included in the consolidated Own Funds, following the authorization granted by the Competent Authority.

Transitional consolidated Own Funds

Regarding the transitional adjustments as at 30 September 2023, these are:

- grandfathering of Additional Tier 1 and Tier 2 instruments: the transitional adjustment applicable till 2025 according to the CRR2 article 494b, applicable to the Additional T1 and T2 instruments issued before 27 June 2019 that do not comply with the CRR2 articles 52 and 63;
- IFRS9 transitional arrangements: starting from June 2020, UniCredit group has received from the competent Authority the approval to apply the transitional arrangements on IFRS9 as per CRR article 473a. The methodological approach is reported in the following paragraph.

¹⁰ The transitional adjustments as at 30 September 2023 are (i) grandfathering of Additional Tier 1 and Tier 2 instruments and (ii) IFRS9 transitional arrangements starting from 30 June 2020.

¹¹ The transitional adjustments as at 30 September 2023 refer to the grandfathering of Additional Tier 1 and Tier 2 instruments.

Own Funds

Transitional arrangements related to the application of IFRS9

Starting from 1 January 2018, the IFRS9 accounting standard entered into force, envisaging a new framework for provisioning computation based on expected credit losses rather than on incurred losses. As of first-time adoption date, UniCredit group decided not to apply for the transitional arrangements provisioned in CRR for IFRS9.

Being UniCredit group still in the position to benefit of the IFRS9 transitional arrangements from the possibility allowed by the Regulation to reverse once during the transitional period the choice made at the inception, and also in light of the ECB Recommendation issued on 20 March 2020 for institutions that had not already implemented the transitional IFRS9 arrangements, UniCredit group asked to the Competent Authority the approval to apply the transitional adjustment according to the revised framework introduced by the amended CRR2 both for the static component (i.e., first time adoption effects accounted as of 1 January 2018) and for the dynamic component (i.e. considering separately (i) the increase of LLP between 1 January 2020 and 1 January 2018 and (ii) the increase of LLP accounted after 1 January 2020). The Competent Authority granted the permission to fully apply the transitional arrangements set out in article 473a of CRR starting from the second quarter 2020.

From a methodological standpoint, it is worth mentioning that the IFRS9 transitional adjustment represents a “one-off” positive adjustment to be recognised in the calculation of CET1 capital, which does not originate indirect impacts on the calculation of other CET1 elements apart from the amount of DTA arising from temporary difference to be deducted. In this respect, considering article 473a(7) of the amended CRR2, the portion of DTA arising from temporary differences which is related to the transitional amount added back to CET1 shall be excluded from the amount of DTA to be deducted from CET1 following the regulatory netting.

Specifically, with reference to each component of the adjustment, it is worth mentioning the following interpretations of the regulation:

- the static component of the adjustment to be considered (ref. to elements A2,SA and A2,IRB in Art.473a) is the entire amount of LLPs, both referred to performing and non-performing assets, considering separately Standard (STD) and IRB exposures, booked in IFRS9 First Time Adoption. According to article 473a of the amended CRR2, the transitional adjustment corresponding to the static component is calculated by applying the following percentage factors: 70% for 2020, 50% for 2021, 25% for 2022, 0% starting from 2023;
- the dynamic component of the adjustment includes only LLPs referred to performing assets (i.e., sum of LLPs under IFRS9 Stage1 and Stage2) according to article 473a (3). Furthermore, the dynamic component is composed of the following two elements:
 - **element 1:** the increase of LLP between 1 January 2020 and 1 January 2018; in case of IRB exposures the amount of LLPs is reduced by the regulatory expected losses (EL) at both dates. Such element 1 is subject to the following transitional percentages (i.e., the same applied to the static component): 70% for 2020, 50% for 2021, 25% for 2022, 0% starting from 2023;
 - **element 2:** the increase of LLP accounted after 1 January 2020. In case of IRB exposures, the amount of LLPs is reduced by the regulatory expected losses (EL) at both 1 January 2020 and subsequent reference dates. Such element 2 is subject to the following transitional percentages: 100% for 2020 and 2021, 75% for 2022, 50% for 2023, 25% for 2024, 0% starting from 2025;
- lastly, according to 473a(7) of the amended CRR2, the transitional adjustment applied to CET1 and related to STD exposures (i.e. ABSA) has to be reflected in RWEA when calculating the transitional RWEA, in order to consider the increase in the exposure value determined in accordance with CRR article 111(1) due to the minor amount of LLPs reducing CET1.

As at third quarter 2023, the transitional arrangements related to the application of IFRS9 generate a positive adjustment on CET1 capital for approximately €0.9 billion (31 basis points).

Prudential framework for software assets treatment

As part of the Risk Reduction Measures package, article 36(1)(b) of the CRR has been amended, introducing an exemption from the deduction of software assets from CET1 capital, primarily aimed to encourage investments in software in the context of the evolution of the banking sector in a more digital environment, applicable from fourth quarter 2020 (for details refer to Pillar III document as at 31 December 2021).

Countercyclical Capital buffer (CCyB)

According to the CRDIV article 130, the Countercyclical Capital buffer (CCyB) shall be calculated on a quarterly basis. With reference to the third quarter 2023, the following countercyclical rates changed vs the second quarter 2023: Czech Republic (from 2.50% to 2.25%), United Kingdom (from 1.00% to 2.00%), Slovakia (from 1.00% to 1.50%); as well, as of the same date, UniCredit group countercyclical capital reserve is equal to 0.37%, increased compared with second quarter 2023 (equal to 0.36%), mainly due to the greater effect connected to the exposures towards counterparties with the original debtor located in Slovakia where UniCredit group holds the subsidiary UniCredit Bank Czech Republic and Slovakia.

Systemic Risk Buffer (SyRB)

In accordance with the provisions laid down in article 133 of Directive 2013/36/EU, the German Federal Financial Supervisory Authority (BaFin) defined a 2% Systemic Risk Buffer (SyRB) rate to be applied on (i) all IRB exposures secured by residential immovable property located in Germany, and (ii) all Standard Approach based exposures fully and completely secured by residential immovable property as referred to in article 125(2) of Regulation (EU) 575/2013 and subsequent amendments, which is located in Germany.

This macroprudential measure is applicable starting from 1 February 2023, both in Germany and in all the others Member States where this macroprudential measure has been reciprocated. Following the ESRB's Recommendation ESRB/2022/4, on 20 October 2022 the Banca d'Italia reciprocated the German macroprudential measure asking for its applicability starting from the first quarter 2023.

Own Funds

Therefore, such measure is applicable to UniCredit group on consolidated basis, to be calculated on a quarterly basis; with reference to the third quarter 2023, UniCredit group systemic capital reserve is equal to 0.03%.

Deductions connected to investments in financial sector entities and deferred tax assets that rely on future profitability and arise from temporary differences

With reference to 30 September 2023, UniCredit does not exceed the thresholds related to significant investments in CET1 instruments issued by financial sector entities and deferred tax assets that rely on future profitability and arise from temporary differences, not generating a capital deduction from Common Equity Tier 1 Capital.

In particular, the deferred tax assets that rely on future profitability and arise from temporary differences summed up to the direct, indirect and synthetic holdings detained by UniCredit in financial sector entities in which UniCredit has a significant investment do not exceed the threshold of 17.65% of the residual amount of Common Equity Tier 1 items after applying the adjustments and deductions in CRR articles 32 to 36 in full.

Atlante Fund and Italian Recovery Fund (ex Atlante Fund II)

As at 30 September 2023, the investment held by UniCredit in the quotes of Atlante Fund and Italian Recovery Fund (ex Atlante Fund II), for approximately €273 million, is primarily referred to investments in securitisation notes related to non-performing loans: the regulatory treatment of the Fund's quotes recognised in the UniCredit financial statements foresees the calculation of RWEA on the basis of each underlying assets of CIUs, in accordance with CRR article 152(2) and (4b).

With reference to the residual commitments, for €8.5 million, the regulatory treatment foresees the application of a credit conversion factor equal to 100% ("full risk" according to the Annex I of the CRR) and for the calculation of the related risk-weighted exposures, it is applied the CRR article 152(9).

Financial conglomerate

As at 30 September 2023 reporting date, the UniCredit group is exempted from the supplementary supervision, although it is recognised as a financial conglomerate by the Joint Committee (ref. communication JC 2022 71).

