UniCredit Group Disclosure (Pillar III) as at 31 December 2024

UniCredit

Content

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 2021[1].
Moreover, the EBA/ITS/2020/04 and the subsequent Regulation above mentioned repealed the EBA Guidelines and Regulations previously issued on specific Pillar III disclosure topics[2].

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 thereinafter). 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.

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 documents[3]. 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 Commission Implementing Regulation (EU) 631/2022 as regards the disclosure of exposures to interest rate risk on positions not held in the trading book and Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 as regards the disclosure of environmental, social and governance risks.
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 forborne 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 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 according to 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 then 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 CCR2, 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

According to the Press Release[4] issued by the Financial Stability Board (FSB) on 27 November 2023, UniCredit S.p.A. was removed from the list of global systemically important banks (G-SIBs). UniCredit applied the G-SIB requirements until 31 December 2023 and disapplied them starting from 1 January 2024, without prejudice to the application of the requirements stemming from the O-SII status.
In particular, starting from first quarter 2024:
- article CRR 92(a) on "Requirements for own funds and eligible liabilities for G-SIIs" is no longer applicable, therefore UniCredit is not required to meet the TLAC requirement. As consequence, the present document does not include:
  - Information on (i) G-SII Requirement for Own Funds and Eligible Liabilities (TLAC) and (ii) Own Funds and liabilities potentially eligible for meeting TLAC[5];
  - Information on the eligible liabilities (TLAC instruments) and their main features[6].
- with the expiration of the transitional period related to Minimum Requirement for Own Funds and Eligible Liabilities, the MREL information are disclosed with semiannual and annual frequency (according to the frequency foreseen in the Commission Implementing Regulation (EU) 2024/1618 amending Implementing Regulation (EU) 2021/763, with reference to the Entities identified as resolution entities that are neither G-SII nor part of a G-SII)[7].

For details on requirements stemming from the O-SII status refer to Own Funds chapter.

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 Annual Reports and Accounts as at 31 December 2024, 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.

4 FSB press release link: https://www.fsb.org/2023/11/2023-list-of-global-systemically-important-banks-g-sibs/. The list of Global Systemically Important Banks (G-SIBs) is updated annually by the FSB.
5 Templates: Key metrics (EU KM2); Composition of Own Funds and Eligible Liabilities (EU TLAC1); Creditor ranking (EU TLAC3a).
6 Information provided until 31 December 2023 in the Template EU CCA.
7 Information are provided in the following templates: (i) EU KM2 (semiannual frequency); (ii) EU TLAC1 (annual frequency); (iii) EU TLAC3a (annual frequency).

Regulatory framework and key metrics

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;
- in the "Sustainability statements" within the 2024 Annual Reports and Accounts, according to Corporate Sustainability Reporting Directive (CSRD);
- 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, a 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.

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;
  - 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 for identification of the systemically important banks[8], are 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).

8 In this regard, refer to Highlights paragraph in the present chapter, relating to the removal of UniCredit S.p.A. from the list of global systemically important banks (G-SIBs).

Regulatory framework and key metrics

Key metrics

Template EU KM1 - Key metrics

(€ million)

DESCRIPTION		a 31.12.2024	b 30.09.2024	c 30.06.2024	d 31.03.2024	e 31.12.2023
	Available Own Funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	44,221	45,123	45,181	45,737	45,913
2	Tier 1 capital	49,176	50,063	49,126	50,579	50,756
3	Total capital	56,554	57,447	57,933	59,354	59,472
	Risk-weighted exposure amounts					
4	Risk-weighted exposure amount	277,093	277,843	276,889	279,606	284,548
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	15.96%	16.24%	16.32%	16.36%	16.14%
6	Tier 1 ratio (%)	17.75%	18.02%	17.74%	18.09%	17.84%
7	Total capital ratio (%)	20.41%	20.68%	20.92%	21.23%	20.90%
	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%	2.00%	2.00%
EU 7b	Of which: to be made up of CET1 capital (%)	1.13%	1.13%	1.13%	1.13%	1.13%
EU 7c	Of which: to be made up of Tier 1 capital (%)	1.50%	1.50%	1.50%	1.50%	1.50%
EU 7d	Total SREP own funds requirements (%)	10.00%	10.00%	10.00%	10.00%	10.00%
	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 (%)	0.46%	0.44%	0.46%	0.44%	0.42%
EU 9a	Systemic risk buffer (%)	0.20%	0.03%	0.03%	0.03%	0.03%
10	Global Systemically Important Institution buffer (%)	-	-	-	-	1.00%
EU 10a	Other Systemically Important Institution buffer (%)	1.50%	1.50%	1.50%	1.50%	-
11	Combined buffer requirement (%)	4.66%	4.47%	4.50%	4.47%	3.95%
EU 11a	Overall capital requirements (%)	14.66%	14.47%	14.50%	14.47%	13.95%
12	CET1 available after meeting the total SREP own funds requirements (%)	10.25%	10.52%	10.24%	10.59%	10.34%
	Leverage ratio					
13	Leverage ratio total exposure measure	878,288	898,611	890,635	903,078	877,572
14	Leverage ratio	5.60%	5.57%	5.52%	5.60%	5.78%
	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%
EU 14e	Overall leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.50%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value-average)	162,603	163,010	161,470	165,090	171,625
EU 16a	Cash outflows - Total weighted value	166,295	165,211	164,109	164,482	165,723
EU 16b	Cash inflows - Total weighted value	53,592	52,769	53,444	53,717	54,236
16	Total net cash outflows (adjusted value)	112,703	112,442	110,665	110,766	111,488
17	Liquidity Coverage Ratio (%)	144%	145%	146%	149%	154%
	Net Stable Funding Ratio					
18	Total available stable funding	537,152	531,434	531,089	530,644	532,285
19	Total required stable funding	419,551	411,344	411,650	410,990	408,840
20	NSFR ratio (%)	128%	129%	129%	129%	130%