1. Common Equity Tier 1 Capital - CET1

Common Equity Tier 1 Capital mainly includes the following elements:

- Main Common Equity Tier 1 Capital items, recognised as Common Equity Tier 1 only where they are available to the institution for unrestricted and immediate use to cover risks or losses as soon as these occur: (I) capital instruments, provided the conditions laid down in CRR article 28 or, where applicable, article 29 are met; (II) share premium accounts related to the instruments referred to in point (I); (III) retained earnings; (IV) accumulated other comprehensive income; (V) other reserves; Common Equity Tier 1 Capital items also include minority interests for the computable amount recognised by the CRR;
- Prudential filters of Common Equity Tier 1 Capital: (I) filter related to increase in equity under the applicable accounting framework that results from securitised assets; (II) filter related to the fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value; (III) filter related to gains or losses on liabilities of the institution that are valued at fair value that result from changes in the own credit standing of the institution; (IV) filter related to all fair value gains and losses arising from the institution's own credit risk related to derivative liabilities; (V) filter related to additional value adjustments (prudent valuation);
- Deductions from Common Equity Tier 1 items: (I) intangible assets; (II) deferred tax assets (DTA) that rely on future profitability and do not arise from temporary differences; (III) negative amounts resulting from the calculation of expected loss amounts when compared with credit risk adjustments (shortfall) for those positions evaluated according to IRB methods; (IV) defined benefit pension fund assets on the balance sheet of the institution; (V) direct, indirect and synthetic holdings by an institution of own Common Equity Tier 1 instruments, including own Common Equity Tier 1 instruments that an institution is to purchase under an actual or contingent obligation by virtue of an existing contractual obligation; (VI) exposures deducted from CET1 as an alternative to the application of 1,250% risk weight; (VII) the applicable amount of direct, indirect and synthetic holdings by the institution of Common Equity Tier 1 instruments of financial sector entities where the institution does not have a significant investment in those entities (deducted for the amount exceeding the thresholds foreseen by the regulation); (VIII) deferred tax assets (DTA) that rely on future profitability and arise from temporary differences, and the applicable amount of direct, indirect and synthetic holdings by the institution of the Common Equity Tier 1 instruments of financial sector entities where the institution has a significant investment in those entities (deducted for the amount exceeding the thresholds foreseen by the regulation); (IX) the applicable amount of insufficient coverage for non-performing exposures.

As at 30 September 2023, CET1 Capital includes ordinary shares issued by UniCredit S.p.A., equal to €20,657 million; such item does not include €609 million related to the ordinary shares underlying the Usufruct contract (Cashes) which are reclassified in Tier 2 Capital starting from 1 January 2022, following the end of the CRR1 grandfathering regime, being Tier 2 compliant according to CRR2 eligibility conditions.

Own Funds

2. Additional Tier 1 Capital - AT1

The AT1 positive elements are represented by the following items: (I) capital instruments, where the conditions laid down in CRR2 article 52 are met; (II) the share premium accounts related to the instruments referred to in point (I); (III) capital instruments for the amount computable in Own funds according to the transitional provisions foreseen by the CRR (grandfathering). Furthermore, the Additional Tier 1 Capital includes also the minority interests for the computable amount not already recognised in the Common Equity Tier 1 Capital.

3. Tier 2 Capital - T2

The T2 positive elements are represented by the following items: (I) capital instruments and subordinated loans where the conditions laid down in CRR2 article 63 are met; (II) the share premium accounts related to instruments referred to in point (I); (III) possible surplus of credit risk adjustments with reference to expected losses for positions evaluated according to IRB methods; (IV) capital instruments and subordinated loans for the amount computable in Own funds according to the transitional provisions foreseen by the CRR (grandfathering).

The Tier 2 Capital also includes the minority interests for the computable amount not already recognised in the Tier 1 Capital and the T2 instruments issued by the subsidiaries for the computable amount as defined by the CRR.

As at 30 September 2023, the Group Own Funds include the instruments issued before 27 June 2019, subject to grandfathering framework according to CRR2 article 494b.

Own Funds

Template EU CC1 - Composition of regulatory Own Funds

		(€ million)	
		a	
DESCRIPTION		AMOUNTS AS AT 30.09.2023	AMOUNTS AS AT 30.06.2023
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts (A)	20,680	20,681
	<i>of which: Ordinary shares</i>	20,680	20,681
	<i>of which: Instrument type 2</i>	-	-
	<i>of which: Instrument type 3</i>	-	-
2	Retained earnings	28,119	28,119
3	Accumulated other comprehensive income (and other reserves) (B)	2,054	5,564
EU-3a	Funds for general banking risk	-	-
4	Amount of qualifying items referred to in article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	-
5	Minority interests (amount allowed in consolidated CET1)	51	51
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend (C)	4,440	2,910
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	55,345	57,325
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(246)	(273)
8	Intangible assets (net of related tax liability) (negative amount)	(1,402)	(1,388)
9	Not applicable		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in article 38(3) CRR are met) (negative amount) (D)	(2,822)	(2,817)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	500	495
12	Negative amounts resulting from the calculation of expected loss amounts	(7)	(7)
13	Any increase in equity that results from securitised assets (negative amount)	-	-
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	85	111
15	Defined-benefit pension fund assets (negative amount)	(140)	(116)
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount) (E)	(346)	(3,370)
17	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
20	Not applicable		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	(159)	(138)
EU-20b	<i>of which: qualifying holdings outside the financial sector (negative amount)</i>	-	-
EU-20c	<i>of which: securitisation positions (negative amount)</i>	(145)	(138)
EU-20d	<i>of which: free deliveries (negative amount)</i>	(14)	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38(3) CRR are met) (negative amount)	-	-
22	Amount exceeding the 17.65% threshold (negative amount) (F)	-	-
23	<i>of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities</i>	-	-
24	Not applicable		
25	<i>of which: deferred tax assets arising from temporary differences</i>	-	-
EU-25a	Losses for the current financial year (negative amount)	-	-
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	-
26	Not applicable		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	-
27a	Other regulatory adjustments (G)	(38)	122
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(4,575)	(7,380)
29	Common Equity Tier 1 (CET1) capital	50,771	49,945

Own Funds

continued: Template EU CC1 - Composition of regulatory Own Funds

(€ million)

DESCRIPTION	a	
	AMOUNTS AS AT 30.09.2023	AMOUNTS AS AT 30.06.2023
Additional Tier 1 (AT1) capital: instruments		
30 Capital instruments and the related share premium accounts	3,965	3,965
31 of which: classified as equity under applicable accounting standards	3,965	3,965
32 of which: classified as liabilities under applicable accounting standards	-	-
33 Amount of qualifying items referred to in article 484(4) CRR and the related share premium accounts subject to phase out from AT1	-	-
EU-33a Amount of qualifying items referred to in article 494a(1) CRR subject to phase out from AT1	-	-
EU-33b Amount of qualifying items referred to in article 494b(1) CRR subject to phase out from AT1	898	898
34 Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	10	10
35 of which: instruments issued by subsidiaries subject to phase out	-	-
36 Additional Tier 1 (AT1) capital before regulatory adjustments	4,873	4,872
Additional Tier 1 (AT1) capital: regulatory adjustments		
37 Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	(30)	(30)
38 Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
39 Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
40 Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-
41 Not applicable	-	-
42 Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	-
42a Other regulatory adjustments to AT1 capital	-	-
43 Total regulatory adjustments to Additional Tier 1 (AT1) capital	(30)	(30)
44 Additional Tier 1 (AT1) capital	4,842	4,842
45 Tier 1 capital (T1 = CET1 + AT1)	55,613	54,787
Tier 2 (T2) capital: instruments		
46 Capital instruments and the related share premium accounts	7,665	7,576
47 Amount of qualifying items referred to in article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in article 486(4) CRR	-	-
EU-47a Amount of qualifying items referred to in article 494a(2) CRR subject to phase out from T2	-	-
EU-47b Amount of qualifying items referred to in article 494b(2) CRR subject to phase out from T2	-	-
48 Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	403	410
49 of which: instruments issued by subsidiaries subject to phase out	-	-
50 Credit risk adjustments	938	953
51 Tier 2 (T2) capital before regulatory adjustments	9,006	8,940
Tier 2 (T2) capital: regulatory adjustments		
52 Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	(59)	(59)
53 Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
54 Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
54a Not applicable	-	-
55 Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	(44)	(44)
56 Not applicable	-	-
EU-56a Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	-
EU-56b Other regulatory adjustments to T2 capital	-	-
57 Total regulatory adjustments to Tier 2 (T2) capital	(104)	(103)
58 Tier 2 (T2) capital	8,902	8,837
59 Total capital (TC = T1 + T2)	64,515	63,624
60 Total Risk exposure amount	290,072	294,753

Own Funds

continued: Template EU CC1 - Composition of regulatory Own Funds

DESCRIPTION		a	
		AMOUNTS AS AT 30.09.2023	AMOUNTS AS AT 30.06.2023
Capital ratios and requirements including buffers			
61	Common Equity Tier 1 capital	17.50%	16.94%
62	Tier 1 capital	19.17%	18.59%
63	Total capital	22.24%	21.59%
64	Institution CET1 overall capital requirements (H)	9.53%	9.52%
65	of which: capital conservation buffer requirement	2.50%	2.50%
66	of which: countercyclical capital buffer requirement	0.37%	0.36%
67	of which: systemic risk buffer requirement	0.03%	0.03%
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	1.00%	1.00%
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.13%	1.13%
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements (I)	11.67%	11.09%
National minima (if different from Basel III)			
69	Not applicable		
70	Not applicable		
71	Not applicable		
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	1,879	1,837
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	4,072	3,926
74	Not applicable		
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in article 38(3) CRR are met)	2,623	2,879
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	-
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap) (J)	3,210	3,223
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach (J)	938	953
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2014 and 1 January 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-
82	Current cap on AT1 instruments subject to phase out arrangements	-	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-
84	Current cap on T2 instruments subject to phase out arrangements	-	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-

Notes to the template EU CC1 “Composition of regulatory Own Funds”

Amounts included in the notes below refer to 30 September 2023 if not otherwise specified. Regarding the transitional adjustments as at 30 September 2023 it is worth mentioning that:

- the grandfathering framework according to the CRR2 article 494 b) entered into force on 27 June 2019; it is applicable to the Additional T1 and T2 instruments issued before 27 June 2019 that do not comply with the CRR2 articles 52 and 63;
- it is decided to apply the transitional regime due to the introduction of IFRS9 accounting principle according to article 473a of Regulation (EU) 873/2020 that amends Regulation (EU) 876/2019.

A.

This item does not include €609 million related to the ordinary shares underlying the Usufruct contract (Cashes), which are reclassified in Tier 2, starting from 1 January 2022 under item “46. Capital instruments and the related share premium accounts”, following the end of the CRR1 grandfathering regime, being Tier 2 compliant according to CRR2 eligibility conditions.

B.

The change compared to 30 June 2023 (negative for €3,509 million) mainly refers to: (i) the cancellation of a portion (equal to €3,031 million) of the unavailable reserve created for the execution of the “Share Buy-Back Programme 2022”, following the cancellation of the shares repurchased until 12 September 2023; (ii) negative change (equal to €328 million) on reserves related to equity and debt instruments at fair value; (iii) negative change (equal to €285 million) on exchange reserve, mainly due to the Ruble depreciation; partially compensated by (iv) positive change on actuarial reserve (equal to €149 million).

C.

Reference should be made to paragraph “Consolidated profit/loss eligible for Own Funds purposes” in the introductory section of this chapter.

Own Funds

D.

The amount of this item (equal to €2,822 million) does not consider the effects related to the IFRS9 transitional adjustments due to the end of the static component; hence, starting from 1 January 2023 the adjustment is no more included in item “27a. Other regulatory adjustments” as well.

E.

The amount reported in this item (equal to €346 million) is mainly related to the shares repurchased in the context of the “Share Buy-Back Programme 2022” after the 12 of September 2023 and not yet cancelled.

F.

Reference should be made to paragraph “Deductions connected to investments in financial sector entities and deferred tax assets that rely on future profitability and arise from temporary differences” in the introductory section of this chapter.

G.

The amount reported in this item (negative for €38 million) mainly includes:

- the effect (positive for €907 million) related to the transitional arrangements referred to the entry into force of IFRS9 accounting principles according to article 473a of Regulation (EU) 873/2020 published on 27 June 2020 that amends Regulation (EU) 876/2019 only for the dynamic component of the transitional adjustment (applicable percentage in 2023 equal to 50%);
- the additional deduction of CET1 Capital due to article 3 of CRR (equal to €651 million) in accordance with ECB guidance to banks on non-performing loans.

H.

Reference should be made to table “Capital requirements and buffers for UniCredit group” in the introductory section of this chapter.

I.

The amount reported in this item is calculated by subtracting from the Common Equity Tier 1 capital ratio at the date (i.e. item 61: 17.50%) the minimum Common Equity Tier 1 requirement (equal to 4.5%) and the Pillar 2 requirement on CET1 (equal to 1.13%)⁹ in coherence with SREP results of 2022 and with the application of article 104a.4 of CRDV based on which the Pillar 2 requirement can be satisfied also through AT1 and T2 instruments (i.e. at least 75% through T1 and at least 56.25% through CET1).

The change compared to 30 June 2023 mainly depends on the following items: (i) increase in Common Equity Tier 1 Capital for €826 million and (ii) decrease in risk weighted exposures for €4,680 million.

J.

The amounts included in items 78 e 79 do not consider the effects related to the transitional adjustments due to IFRS9 that are included in item “27a. Other regulatory adjustments”.

Own Funds

Template IFRS9-FL - Comparison of institutions' Own Funds and capital and Leverage Ratios with and without the application of transitional arrangements for IFRS9 or analogous ECLs

(€ million)

DESCRIPTION	a	b	c	d	e
	30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2022
1 Common Equity Tier 1 (CET1) capital (A)	50,771	49,945	48,887	51,442	51,337
2 Common Equity Tier 1 (CET1) capital as if IFRS9 or analogous ECLs transitional arrangements had not been applied	49,863	49,038	47,962	49,364	49,322
3 Tier 1 capital	55,613	54,787	54,966	57,521	57,416
4 Tier 1 capital as if IFRS9 or analogous ECLs transitional arrangements had not been applied	54,706	53,881	54,040	55,443	55,400
5 Total capital	64,515	63,624	63,842	66,062	66,421
6 Total capital as if IFRS9 or analogous ECLs transitional arrangements had not been applied (B)	63,608	62,717	62,917	64,430	64,757
Risk-weighted assets (amounts)					
7 Total risk-weighted assets (C)	290,072	294,753	298,762	308,466	319,980
8 Total risk-weighted assets as if IFRS9 or analogous ECLs transitional arrangements had not been applied	290,072	294,753	298,750	308,596	320,057
Capital ratios					
9 Common Equity Tier 1 (as a percentage of risk exposure amount)	17.50%	16.94%	16.36%	16.68%	16.04%
10 Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS9 or analogous ECLs transitional arrangements had not been applied	17.19%	16.64%	16.05%	16.00%	15.41%
11 Tier 1 (as a percentage of risk exposure amount)	19.17%	18.59%	18.40%	18.65%	17.94%
12 Tier 1 (as a percentage of risk exposure amount) as if IFRS9 or analogous ECLs transitional arrangements had not been applied	18.86%	18.28%	18.09%	17.97%	17.31%
13 Total capital (as a percentage of risk exposure amount)	22.24%	21.59%	21.37%	21.42%	20.76%
14 Total capital (as a percentage of risk exposure amount) as if IFRS9 or analogous ECLs transitional arrangements had not been applied	21.93%	21.28%	21.06%	20.88%	20.23%
Leverage ratio					
15 Leverage ratio total exposure measure	916,182	936,551	987,952	946,901	1,032,101
16 Leverage ratio (D)	6.07%	5.85%	5.56%	6.07%	5.56%
17 Leverage ratio as if IFRS9 or analogous ECLs transitional arrangements had not been applied	5.98%	5.76%	5.48%	5.87%	5.38%

Notes to the "Template IFRS9-FL: Comparison of institutions' Own Funds and capital and Leverage Ratios, with and without the application of transitional arrangements for IFRS9 or analogous ECLs"

Starting from 30 June 2020 UniCredit has decided to apply the transitional arrangements referred to the entry into force of IFRS9 accounting principles according to article 473a of Regulation (EU) 873/2020 published on 27 June 2020 that amends Regulation (EU) 876/2019, for any further details refer to paragraph "Transitional arrangements related to the application of IFRS9".

The table above shows the main data on available capital, risk-weighted assets, capital ratios and leverage ratio after IFRS9 transitional arrangements, and how they would have been if the arrangements had not been applied.

A.

The amount under this item (equal to €50,771 million) includes €907 million due to IFRS9 transitional adjustment dynamic component (applicable percentage in 2023 equal to 50%), while for the IFRS9 transitional adjustment static component, the applicable percentage became equal to 0%, starting from 1 January 2023.

B.

This item (equal to €63,608 million) does not include the effect related to IFRS9 transitional adjustments for €907 million reported in point A.

C.