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 the requirements reported in the rows 10, EU 10a, EU 14d, EU 14e, refer to Regulatory framework chapter, Highlights paragraph, regarding the removal of UniCredit S.p.A. from the list of global systemically important banks (G-SIBs).

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 annually, 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)/ANNUAL REPORTS AND ACCOUNTS AS AT 31.12.2024 (AR)/EXTERNAL DOCUMENTS	
435	Risk management objectives and policies	Table EU OVA Table EU OVB Table EU CRA Table EU MRA Table EU LIQA Table EU ORA	AR	Notes to the consolidated accounts - Part E Information on risks and related hedging policies:
				Introduction
				Section 2 Risks of the prudential consolidated perimeter:
				2.1 Credit risk 1. General aspects - Credit strategies 2. Credit risk management policies - 2.1 Organisational aspects - 2.2 Credit risk management, measurement and control - 2.4 Credit risk mitigation techniques
				2.2 Market risks
				2.4 Liquidity risk
				2.5 Operational risks - A. General aspects, operational processes and methods for measuring operational risk
				2.6 Other risks - Other risks included in Economic Capital
			website	"Report on corporate governance and ownership structure" document on UniCredit website (https://www.unicreditgroup.eu/en/governance/our-governance-system.html)
436	Scope of application	Table EU LIB	AR	Notes to the consolidated accounts - Part A Accounting Policies - A.1 General - Section 3 Consolidation scope and methods - 4. Significant restrictions
			P3	Annex 3 - Template EU LI3 - Outline of the differences in the scopes of consolidation
		Table EU LIA Template EU LI1 Template EU LI2 Template EU PV1	P3	Scope of application
		Template EU LI3	P3	Annex 3 - Template EU LI3 - Outline of the differences in the scopes of consolidation
437	Own Funds	Template EU CC1 Template EU CC2	P3	Own Funds
		Template EU CCA	website	Annex 1 - Template EU CCA - Main features of regulatory Own Funds 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 (article 437) 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 KM1	P3	Regulatory framework and key metrics
		Template EU OV1 Template EU CR10		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
		Table EU OVC	AR	Notes to the consolidated accounts - Part E Information on risks and related hedging policies - Introduction - Internal Capital Adequacy Assessment Process ("ICAAP") and Risk Appetite
439	Exposure to counterparty credit risk	Table EU CCRA Template EU CCR1 Template EU CCR2 Template EU CCR3 Template EU CCR4 (AIRB and FIRB) Template EU CCR5 Template EU CCR6 Template EU CCR8	P3	Credit risk - Counterparty risk exposure
440	Countercyclical capital buffers	Template EU CCyB2 Template EU CCyB1	P3	Own Funds - Countercyclical capital buffers
441	Indicators of global systemic importance		N/A	Not applicable as, starting from January 2024, UniCredit S.p.A. was removed from the list of global systemically important banks (G-SIBs). Disclosures to be provided for identification of the systemically important banks here: https://www.unicreditgroup.eu/en/investors/financial-reporting/financial-reports.html

Regulatory framework and key metrics

CRR2 ARTICLE	CONTENT	REG. (EU) 2021/637 AND SUBSEQUENT AMENDMENT REFERENCE (*)	REFERENCE TO THE PRESENT DOCUMENT (P3)/ANNUAL REPORTS AND ACCOUNTS AS AT 31.12.2024 (AR)/EXTERNAL DOCUMENTS	
442	Exposures to credit risk and dilution risk	Template EU CQ1 Template EU CQ3 Template EU CQ4 Template EU CQ5 Template EU CQ7 Template EU CR1 Template EU CR2 Template EU CR1-A	P3	Credit risk - Non-performing and forborne exposures
		Table CRB	AR	Notes to the consolidated accounts - Part E Information on risks and related hedging policies - Section 2 Risks of the prudential consolidated perimeter - 2.1 Credit risk - 3. Non-performing credit exposures - 3.1 Management strategies and policies
				Notes to the consolidated accounts - Part E Information on risks and related hedging policies - Section 2 Risks of the prudential consolidated perimeter - 2.1 Credit risk - 2.3 Measurement methods for expected losses - 2.3.2 Non-performing exposures
443	Encumbered and unencumbered assets	Template EU AE1 Template EU AE2 Template EU AE3 Table EU AE4	P3	Liquidity risk - Encumbered and unencumbered assets
444	Use of the standardised approach	Table EU CRD Template EU CR4 Template EU CR5	P3	Credit risk - Use of standardised approach
445	Exposure to market risk	Template EU MR1	P3	Own Funds requirements and risk-weighted exposure amounts
446	Operational risk management	Table EU ORA	AR	Notes to the consolidated accounts - Part E Information on risks and related hedging policies - Section 2 Risks of the prudential consolidated perimeter - 2.5 Operational risks - A. General aspects, operational processes and methods for measuring operational risk
		Template EU OR1	P3	Operational risk
447	Key metrics	Template EU KM1	P3	Regulatory framework and key metrics
448	Exposure to interest rate risk on positions not held in the trading book	Template EU IRRBB1	P3	Market risk - Exposures to interest rate risk on positions not held in the trading book
449	Exposure to securitisation positions	Table EU SECA Template EU SEC1 Template EU SEC2 Template EU SEC3 Template EU SEC4 Template EU SEC5	P3	Securitisation exposures
449a	Environmental, Social and Governance risks (ESG)	Table 1, 2 and 3 Template 1, 2, 3, 4, 5, 6, 7, 8 and 10	P3	Environmental, Social and Governance risks (ESG)
450	Remuneration policy	Table EU REMA Template EU REM1 Template EU REM2 Template EU REM3 Template EU REM4 Template EU REM5	website	Remuneration section on Group website (https://www.unicreditgroup.eu/en/governance/compensation.html)
451	Leverage ratio	Table LRA Template EU LR1 Template EU LR3 Template EU LR2	P3	Leverage

Regulatory framework and key metrics

CRR2 ARTICLE	CONTENT	REG. (EU) 2021/637 AND SUBSEQUENT AMENDMENT REFERENCE (*)	REFERENCE TO THE PRESENT DOCUMENT (P3)/ANNUAL REPORTS AND ACCOUNTS AS AT 31.12.2024 (AR)/EXTERNAL DOCUMENTS	
451a	Liquidity requirements	Template EU LIQ1 Table EU LIQB	P3	Liquidity risk - Liquidity Coverage Ratio
		Template EU LIQ2		Liquidity risk - Net Stable Funding Ratio
		Table EU LIQA	AR	Notes to the consolidated accounts - Part E Information on risks and related hedging policies - Section 2 Risks of the prudential consolidated - 2.4 Liquidity risk
452	Use of the IRB Approach to credit risk	Table EU CRE Template EU CR9 (AIRB and FIRB) Template EU CR6 (AIRB and FIRB) Template EU CR6-A	P3	Credit risk - Use of the IRB approach
453	Use of credit risk mitigation techniques	Template EU CR7 Template EU CR7-A (AIRB and FIRB) Template EU CR3	P3	Credit risk - Use of risk mitigation techniques (CRM)
		Template EU CR4		Credit risk - Use of standardised approach
		Table EU CRC	AR	Notes to the consolidated accounts - Part E Information on risks and related hedging policies - Section 2 Risks of the prudential consolidated perimeter - 2.1 Credit risk - 2. Credit risk management policies - 2.4 Credit risk mitigation techniques
454	Use of the Advanced Measurement Approaches to operational risk	Table EU ORA	AR	Notes to the consolidated accounts - Part E Information on risks and related hedging policies - Section 2 Risks of the prudential consolidated perimeter - 2.5 Operational risks - A. General aspects, operational processes and methods for measuring operational risk
		Template EU OR1	P3	Operational risk
455	Use of internal market risk models	Template EU MR2-A Template EU MR3	P3	Market risk - Exposure and use of internal models
		Template EU MR4 Table EU MRB	AR	Notes to the consolidated accounts - Part E Information on risks and related hedging policies - Section 2 Risks of the prudential consolidated perimeter - 2.2. Market risks

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".
- With reference to the CRR article 437a and Commission Implementing Regulation (EU) 2024/1618 amending Implementing Regulation (EU) 2021/763 (on Minimum requirement for own funds and eligible liabilities) requirements, refer to Regulatory framework chapter, Highlights paragraph, regarding the removal of UniCredit S.p.A. from the list of global systemically important banks (G-SIBs).
- The following templates are not published as not applicable for the Group as at 31 December 2024:
  - templates required with semiannual frequency: EU CR10.3, EU CR10.4, EU SEC2, EU CQ2, EU CQ6, EU CQ8, while EU CR2a has been replaced, starting from 30 June 2024, by EU CR2 (according to the requirements in terms of disclosure obligations in the presence of a Non Performing Loan (NPL) ratio < 5%);
  - templates required with annual frequency: EU INS1, EU INS2 EU CR9.1.
- The disclosure, required on voluntary basis starting from 31 December 2024, related to template 9 ESG (BTAR information) is not published.