The amount of risk weighted exposures considers the effects of IFRS9 transitional adjustments deriving from the dynamic component connected to the standard portfolio, equal to zero as at 30 September 2023.

D.

The leverage ratio exposure includes the positive amount of IFRS9 transitional adjustment applied to CET1 as per article 473a(7a) of the CRR2. The overall effect on the ratio considering the transitional IFRS9 adjustments applied to CET1 and to exposure is positive for 0.09%.

Own Funds

Total Loss Absorbing Capacity

Starting from 27 June 2019, UniCredit group, as a Global Systemically Important Institution (G-SII), is subject to the Total Loss Absorbing Capacity (TLAC) requirement, introduced by the Regulation (EU) 876/2019 (CRR2) and aimed at ensuring that the G-SIIs have a sufficient amount of Own Funds and liabilities with a high total loss absorbing capacity.

TLAC requirement is formally separated and does not alter or replace any Resolution Authority decisions concerning the Minimum Requirement for Own Funds and Eligible Liabilities (MREL) requirement according to the Directive 2014/59/EU amended by the Directive 2019/879/EU.

In accordance with the CRR2 article 92a, the minimum TLAC requirement applicable as at 30 September 2023 is equal to the maximum between:

- 18% of the total risk exposure amount to which the combined capital reserve applicable to the UniCredit group (3.90%) at the reference date is added; therefore, the total minimum requirement applicable as at 30 September 2023 is 21.90%;
- 6.75% of the overall leverage exposure measure.

Referring to UniCredit group:

- the applicable requirement as at 30 September 2023 is equal to 21.90% based on the total risk exposure amount;
- TLAC minimum requirements are applied on a consolidated basis and shall be respected by the Parent Company (Single Point of Entry (SPE), the unique resolution entity).

To comply with the above-mentioned minimum requirements, the Regulation envisages the following elements:

- Own Funds computed according to CRR and CRR2 provisions;
- Tier 2 Capital with a residual maturity equal or greater than 1 year as at 30 September 2023 for the amount related to the regulatory amortization not included in the Own Funds, according to CRR2 article 64;
- Eligible liabilities that meet the conditions of computability according to CRR2 article 72b, computable to the extent they are not already included among Additional Tier 1 Capital and Tier 2 Capital;
- Eligible liabilities that do not meet the subordination requirement according to paragraph d) of CRR2 article 72b(2), but comply with the other eligibility conditions, which are computable for TLAC purposes, if allowed by the Resolution Authority, below the threshold of 3.5% of the total risk exposure amount.

In application of the grandfathering regime introduced by CRR2 article 494b 3, the liabilities issued before 27 June 2019 that do not comply with the conditions of computability referred to paragraph b) point ii) and from paragraph f) to paragraph m), are considered as TLAC eligible instruments according to CRR2 article 72b.

The contents included in this section have been defined by referring to the final version of "Draft implementing technical standards on disclosure and reporting MREL and TLAC" (EBA/ITS/2020/06) transposed by the Commission implementing Regulation (EU) 2021/763.

TLAC requirements (at resolution Group level)

The Resolution Strategy defined by the Single Resolution Board (SRB) for the UniCredit group is SPE for those legal entities within the European Union, with the "Bail-in" as main resolution tool applicable to UniCredit S.p.A. (the unique Resolution Entity).

The template below provides summary information about the evolution of the amount of Own Funds and Eligible Liabilities and the related ratios over the quarters. The TLAC ratio as at 30 September 2023 amounts to 28.31% in terms of the total risk exposure amount (8.96% in terms of the overall leverage exposure measure) and is above the applicable requirement (21.90%). The variation observed in the Eligible Liabilities, compared to the previous quarter, is mainly due to the increase of the Own Funds and of the Senior non-Preferred instruments, partially offset by the portion of the Senior Preferred computed on the basis of the senior exemption (3.5% of RWEA). The ratio improvement is driven by both the increase of the eligible liabilities and the reduction of RWEA.

Template EU KM2 - Key metrics

		G-SII REQUIREMENT FOR OWN FUNDS AND ELIGIBLE LIABILITIES (TLAC)				
		b	c	d	e	f
OWN FUNDS AND ELIGIBLE LIABILITIES, RATIOS AND COMPONENTS		30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2022
1	Own funds and eligible liabilities	82,130	81,297	81,655	82,991	86,014
2	Total risk exposure amount of the resolution group (TREA)	290,072	294,753	298,762	308,466	319,980
3	Own Funds and eligible liabilities as a percentage of TREA	28.31%	27.58%	27.33%	26.90%	26.88%
4	Total exposure measure (TEM) of the resolution group	916,182	936,551	987,952	946,901	1,032,101
5	Own Funds and eligible liabilities as percentage of the TEM	8.96%	8.68%	8.27%	8.76%	8.33%
6a	Does the subordination exemption in article 72(b)(4) of the CRR apply (5% exemption)?	NO	NO	NO	NO	NO
6b	Aggregate amount of permitted non-subordinated eligible liabilities instruments if the subordination discretion in accordance with article 72b(3) CRR is applied (max 3.5% exemption)	10,153	10,316	10,457	10,796	11,199
6c	If a capped subordination exemption applies under article 72b(3) CRR, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised under row 1, divided by funding issued that ranks pari passu with excluded Liabilities and that would be recognised under row 1 if no cap was applied (%)	62.63%	62.67%	66.37%	73.53%	78.93%

Note:

The column "a" is not shown as refers to "Minimum requirement for own funds and eligible liabilities" (MREL), that is required starting from 1 January 2024.

Own Funds requirements and risk weighted exposure amounts

Overview of RWEAs (comment to the EU OV1 Template)

As at third quarter 2023, the amount of Group RWEA stood at €290.1 billion, showing a decrease with reference to the second quarter 2023 for approx. -€4.7 billion:

- Credit and Counterparty risk RWEAs decreased for -€6.2 billion (rows 1, 6, 16, excluding row EU 8b) primarily related to:
 - Credit risk for -€5.6 billion, mainly driven by (i) lower commercial loan volumes in Italy and Germany, (ii) new securitisations finalized in the quarter and (iii) foreign exchange movements mainly reflecting Russian Ruble depreciation;
 - Counterparty risk exposures for -€0.6 billion, reflecting (i) derivative exposures trend in Germany under SA-CCR approach, (ii) new Group Wide Banks model implementation on derivatives and SFT exposures under IMM approach (mainly in Germany and Italy). These decreases are partially offset by an increase due to (iii) the tax credits “buy and sell” activities towards third counterparties which involved higher derivative exposures under Original Exposure Method approach (OEM), as outlined in the Bank of Italy clarification note issued on 24 July 2023.
- Market risk RWEAs increased for +€1.5 billion (rows EU 8b, 15, 20), mainly driven by:
 - Standardised approach - Foreign Exchange Risk, mainly due to the ECB revocation of the previous permission (ECB-SSM-2021-ITUNI-56) to exclude from the calculation of FX RWEA the Ruble Structural FX positions (risk weight factor 100%). This revocation follows the assessment on the RUB liquidity market and the related restrictions by Russian Authorities in the context of the current geo-political crisis;
 - IMA approach, mostly driven by bond portfolio and client driven activities.

Starting from June 2020, UniCredit group decided to apply the transitional regime connected to the introduction of IFRS9 accounting principle in accordance with the article 473a of Regulation (EU) 873/2020 that amends Regulation (EU) 876/2019 in recommendation to mitigate impacts in consideration of Covid-19 emergency. The amount weighted at 250% reported in template below (Item 24 “Amounts below the thresholds for deduction (subject to 250% risk weight) (for information)”) includes the effects related to the abovementioned transitional adjustments and in particular reflects the exclusion of the deferred tax assets that rely on future profitability and arise from temporary differences referred to IFRS9. As at 30 September 2023, UniCredit group does not exceed the threshold of 17.65% of Common Equity Tier 1 Capital.

Own Funds requirements and risk weighted exposure amounts

Template EU OV1 - Overview of risk weighted exposure amounts

(€ million)

DESCRIPTION	RISK WEIGHTED EXPOSURE AMOUNTS (RWEAs)		TOTAL OWN FUNDS REQUIREMENTS	
	a	b	c	
	30.09.2023	30.06.2023	30.09.2023	
1	Credit risk (excluding CCR)	232,857	238,406	18,629
2	<i>Of which the standardised approach</i>	80,422	84,024	6,434
3	<i>Of which the foundation IRB (F-IRB) approach</i>	13,357	10,824	1,069
4	<i>Of which slotting approach</i>	4,194	4,655	336
EU 4a	<i>Of which equities under the simple risk weighted approach</i>	1,246	1,192	100
5	<i>Of which the advanced IRB (A-IRB) approach</i>	130,835	134,902	10,467
6	Counterparty credit risk - CCR	9,234	9,893	739
7	<i>Of which the standardised approach</i>	1,620	1,890	130
8	<i>Of which internal model method (IMM)</i>	5,894	6,158	472
EU 8a	<i>Of which exposures to a CCP</i>	403	518	32
EU 8b	<i>Of which credit valuation adjustment - CVA</i>	1,089	1,186	87
9	<i>Of which other CCR</i>	227	141	18
10	<i>Not applicable</i>			
11	<i>Not applicable</i>			
12	<i>Not applicable</i>			
13	<i>Not applicable</i>			
14	<i>Not applicable</i>			
15	Settlement risk	4	18	0
16	Securitisation exposures in the non-trading book (after the cap)	7,373	7,440	590
17	<i>Of which SEC-IRBA approach</i>	2,189	2,297	175
18	<i>Of which SEC-ERBA (including IAA)</i>	2,967	2,965	237
19	<i>Of which SEC-SA approach</i>	1,660	1,599	133
EU 19a	<i>Of which 1250%/deduction</i>	-	-	-
	<i>Of which Specific treatment for senior tranches of qualifying NPE securitisations (*)</i>	557	579	45
20	Position, foreign exchange and commodities risks (Market risk)	9,389	7,758	751
21	<i>Of which the standardised approach</i>	5,692	3,489	455
22	<i>Of which IMA</i>	3,697	4,269	296
EU 22a	Large exposures	-	-	-
23	Operational risk	31,215	31,238	2,497
EU 23a	<i>Of which basic indicator approach</i>	842	848	67
EU 23b	<i>Of which standardised approach</i>	2,463	2,556	197
EU 23c	<i>Of which advanced measurement approach</i>	27,909	27,834	2,233
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (for information)	16,753	17,027	1,340
25	<i>Not applicable</i>			
26	<i>Not applicable</i>			
27	<i>Not applicable</i>			
28	<i>Not applicable</i>			
29	Total	290,072	294,753	23,206

Note:
 (*) On June 2022, the EBA published the updated Reporting framework (DPM 3.2), requiring specific reporting information about Risk Weighted Exposures of the senior tranche of NPE securitisation qualifying for specific prudential purposes (Common Reporting - CoRep). In this regard, starting from June 2023 UniCredit group decided to disclose RWEA and Own Funds requirement about this Approach applied for qualifying NPE senior tranche of securitisation. These exposures were previously included in the other available approaches (rows from 17 to 19).

Credit risk

Use of the IRB approach

RWEAs flow statements - IRB method

As at third quarter of 2023, credit risk exposures under IRB approach record a decrease of -€1,949 million versus the second quarter of 2023 driven primarily by the following phenomena:

- “Asset size” records a decrease of -€1,127 million mostly thanks to lower commercial loan volumes largely in Italy and Germany and new securitisations finalized in the quarter;
- “Asset quality” shows a decrease of -€565 million. The trend is principally driven by net flows to default mainly in Germany and Italy, and local model recalibrations in Central Europe & Eastern Europe Division;
- “Model Updates” evidences an increase of €237 million, mainly impacted by new Group Wide Banks internal model implementation principally in Italy and Germany;
- “Foreign exchange movements” records a decrease of -€165 million mostly due to Czech crown and Russian ruble.

From a year-to-end perspective, in the third quarter of 2023, credit risk exposures under IRB approach record a decrease of -€4,914 million versus the fourth of 2022 driven primarily by the following phenomena:

- “Asset size” records a decrease of -€6,074 million mostly due to active portfolio management initiatives, including new Securitisations, together with business dynamics across geographies;
- “Asset quality” shows a decrease of -€2,623 million, mainly explained by Internal Models recalibration and risk parameters evolution;
- “Model updates” evidences an increase of €4,037 million, mainly impacted by the implementation of a new LGD model in Austria, which was already represented in December 2022 in the EU OV1 template and reported in row 1 “Credit risk (excluding CCR)”;
- “Methodology and policy” shows an increase of €400 million, driven by the expiration of the temporary treatment applied to all exposures to the central governments or central banks of Member States denominated and funded in the domestic currency of another Member State, including also the expiration of the treatment applied to exposures evaluated in accordance with the IRB methodology in line with paragraph 3 of article 500a of the CRR2;
- “Foreign exchange movements” records a decrease of -€554 million mostly due to Russian ruble depreciation.

Template EU CR8 - RWEA flow statements of credit risk exposures under the IRB approach

		(€ million)	
		QUARTER CLOSING AS AT 30.09.2023	CUMULATIVE YTD AS AT 30.09.2023
		RWEA	RWEA
DESCRIPTION		a	
1	RWEA as at the end of the previous reporting period	151,925	154,891
2	Asset size (+/-)	(1,127)	(6,074)
3	Asset quality (+/-)	(565)	(2,623)
4	Model updates (+/-)	237	4,037
5	Methodology and policy (+/-)	(0)	400
6	Acquisitions and disposals (+/-)	-	-
7	Foreign exchange movements (+/-)	(165)	(554)
8	Other (+/-)	(328)	(100)
9	RWEA as at the end of the current reporting period	149,977	149,977

Credit risk

Counterparty risk exposure

RWEAs flow statements - IMM method

Counterparty credit risk exposures under IMM approach decreased by -€264 million in the third quarter of 2023 compared with the second quarter of 2023. The trend is explained principally by the following items:

- “Asset size” shows an increase of €171 million, mainly contributed by Germany, due to SFTs and derivatives;
- “Credit Quality of Counterparties” records a decrease of -€464 million mainly related to new Group Wide Banks internal model implementation principally in Germany and Italy.

From a year-to-date perspective, Counterparty credit risk exposures under IMM approach decreased by -€1,640 million in the third quarter of 2023 compared with the fourth quarter of 2022. The trend is explained principally by the following items:

- “Asset size” shows a decrease of -€843 million, reflecting SFTs and derivatives exposures evolution mainly in Italy;
- “Credit Quality of Counterparties” records a decrease of -€733 million related to risk parameter evolution, including new Group Wide Banks internal model implementation in the third quarter.

Template EU CCR7 - RWEA flow statements of CCR exposures under the IMM

		(€ million)	
		QUARTER CLOSING AS AT 30.09.2023	CUMULATIVE YTD AS AT 30.09.2023
		RWEA	RWEA
DESCRIPTION		a	
1	RWEA as at the end of the previous reporting period	6,158	7,534
2	Asset size	171	(843)
3	Credit quality of counterparties	(464)	(733)
4	Model updates (IMM only)	-	-
5	Methodology and policy (IMM only)	-	-
6	Acquisitions and disposals	-	-
7	Foreign exchange movements	21	7
8	Other	7	(71)
9	RWEA as at the end of the current reporting period	5,894	5,894

Market risk

RWEAs flow statements - Internal Model Approach (IMA)

The table below reports the flow statements of Market risk RWEAs under I-mod.

The RWEAs decrease with respect to the second quarter 2023 is mainly driven by lower IRC capital charge following the reduction of long bond position in both UniCredit S.p.A. and UniCredit Bank AG Trading book, and by client driven activities affecting several asset classes in the Trading book of UniCredit Bank AG.

Template EU MR2-B - RWEA flow statements of market risk exposures under the IMA

		(€ million)						
		a	b	c	d	e	f	g
DESCRIPTION		VaR	SVaR	IRC	COMPREHENSIVE RISK MEASURE	OTHER	TOTAL RWEAs	TOTAL OWN FUNDS REQUIREMENTS
1	RWEAs as at 30.06.2023	1,128	1,518	1,514	-	-	4,160	333
1a	Regulatory adjustment	(792)	(965)	(352)	-	-	(2,110)	(169)
1b	RWEAs as at 30.06.2023 (end of the day)	336	552	1,162	-	-	2,050	164
2	Movement in risk levels	19	102	90	-	-	211	17
3	Model updates/changes	-	-	-	-	-	-	-
4	Methodology and policy	-	-	-	-	-	-	-
5	Acquisitions and disposals	-	-	-	-	-	-	-
6	Foreign exchange movements	-	-	-	-	-	-	-
7	Other	-	-	-	-	-	-	-
8a	RWEAs as at 30.09.2023 (end of the day)	355	654	1,252	-	-	2,261	181
8b	Regulatory adjustment	559	805	-	-	-	1,364	109
8	RWEAs as at 30.09.2023	914	1,459	1,252	-	-	3,625	290

Note:

The amounts reported in rows 2 and 3 explain the change in the RWEAs showed in rows 1b and 8a.