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) 2024/1618 amending Implementing Regulation (EU) 2021/763 laying down implementing technical standards for the application of Regulation (EU) 2013/575 and Directive 2014/59/EU with regard to the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities (including 2024/90490 Corrigendum)	EU KM2 EU TLAC1 EU TLAC3a
EBA/GL/2020/12 - Guidelines amending Guidelines EBA/GL/2018/01 on uniform disclosures under article 473a of Regulation (EU) No 575/2013 (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.
Considering the adoption of the Capital Requirements Regulation (CRR) in 2014 and the extension/harmonisation of disclosures across Europe over time, the CRR/EBA requirements cover a larger part of the EDTF requests, with the exception of the recommendations No.21 and 22 for which specific information is provided, on a quarterly and half-yearly basis, respectively.

EDTF RECOMMENDATION	REFERENCE TO THE PRESENT DOCUMENT (P3)/ANNUAL REPORTS AND ACCOUNTS AS AT 31.12.2024 (AR)		SECTION/PARAGRAPH/TEMPLATE
General recommendations			
1.Disclosure - Indexing of risk information	P3	Index	The present disclosure represents the document where all related risk information is reported including reference to other report or means of disclosures
2.Disclosure - Risk terminology & measures	P3	Glossary	A Glossary chapter is included at the end of this document. Specific parameters and definitions are found in the single risks' sections
3.Top and emerging risks	AR	Notes to the consolidated accounts Part E - Information on risks and related hedging policies	Section 2 - Risks of the prudential consolidated perimeter - 2.6 Other risks - Top and emerging risks
4.New key regulatory ratio	P3	Regulatory framework and key metrics	Template EU KM1
Risk governance & risk management strategies/business model			
5.Risk management organization	AR	Notes to the consolidated accounts Part E - Information on risks and related hedging policies	Introduction Section 2 - Risks of the prudential consolidated perimeter: 2.1 Credit risk Qualitative information: 1. General aspects 2. Credit risk management policies 2.2 Market risks 2.4 Liquidity risk 2.5 Operational risks - A. General aspects, operational processes and methods for measuring operational risk
6.Risk management Risk culture	AR	Notes to the consolidated accounts Part E - Information on risks and related hedging policies	Introduction - Risk Culture in UniCredit group
7.Risk management and business model	AR	Notes to the consolidated accounts Part E - Information on risks and related hedging policies	Introduction Section 2 - Risks of the prudential consolidated perimeter - 2.6 Other risks - Other risks included in Economic Capital (Business, Real estate, Financial investment); Reputational risk
		Notes to the consolidated accounts Part L - Segment Reporting	Section A. Primary segment - Template A.2 - Breakdown by business segment: balance sheet amounts and RWEA
	web site	Section Group Results (https://www.unicreditgroup.eu/en/investors/financial-reporting/group-results.html)	Divisional database (document in excel format)
8.Stress testing disclosures	AR	Notes to the consolidated accounts Part E - Information on risks and related hedging policies	Section 2 - Risks of the prudential consolidated perimeter: 2.1 Credit risk - Qualitative information 2.2 Market risks 2.4 Liquidity risk 2.5 Operational risks
	P3	Credit risk	Counterparty risk exposure
Capital adequacy and risk-weighted assets			
9.Capital surcharges & buffers	P3	Own Funds requirements and risk weighted exposure amounts	Template EU OV1
10.Regulatory capital - summary and reconciliation	P3	Own Funds	Templates: EU CC2 EU CC1