Liquidity risk

Liquidity Coverage Ratio

The Liquidity Coverage Ratio (LCR), introduced by Basel 3 prudential regulation, is a short-term indicator which aims to ensure that credit institutions maintain an adequate liquidity buffer to cover the net liquidity outflows under severe conditions of stress over a period of 30 days.

The regulatory framework applied is represented by:

- with reference to the requirements to be met:
 - CRR article 412 "Liquidity coverage requirement";
 - Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 that lays down rules that specify in detail the liquidity coverage requirement provided for in CRR article 412(1). In particular, the requirement that all institutions authorised has to meet is equal to 100%;
 - Commission Delegated Regulation (EU) 2018/1620 of 13 July 2018 amending Delegated Regulation (EU) 2015/61 to supplement Regulation (EU) 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for credit institutions;
 - Commission Implementing Regulation (EU) 2021/451 of 17 December 2020 laying down implementing technical standards for the application of Regulation (EU) 575/2013 of the European Parliament and of the Council with regard to supervisory reporting of institutions and repealing Implementing Regulation (EU) 680/2014 (Text with EEA relevance);
- with reference to the disclosure information to be published:
 - CRR article 435 which defines the disclosure requirements for each separate category of risk, including the key ratios (letter f);
 - Commission Implementing Regulation (EU) 2021/637 of 15 March 2021, laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) 575/2013 of the European Parliament and of the Council and repealing Commission Implementing Regulation (EU) 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295.

Therefore, disclosure is made according to the regulatory framework mentioned above.

Liquidity risk

Template EU LIQ1 - Quantitative information of LCR

(€ million)

		a	b	c	d	e	f	g	h
SCOPE OF CONSOLIDATION (CONSOLIDATED)		TOTAL UNWEIGHTED VALUE (AVERAGE)				TOTAL WEIGHTED VALUE (AVERAGE)			
CURRENCY AND UNITS (EURO MILLION)									
EU 1a	QUARTER ENDING ON	30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2023	30.06.2023	31.03.2023	31.12.2022
EU 1b	NUMBER OF DATA POINTS USED IN THE CALCULATION OF AVERAGES	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					178,073	184,987	187,808	190,318
CASH-OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	269,030	270,548	270,912	270,491	18,730	19,021	19,140	19,174
3	Stable deposits	163,905	164,872	165,259	164,399	8,195	8,244	8,263	8,220
4	Less stable deposits	85,325	87,501	89,052	90,691	10,054	10,271	10,408	10,538
5	Unsecured wholesale funding	190,647	195,990	202,131	205,225	79,642	81,460	83,806	84,928
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	60,752	64,984	69,547	72,614	14,133	15,206	16,365	17,139
7	Non-operational deposits (all counterparties)	125,888	126,867	127,949	127,851	61,501	62,114	62,806	63,029
8	Unsecured debt	4,007	4,139	4,635	4,760	4,007	4,139	4,635	4,760
9	Secured wholesale funding					6,126	6,609	6,947	7,731
10	Additional requirements	147,656	147,178	145,734	144,954	49,435	51,045	51,325	51,896
11	Outflows related to derivative exposures and other collateral requirements	35,022	36,603	36,838	37,147	33,390	35,127	35,580	36,199
12	Outflows related to loss of funding on debt products	309	345	341	421	309	345	341	421
13	Credit and liquidity facilities	112,325	110,229	108,555	107,386	15,736	15,573	15,405	15,276
14	Other contractual funding obligations	7,799	7,463	7,795	8,629	7,647	7,313	7,652	8,488
15	Other contingent funding obligations	210,368	209,649	208,662	207,914	8,558	9,264	9,925	10,139
16	TOTAL CASH OUTFLOWS					170,138	174,713	178,795	182,356
CASH-INFLOWS									
17	Secured lending (eg reverse repos)	44,748	46,391	47,060	48,733	8,293	9,332	10,824	11,940
18	Inflows from fully performing exposures	30,300	32,091	33,779	34,479	20,830	21,771	22,993	23,655
19	Other cash inflows	39,291	39,757	39,690	40,054	27,646	27,834	27,793	28,301
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	TOTAL CASH INFLOWS	114,339	118,239	120,530	123,266	56,770	58,937	61,610	63,895
EU-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
EU-20b	Inflows Subject to 90% Cap	-	-	-	-	-	-	-	-
EU-20c	Inflows Subject to 75% Cap	106,133	108,845	110,036	110,981	56,770	58,937	61,610	63,895
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					178,073	184,987	187,808	190,318
22	TOTAL NET CASH OUTFLOWS					113,368	115,775	117,185	118,461
23	LIQUIDITY COVERAGE RATIO (%)					157%	160%	160%	161%

Note:

With reference to periods in the table above, please note that data are reported in line with the document "EBA updates mapping between technical standards on Pillar 3 disclosures and technical standards on supervisory reporting (v3.0)" (mapping tool published in EBA/ITS/2020/04), therefore the sum of row 3 "Stable deposits" and row 4 "Less stable deposits" does not represent the total amount of row 2 "Retail deposits and deposits from small business customers" which includes also deposits exempted from the calculation of outflows and deposits where the payout has been agreed within the following 30 days.

Liquidity risk

Table EU LIQB - Qualitative information on LCR complementing template EU LIQ1

Evolution of LCR results

In the third quarter of 2023, the LCR (calculated as the average value over the last 12 monthly indicators) has shown a decreasing trend compared to the second quarter of 2023. The trend reflects the increasing effect, in the average LCR, of TLTRO repayments for €65 billion as of end of June 2023.

Description of the composition of the liquidity buffer and net liquidity outflows

At the end of September 2023, liquidity buffer is still mainly composed by withdrawable reserves and other assets deposited at Central Banks and governments bonds. These two exposures represent around 82% of the buffer, while the remaining part is held through cash and non-government bonds.

As regards the net liquidity outflows, the outgoing flows due to i) retail deposits, ii) wholesale funding and iii) potential cash outflows from the committed credit lines are still the main components.

Concentration of funding and liquidity sources

Funding concentration risk can arise when the bank leverages on a limited number of funding sources, that they become of such significance that the withdrawal of one or few could trigger liquidity problems.

In the Group the governance and control of funding concentration risk is mainly performed through the setting and monitoring of metrics, managerial and regulatory, aimed at preventing potential vulnerabilities in the bank's ability to meet its liquidity obligations when the funding contracts expire. At this purpose, the metrics in place to steer this risk are the concentration funding by products and counterparties.

Derivative exposures and potential collateral calls

Regarding potential collateral calls, monthly reporting is conducted to measure the impact in terms of additionally required collateral that the bank may be required to provide given a downgrade of its own credit rating or adverse market scenario on derivatives transactions. All relevant rating agencies are considered. The testing is carried out on a Legal Entity level, but consolidated reporting is available to analyse the impact on a Group wide basis. Specific attention is dedicated to exposures towards Special Purpose Vehicles.

Quantification of potential liquidity outflows, raised by the necessity of additional guarantees in case of adverse market scenarios, is measured leveraging on the historical analysis of net collateral posted (Historical Look Back Approach).

Currency mismatch in the LCR

As far as the currency mismatch is concerned, a regular monitoring of the relevant currencies (e.g., where liabilities > 5% of total liabilities) and related liquid assets and net cash outflows is performed. So far only EUR and USD resulted to be relevant at Group level. Assessment performed on potential currency mismatches between liquid assets and net outflows shows that the liquidity surplus in EUR is sufficient to cover the gap in USD. A buffer of HQLA (High Quality Liquid Assets) in USD is maintained to face the potential risk related with the conversion of the currency.

Other items relevant for the liquidity profile

The intraday liquidity risk appears when a bank is not able "to meet payment and settlement obligations on a timely manner basis under both normal and stressed conditions".

The intraday liquidity risk is monitored through the intraday liquidity monitoring tool prescribed by Basel Committee on Banking Supervision (BCBS). In order to meet the payments falling due in different timing during the business day and avoid possible shortfalls due to missing/delayed inflows, a liquidity buffer is kept on a continuous basis by each Group Legal Entity's Treasury.

Liquidity risk

Funding strategies

Short-term funding

In the third quarter of 2023 the ECB continued to implement a restrictive monetary policy, raising two times its three key rates (Main Refinancing Rate, Marginal Refinancing Rate and Overnight Deposit Rate): 25 basis points in July and September, bringing them to 4.50%, 4.75% and 4.00% respectively.