Regulatory framework and key metrics

EDTF RECOMMENDATION	REFERENCE TO THE PRESENT DOCUMENT (P3)/ANNUAL REPORTS AND ACCOUNTS AS AT 31.12.2024 (AR)		SECTION/PARAGRAPH/TEMPLATE
11.Regulatory capital - changes over time	P3	Own Funds	Template EU CC1
12.Capital planning - targeted level of capital	AR	Notes to the consolidated accounts Part F - Consolidated shareholders' equity	Section 1 - Consolidated Shareholders' Equity
		Consolidated report on operations	Group results - Capital and value management - Capital strengthening
13.RWEAs and business activities	web site	Section Group Results (https://www.unicreditgroup.eu/en/investors/financial-reporting/group-results.html)	Divisional database (document in excel format)
14.RWEA calculation method and models	P3	Own Funds requirements and risk weighted exposure amounts	Template EU OV1
		Credit risk	Use of the IRB approach
		Market risk	Exposure and use of internal models
	AR	Notes to the consolidated accounts Part E - Information on risks and related hedging policies	Section 2 - Risks of the prudential consolidated perimeter: 2.2 Market risks 2.5 Operational risks - A. General aspects, operational processes and methods for measuring operational risk
15.RWEA - IRB RWEAs by internal rating grade	P3	Credit risk	Use of the IRB approach - Rating Group Master Scale Template
16.RWEA - Changes overtime	P3	Own Funds requirements and risk weighted exposure amounts	Template EU OV1
	web site	Section Group Results (https://www.unicreditgroup.eu/en/investors/financial-reporting/group-results.html)	Divisional database (document in excel format)
17.RWEA - Backtesting	P3	Credit risk	Use of the IRB approach: Expected loss versus actual loss comparison Template EU CR9
Liquidity			
18.Liquidity	AR	Notes to the consolidated accounts Part E - Information on risks and related hedging policies	Section 2 - Risks of the prudential consolidated perimeter - 2.4 Liquidity risk
		Part A - Accounting policies	A.1 General - Section 3 Consolidation scope and methods - 4. Significant restrictions
	P3	Liquidity risk	Liquidity Buffer and Funding Strategies
19.Funding - Asset encumbrance	P3	Liquidity risk	Encumbered and unencumbered assets
Funding			
20.Funding - Maturity Analysis	P3	Market risk	Exposures to interest rate risk on positions not held in the trading book
	AR	Notes to the consolidated accounts Part E - Information on risks and related hedging policies	Section 2 - Risks of the prudential consolidated perimeter - 2.4 Liquidity risk - Time breakdown by contractual residual maturity of financial assets and liabilities template
21.Funding - Funding strategy	AR	Notes to the consolidated accounts Part E - Information on risks and related hedging policies	Section 2 - Risks of the prudential consolidated perimeter - 2.4 Liquidity risk
	P3	Liquidity risk	Liquidity Buffer and Funding Strategies
Market risk			
22.Market risk - linkages with positions included in the market risk disclosures	P3	Market risk	Exposure and use of internal models: Risk measures Template Link between market risk metrics and balance sheet items
23.Market risk - other significant risk factors	AR	Notes to the consolidated accounts Part E - Information on risks and related hedging policies	Section 2 - Risks of the prudential consolidated perimeter - 2.2 Market risks
24.Market risk - Model disclosures			
25.Market risk - techniques to assess the risk of loss beyond reported risk measures and parameters			

Regulatory framework and key metrics

EDTF RECOMMENDATION	REFERENCE TO THE PRESENT DOCUMENT (P3)/ANNUAL REPORTS AND ACCOUNTS AS AT 31.12.2024 (AR)		SECTION/PARAGRAPH/TEMPLATE
Credit risk			
26.Credit risk - Overall credit risk profile and credit risk concentrations	AR	Notes to the consolidated accounts Part E - Information on risks and related hedging policies	Section 2 - Risks of the prudential consolidated perimeter - Information on Sovereign Exposures
	P3	Credit risk	EU CR1-A EU CR2 EU CQ4 EU CQ5
27.Credit risk - Impaired/NPLs policies	AR	Notes to the consolidated accounts Part E - Information on risks and related hedging policies	Section 2 - Risks of the prudential consolidated perimeter - 2.1. Credit risk - Qualitative information: 3. Non-performing credit exposures - 3.1 Management strategies and policies 4. Financial assets subject to commercial renegotiations and forborne exposures
		Notes to the consolidated accounts Part A - Accounting policies	Section A.2 Main items of the accounts - 3 Financial assets at amortised cost
	P3	Credit risk	Template EU CR1
28.Credit risk - Impaired/NPLs opening and closing balances	P3	Credit risk	Template EU CR2
	AR	Notes to the consolidated accounts Part E - Information on risks and related hedging policies	Section 2 - Risks of the prudential consolidated perimeter - 2.1. Credit risk - Qualitative information - 4. Financial assets subject to commercial renegotiations and forborne exposures
		Notes to the consolidated accounts Part B - Consolidated balance sheet - Assets	Section 4 - Financial assets at amortised cost - Item 40 (Template Financial assets at amortised cost: breakdown by product of loans and advances to banks and Template Financial assets at amortised cost: breakdown by product of loans and advances to customers)
29.Credit risk - Derivatives exposure	P3	Credit risk	Counterparty risk exposure
	AR	Notes to the consolidated accounts Part B - Consolidated balance sheet - Liabilities	Section Other information: Table 6. Financial assets subject to accounting offsetting or under master netting agreements and similar agreements Table 7. Financial liabilities subject to accounting offsetting or under master netting agreements and similar agreements
		Notes to the consolidated accounts Part E - Information on risks and related hedging policies	Section 2 - Risks of the prudential consolidated perimeter: 2.1 Credit risk - Information on structured trading derivatives with customers 2.3 Derivative instruments and hedging policies - paragraphs 2.3.1 Trading financial derivatives, 2.3.2 Hedging policies - Quantitative information and 2.3.3 Other information on derivatives instruments (trading and hedging)
30.Credit risk mitigation	P3	Credit risk	Use of risk mitigation techniques (CRM) - Template EU CR3 Counterparty risk exposure