In the same period UniCredit has stabilized its portfolio of unsecured short-term liabilities, consolidating its sources of unsecured liquidity: the cost of funding is slightly lower from previous quarter due to a widespread but modest tightening of the relevant spreads, due to a stabilization of the demand in the unsecured liquidity market.

In the third quarter of 2023, European repo markets recorded different dynamics between peripheral and core segments. Core repo rates were exposed to cheapening pressures for short-term tenors in the area of 5/6 basis points, while peripheral paper consolidated around the level of the deposit facility rate.

Furthermore, given the expiry in June of the TLTRO III.4, excess liquidity has gradually decreased to around €3,500 billion.

The announcement by The Bundesbank's Executive Board to remunerate domestic government deposits held with the Bundesbank at 0% as from 1 October 2023 has had no meaningful impact on repo rates.

Medium/Long-term funding

The Funding Plan has been designed adopting the usual approach of issuing a variety of instruments with different tenors with the aim to:

- avoid maturities concentration risk, exploiting potential favorable market conditions to extend duration;
- achieve an adequate level of diversification;
- ensure an appropriate level of liquidity;
- comply with various applicable regulatory requirements and internal limits and triggers.

Its execution is being implemented accordingly to reported above.

During the first nine months of 2023 the Group executed medium/long-term funding for a total amount of €19,068 million, of which €5,514 million of Senior funding, €9,701 million of Covered Bonds and €3,555 million of bilateral funding from Agencies/Supranational Entities.

UniCredit S.p.A. contribution to Senior funding of the Group has been €4,267 million, including a Senior Preferred transaction for which refer to Press Release of 10 January 2023 and a Senior Non-Preferred transaction for which refer to Press Release of 9 February 2023. UniCredit S.p.A. also issued a dual tranche Italian Covered Bond (OBG) for which refer to Press Release of 6 June 2023.

In line with the Group-wide Sustainability Bond Framework, in February 2023 UniCredit Bank Austria placed a Green Covered Bond with a total volume of €750 million (6-year maturity), in June 2023 UniCredit Bank Czech Republic & Slovakia placed a Green Covered Bond with a total volume of €500 million (5-year maturity) and in September 2023 UniCredit Bank Hungary placed a Green tranche of a dual tranche Covered Bond (6-year maturity) denominated in Hungarian forint and equivalent to €47 million.

The Group has also leveraged to market able to access out of different legal entities, enjoying for all of them a large degree of name recognition with local institutional investors. During the first nine months of 2023, the combined amount issued by the subsidiaries of the Group has been €10,912 million.

Liquidity risk

Deposits from customers and banks, senior bonds and own funds represent the most stable funding sources, with deposits from customers representing 75% of the liability structure by the end of third quarter 2023.

Liabilities structure breakdown by maturity

(€ million)

INSTRUMENT TYPE	OUTSTANDING	% ON TOTAL	1 MONTH	3 MONTHS	6 MONTHS	9 MONTHS	1 YEAR	2 YEARS	OVER 2 YEARS
Depos from Banks	76,432	11%	45,999	7,921	15,123	957	472	1,941	4,018
<i>of which Secured</i>	37,960	5%	29,380	6,505	1,199	218	258	-	399
Depos from Customers	536,208	75%	449,550	33,567	19,806	5,726	4,266	6,113	17,179
<i>of which Secured</i>	41,424	6%	37,301	3,969	154	-	-	-	-
Subordinated	7,722	1%	-	-	1,000	-	1,250	12	5,461
<i>of which Retail</i>	-	0%	-	-	-	-	-	-	-
Senior Unsecured	48,534	7%	1,028	3,278	1,161	1,781	1,906	7,069	32,311
<i>of which Retail</i>	12,235	2%	31	152	212	280	549	1,347	9,663
CD/CP	5,847	1%	988	990	3,129	403	318	19	-
<i>of which Retail</i>	22	0%	1	-	-	2	-	19	-
Covered Bonds	42,700	6%	519	410	1,636	529	880	4,295	34,432
ABS	-	0%	-	-	-	-	-	-	-
Other	-	0%	-	-	-	-	-	-	-
TOTAL	717,443		498,084	46,167	41,855	9,396	9,092	19,450	93,400

Liabilities structure breakdown by currency

(€ million)

INSTRUMENT TYPE	OUTSTANDING	% ON TOTAL	EUR	USD	CZK	BGN	HUF	OTHER
Deposits from Banks	76,432	11%	61,611	8,315	722	111	1,413	4,260
<i>of which Secured</i>	37,960	5%	30,705	3,615	437	42	-	3,161
Deposits from Customers	536,208	75%	465,075	18,576	23,664	7,771	4,494	16,628
<i>of which Secured</i>	41,424	6%	32,034	755	8,635	-	-	-
Subordinated	7,722	1%	4,145	3,578	-	-	-	-
<i>of which Retail</i>	-	0%	-	-	-	-	-	-
Senior Unsecured	48,534	7%	40,683	7,203	202	-	23	423
<i>of which Retail</i>	12,235	2%	11,845	224	157	-	3	6
CD/CP	5,847	1%	5,847	-	-	-	-	-
<i>of which Retail</i>	22	0%	22	-	-	-	-	-
Covered Bonds	42,700	6%	41,894	-	189	-	618	-
ABS	-	0%	-	-	-	-	-	-
Other	-	0%	-	-	-	-	-	-
TOTAL	717,443		619,255	37,671	24,777	7,882	6,548	21,311

Leverage

The Basel 3 prudential regulation (BCBS) introduced the requirement of calculation, reporting, and publication of leverage ratio that is an additional regulatory requirement to risk-based indicators.

The main leverage ratio objectives are:

- restricting the build-up of leverage in the banking sector;
- enhancing the capital ratios with a further simple and not risk based measure.

The ratio is calculated according to the rules of the Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 ("CRR2"), amending the CRR Regulation, in force from the 28 June 2021, two years after the date of publication in the Official Journal of the European Union.

In the session of 15 April 2019, the European Parliament approved 3% minimum requirement for the leveraging ratio in the first pillar.

An additional buffer is provided for the G-SII banks, calculated as 50% of the G-SII buffer rate in accordance with article 131(4) of Directive 2013/36/EU. According to the Regulation (EU) 2020/873 (CRR "Quick fix") of 26 June 2020, making targeted amendments to the Regulation CRR and to the Regulation CRR2, such additional requirement (equal to 0.50%) entered into force on 1 January 2023 (as set out in row 27 of EU LR2 template reported below).

The abovementioned regulation amends CRR article 429, complying with "Basel III: Finalising post-crisis reforms"¹², issued in December 2017.

The present disclosure follows the Commission Implementing Regulation (EU) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to disclosure by Institutions of the leverage ratio, according to CRR Regulation, as amended by the Regulation (EU) 2019/876.

Contents

CRR article 429 defined the leverage ratio as the Bank's capital measure divided by the total exposure and it is expressed as percentage between:

- Tier 1 Capital;
- the total exposure, calculated as sum of all assets and off-balance sheet items not deducted when determining the Tier 1 capital measure.

The total exposure includes (the below mentioned articles refer to CRR):

- Derivatives - calculated according to the Standardised Approach for Counterparty Credit Risk as per Section 3 of Chapter 6 of Title II of the Part 3, or, as an alternative, the Original Exposure Method as per article 295 of the CRR. Written Credit Derivatives are calculated by including the Fully Effective Notional amount, reduced by the fair value changes that have been incorporated in Tier 1 Capital. If specific conditions are met the resulting exposure value may be further reduced by the effective notional amount of purchased credit derivatives;
- Security Financing Transactions (SFT¹³) - calculated as sum of two components: the counterparty credit risk exposure, i.e. the exposure net of collateral (and not including the haircut), and the accounting value of the SFT asset; if specific conditions set by CRR2 are met, it is possible to determine the exposure value of cash receivable and cash payables on a net basis;
- Off-balance Sheet Exposure - calculated, according to article 111 as nominal amount not reduced by specific credit risk adjustments and by applying the Standardised Approach for RWEA calculation credit conversion factors;
- Other Asset - calculated, according to article 111, as accounting value reduced by specific credit risk adjustments, additional value adjustments and other own funds reductions related to the asset item; if specific conditions set by CRR2 are met, cash variation margins provided for derivatives transactions can be excluded from the exposure;
- Capital Deductions - amounts deducted from Common Equity Tier 1 items in accordance with point (d) of article 36(1) and assets deducted in the calculation of the Tier 1 capital measure referred to in article 429(3);
- Exempted Exposures according to article 429a where applicable.