Regulatory framework and key metrics

EDTF RECOMMENDATION	REFERENCE TO THE PRESENT DOCUMENT (P3)/ANNUAL REPORTS AND ACCOUNTS AS AT 31.12.2024 (AR)		SECTION/PARAGRAPH/TEMPLATE
Other risks			
31.Other risks - Risk types and risk management	AR	Notes to the consolidated accounts Part E - Information on risks and related hedging policies	Introduction Section 2 - Risks of the prudential consolidated perimeter: 2.5 Operational risks - A. General aspects, operational processes and methods for measuring operational risk 2.6 Other risks
32.Other risks - Publicly known risk events	AR	Notes to the consolidated accounts Part E - Information on risks and related hedging policies	Section 2 - Risks of the prudential consolidated perimeter: 2.5 Operational risks - B. Legal Risks, C. Risks arising from employment law cases and D. Risks arising from tax disputes 2.6 Other risks - Top and emerging risks

Note:
With reference to recommendation No.26, the Information on Sovereign exposures is provided according to the scope of the Consolidated Report and Accounts of UniCredit Group as at 31 December 2024, determined under IAS/IFRS.

Scope of application

Name of the bank to which the disclosure requirements apply
UniCredit S.p.A., parent company of "UniCredit" banking group registered in the Register of Banking Groups.

Outline of the differences in the basis of consolidation for accounting and prudential purposes
In this section of the disclosure the prudential scope of consolidation of the UniCredit group is reported.
The scope of consolidation is determined according to the prudential regulations and differs from the scope of the Consolidated financial statements, determined under IAS/IFRS, with consequent differences between the financial data disclosed in this document and the ones included in the Consolidated financial statements at the same date.

Such different treatments are disclosed in the Annex 3 - Template “EU LI3 - Outline of the differences in the scopes of consolidation”:
- Consolidated entities:
  - banking, financial and instrumental companies directly or indirectly controlled by UniCredit S.p.A. to which the line-by-line consolidation method is applied;
  - banking, financial and instrumental companies in which UniCredit S.p.A. holds, directly or indirectly, a 20% stake or more, when they are jointly controlled with other entities and/or according to agreements signed with them; to these subsidiaries the proportional consolidation method is applied;
  - other banking, financial and instrumental companies in which UniCredit S.p.A. holds, directly or indirectly, a 20% stake or more or anyway subject to significant influence, to which the equity method is applied;
  - companies, other than banking, financial and instrumental companies, directly or indirectly controlled by UniCredit S.p.A., exclusively or jointly, or subject to significant influence, to which the equity method is applied.
- Entities subject to the treatment for Own funds pursuant to articles 46 and 48 of CRR: companies of the financial sector in which a non-significant/significant shareholding is owned, subject to deduction from Own Funds.

This disclosure, which refers to the consolidated data, as at 31 December 2024 excludes (refer also to Annex 3 - Template “Names of all subsidiaries not included in the basis of consolidation and aggregate amount of their capital deficiencies with respect to any mandatory capital requirements.”):
- No.134 subsidiaries (of which No.19 belonging to the Banking Group);
- No.6 associates;
- No.319 minority interests included in the “Financial assets mandatorily at fair value” or “Financial assets at fair value through other comprehensive income” portfolios.

The aforementioned subsidiaries and associates’ companies have not been consolidated line by line or with equity method mainly for materiality reasons and/or for the starting of the related liquidation procedures.

In the Annex 3 - Template “EU LI3 - Outline of the differences in the scopes of consolidation” to the present document the following information are reported:
- basis of consolidation for accounting and prudential purposes as at 31 December 2024;
- names of all subsidiaries not included in the basis of consolidation and aggregate amount of their capital deficiencies with respect to any mandatory capital requirements.

Scope of application

Application of disclosure requirements on a consolidated basis and on significant subsidiaries

In accordance with the articles. 13 of the Regulation (EU) 575/2013 (CRR) and subsequent amendments, UniCredit group, as an “EU parent institutions”, complies with the obligations laid down in Part Eight based on its consolidated situation.
Moreover, the large subsidiaries and those of material significance for their local market disclosing the information specified in articles 437, 438, 440, 442, 450, 451, 451a and 453 (on individual or sub-consolidated basis), are the following:

- Disclosure on individual basis:
  - UniCredit Banka Slovenija DD;
  - Alpha Bank Romania S.A.

- Disclosure on sub-consolidated basis:
  - UniCredit Bank GmbH[9];
  - UniCredit Bank Austria AG;
  - Zagrebačka Banka DD;
  - UniCredit Bulbank AD;
  - UniCredit Bank Czech Republic and Slovakia, a.s.;
  - UniCredit Bank Hungary Zrt;
  - UniCredit Bank S.A. (Romania).