The following figures refer to the Leverage Ratio calculated by applying the transitional rules applied to Tier 1 Capital. The Tier 1 Capital including the positive IFRS9 transitional adjustment applied to CET1 as per article 473a(7a) of the amended CRR2 has been considered for the calculation of transitional Leverage Ratio.

Consistently, the Leverage Ratio exposure has been increased by the amount of the abovementioned transitional adjustment applied to CET1 (net of tax effects) calculated both on STD and IRB exposures.

The effect on the Leverage Ratio of the IFRS9 transitional adjustment is equal to +0.09% (rounded) as shown in "Template IFRS9-FL - Comparison of institutions' Own Funds and capital and Leverage ratios with and without the application of transitional arrangements for IFRS9 or analogous ECLs" reported in the Own Fund chapter.

¹² Refer to "Basel III: Finalising post-crisis reforms" https://www.bis.org/basel_framework/standard/LEV.htm.

¹³ Security Financing Transactions are repurchased transactions, securities or commodities lending or borrowing transactions and margin lending transactions.

Leverage

The following template shows the Leverage Ratio as at 30 September 2023 and the breakdown of the exposure by main categories, according to CRR2 articles 451(1)(a), 451(1)(b) and 451(1)(c).

Template EU LR2 - LRCom: Leverage ratio common disclosure

		(€ million)	
		CRR LEVERAGE RATIO EXPOSURES	
		a	b
DESCRIPTION		30.09.2023	30.06.2023
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	735,518	753,614
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(7,072)	(9,236)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(3,851)	(3,806)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	724,595	740,573
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	19,144	19,504
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	20,192	20,133
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	0	0
EU-9b	Exposure determined under Original Exposure Method	146	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	(1,820)	(1,960)
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original Exposure Method)	-	-
11	Adjusted effective notional amount of written credit derivatives	3,516	1,647
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(2,363)	(537)
13	Total derivatives exposures	38,814	38,787
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	60,412	66,445
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(1,629)	(4,256)
16	Counterparty credit risk exposure for SFT assets	5,831	6,865
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	Total securities financing transaction exposures	64,613	69,054
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	345,110	347,061
20	(Adjustments for conversion to credit equivalent amounts)	(253,294)	(255,338)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	-	-
22	Off-balance sheet exposures	91,816	91,723
Excluded exposures			
EU-22a	(Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of article 429a (1) CRR (on and off-balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	(3,656)	(3,587)
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	(Total exempted exposures)	(3,656)	(3,587)

Leverage

continued: Template EU LR2 - LRCom: Leverage ratio common disclosure

(€ million)

DESCRIPTION		CRR LEVERAGE RATIO EXPOSURES	
		a	b
		30.09.2023	30.06.2023
Capital and total exposure measure			
23	Tier 1 capital	55,613	54,787
24	Total exposure measure	916,182	936,551
Leverage ratio			
25	Leverage ratio	6.07%	5.85%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	6.07%	5.85%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	6.07%	5.85%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-
EU-26b	of which: to be made up of CET1 capital (percentage points)	-	-
27	Leverage ratio buffer requirement (%)	0.50%	0.50%
EU-27a	Overall leverage ratio requirement (%)	3.50%	3.50%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Transitional	Transitional
Disclosure of mean values			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	57,237	54,969
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	58,782	62,189
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	914,636	929,331
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	914,636	929,331
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6.08%	5.90%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6.08%	5.90%

Declaration by the Manager charged with preparing the financial reports

The undersigned Bonifacio Di Francescantonio, in his capacity as the Manager charged with preparing UniCredit S.p.A.'s financial reports

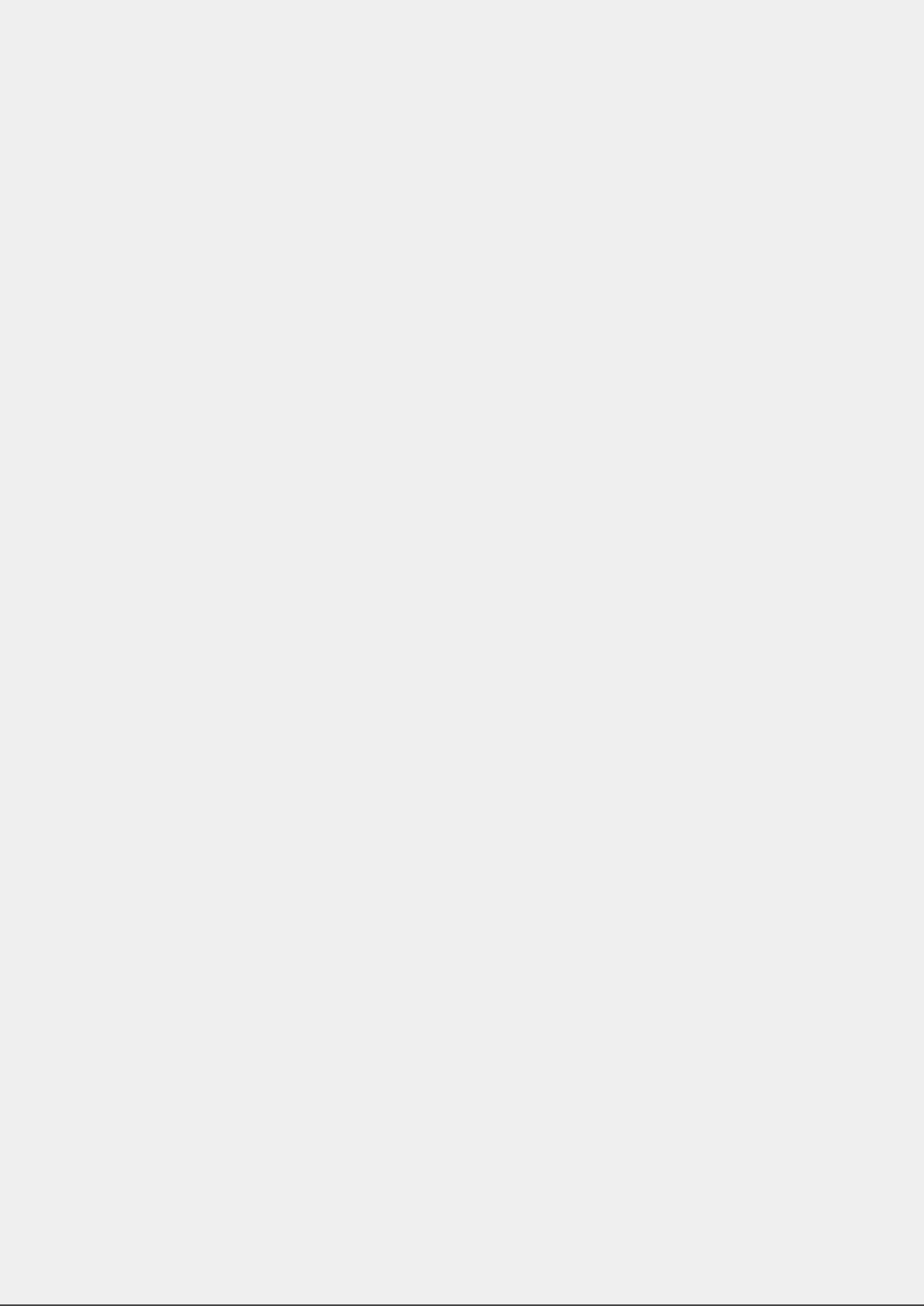
DECLARES

that, pursuant to article 154-bis, paragraph 2, of the "Consolidated Law on Finance", the information disclosed in this document corresponds to the accounting documents, books and records.

Milan, 8 November 2023

Bonifacio Di Francescantonio





Annex 1 - Template EU CCA - Main features of regulatory Own Funds instruments and eligible liabilities instruments

The Annex 1 "Template EU CCA - Main features of regulatory Own Funds instruments and eligible liabilities instruments" is published in excel format on the UniCredit group website (<https://www.unicreditgroup.eu/en/investors/financial-reporting/pillar-3-disclosures.html>).s

Annex 2 - List of templates Regulation (EU) 637/2021

The templates of the present Pillar III Disclosure, required by Regulation (EU) 637/2021 as subsequently amended, are published in excel format (Annex 2) on the UniCredit group website (<https://www.unicreditgroup.eu/en/investors/financial-reporting/pillar-3-disclosures.html>). Moreover, in order to facilitate the understanding of the consistency of the quantitative data between the templates of the present Disclosure, the Annex 2 reports the reconciliation of the regulatory figures represented in the various templates (where applicable).

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