9 Legal entity which changed the company name in December 2023 (ex UniCredit Bank GmbH).

Scope of application

Template EU LI1 - Differences between the accounting and prudential scope of consolidation and mapping of financial statements categories with regulatory risk categories

(€ million)

		a	b	c	d	e	f	g
				CARRYING VALUES OF ITEMS (**)				
	DESCRIPTION	CARRYING VALUES AS REPORTED IN PUBLISHED FINANCIAL STATEMENTS (*)	CARRYING VALUES UNDER SCOPE OF PRUDENTIAL CONSOLIDATION (*)	SUBJECT TO THE CREDIT RISK FRAMEWORK	SUBJECT TO THE CCR FRAMEWORK	SUBJECT TO THE SECURITISATION FRAMEWORK	SUBJECT TO THE MARKET RISK FRAMEWORK (***)	NOT SUBJECT TO OWN FUNDS REQUIREMENTS OR SUBJECT TO DEDUCTION FROM OWN FUNDS (****)
	Breakdown by asset clases according to the balance sheet in the published financial statements							
1	Cash and cash balances	41,442	41,440	41,440	-	-	-	-
2	Financial assets at fair value through profit or loss:	61,677	61,651	6,459	28,755	106	55,011	74
3	*a) Financial assets held for trading*	*55,083*	*55,083*	-	*28,596*	*72*	*55,011*	-
4	*a.1) Reverse Repos*	*262*	*262*	-	*262*	-	*262*	-
5	*a.2) Derivatives instruments*	*27,147*	*27,148*	-	*27,076*	*72*	*27,076*	-
6	*b) Financial assets designated at fair value*	*247*	*247*	*247*	*20*	-	-	-
7	*c) Other financial assets mandatorily at fair value*	*6,347*	*6,321*	*6,212*	*139*	*35*	-	*74*
8	Financial assets at fair value through other comprehensive income	78,019	78,019	77,192	18,929	827	-	-
9	Financial assets at amortised cost:	563,167	563,586	471,419	68,062	47,656	-	277
10	*a) Loans and advances to banks*	*66,540*	*66,540*	*36,366*	*30,174*	-	-	-
11	*a.1) Reverse Repos*	*30,174*	*30,174*	-	*30,174*	-	-	-
12	*b) Loans and advances to customers*	*496,626*	*497,046*	*435,053*	*14,060*	*47,656*	-	*277*
13	*b.1) Reverse Repos*	*14,060*	*14,060*	-	*14,060*	-	-	-
14	Hedging derivatives	1,351	1,351	-	1,351	-	-	-
15	Changes in fair value of portfolio hedged items (+/-)	(1,702)	(1,702)	-	-	-	-	(1,702)
16	Equity investments	4,393	4,482	3,935	-	-	-	547
17	Insurance reserves charged to reinsurers	-	-	-	-	-	-	-
18	Property, plant and equipment	8,794	8,192	8,192	-	-	-	-
19	Intangible assets	2,229	2,228	720	-	-	-	1,492
20	*of which: goodwill*	*38*	*38*	-	-	-	-	*38*
21	Tax assets:	10,273	10,266	6,429	-	-	-	4,100
22	*a) current*	*685*	*682*	*682*	-	-	-	-
23	*b) deferred*	*9,588*	*9,584*	*5,747*	-	-	-	*4,100*
24	Non-current assets and disposal groups classified as held for sale	394	362	362	-	-	-	-
25	Other assets	13,967	14,096	14,060	-	-	-	36
26	**Total assets**	**784,004**	**783,972**	**630,208**	**117,097**	**48,590**	**55,011**	**4,825**
	Breakdown by liability classes according to the balance sheet in the published financial statements							
1	Financial liabilities at amortised cost:	659,598	659,618	-	53,171	-	-	606,447
2	*a) Deposits from banks*	*67,919*	*67,884*	-	*29,566*	-	-	*38,318*
3	*a.1) Repos*	*29,566*	*29,566*	-	*29,566*	-	-	-
4	*b) Deposits from customers*	*500,970*	*501,025*	-	*23,605*	-	-	*477,420*
5	*b.1) Repos*	*23,605*	*23,605*	-	*23,605*	-	-	-
6	*c) Debt securities in issue*	*90,709*	*90,709*	-	-	-	-	*90,709*
7	Financial liabilities held for trading	31,349	31,349	-	24,095	-	31,349	-
8	*a) Derivatives instruments*	*24,095*	*24,095*	-	*24,095*	-	*24,095*	-
9	*b) Repos*	-	-	-	-	-	-	-
10	Financial liabilities designated at fair value	13,746	13,746	-	-	-	-	13,746
11	Hedging derivatives	1,112	1,112	-	1,112	-	-	-
12	Value adjustment of hedged financial liabilities (+/-)	(9,247)	(9,247)	-	-	-	-	(9,247)
13	Tax liabilities:	1,708	1,668	-	-	-	-	1,645
14	*a) current*	*1,456*	*1,454*	-	-	-	-	*1,454*
15	*b) deferred*	*252*	*214*	-	-	-	-	*191*
16	Liabilities associated with assets classified as held for sale	0	0	-	-	-	-	-
17	Other liabilities	14,686	14,681	-	-	-	-	14,681
18	Provision for employee severance pay	294	294	-	-	-	-	294
19	Provisions for risks and charges	7,916	7,899	-	-	-	-	7,899
20	**Total liabilities**	**721,163**	**721,122**	**-**	**78,378**	**-**	**31,349**	**635,466**

Notes:

(*)

The differences between the amounts under the columns a) and b) substantially depend on the composition of IAS/IFRS versus regulatory perimeters (ref. Annex 3 - Template EU LI3 - Outline of the differences in the scopes of consolidation).

Shareholder's equity items are not reported among the balance sheet liabilities of this template as they are already disclosed in template EU CC2 - Reconciliation of regulatory Own Funds to balance sheet in the audited financial statements, of the chapter Own Funds of the present document.

Scope of application

(**)
The allocation of the amount in column b) across columns from c) to g) is based on the following approach:
- for balance sheet assets' items such amount depends on the risk categories, they may be subject to, including also those items which do not involve capital requirement;
- for balance sheet liabilities' items such amount includes the amount of liabilities relevant for the calculation of risk-weighted assets or for offsetting balance sheet assets' items;
- The sum of amounts disclosed in columns from c) to g) may be different than the total amount in column b) for the following reasons:
  - some items may be subject to capital requirements for more than one risk under the regulatory framework (e.g. derivative instruments, repos and reverse repos classified in item "Financial assets held for trading");
  - with reference to tax assets and liabilities the amounts disclosed in columns c) and g), they are calculated net of deferred tax liabilities according to CRR netting rules, which are different from the accounting netting rules reflected into the carrying values under column b).

(***)
The amount disclosed in column f) does not correspond to the amount under column "VaR perimeter" of the template "Link between market risk metrics and Balance sheet items" under the chapter Market risk of the present document, as carrying values reported in such template are referred to the accounting (IFRS) perimeter.

(****)
The amount of Total Assets disclosed under the column g) equal to €4,825 million includes:
- the item "Changes in fair value of portfolio hedged items" equal to -€1,702 million not subject to capital requirements;
- for items under the balance sheet assets side, the ones subject to deduction from Own Funds for a total amount of €6,527 million, that is different than the sum of items 8, 10, 15, 19, EU-20a, 22, 55, of template EU CC1 - Composition of regulatory Own Funds, under the section "Own Funds" of the present document, for an amount equal to €174 million due to the deduction related to the insufficient coverage for non-performing exposures according to article 36(m) reported in item 27a - "Other regulatory adjustments";
- for item "Intangible Assets" equal to €1,492 million reflect the deduction (i) for software assets in line with article 36(1) (b) of CRR and it is represented net of deferred tax liabilities (equal to €16 million) for reducing the amount of deduction (ii) goodwill equal to €38 million related to the acquisition of 90.1% of Alpha Bank Romania S.A. by UniCredit S.p.A.;
- for items under the balance sheet liabilities side, (i) the liabilities which are not included in the regulatory framework for risk-weighted assets (for a total amount equal to €635,466 million), (ii) the amount of deferred tax liabilities (equal to €192 million) are used for reducing the amount deferred tax assets which rely on future profitability and do not arise from temporary differences which are subject to deduction from Own Funds.

Scope of application

Template EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements

(€ million)

		a	b	c	d	e
			ITEMS SUBJECT TO			
	DESCRIPTION	TOTAL (*)	CREDIT RISK FRAMEWORK	SECURITISATION FRAMEWORK	CCR FRAMEWORK	MARKET RISK FRAMEWORK
1	**Assets carrying value amount under the scope of prudential consolidation (as per template LI1) (**)**	**795,894**	**630,207**	**48,590**	**117,097**	**55,011**
2	**Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1) (***)**	**78,378**	**-**	**-**	**78,378**	**31,349**
3	**Total net amount under the scope of prudential consolidation (****)**	**795,894**	**630,207**	**48,590**	**117,097**	**55,011**
4	**Off-balance-sheet amounts**	**365,141**	**365,141**	**-**	**-**	
5	*Differences in valuations*	*(353)*	*(353)*	-	-	
6	*Differences due to different netting rules, other than those already included in row 2 (A)*	*(72,439)*	-	-	*(72,439)*	
7	*Differences due to consideration of provisions (B)*	*8,160*	*8,160*	-	-	
8	*Differences due to the use of credit risk mitigation techniques (CRMs) (C)*	*(2,893)*	*(2,893)*	-	-	
9	*Differences due to credit conversion factors*	*(262,511)*	*(262,511)*	-	-	
10	*Differences due to Securitisation with risk transfer (D)*	*3,539*	-	*3,539*	-	
11	*Other differences (E)*	*(36,415)*	*(34,195)*	*(2,220)*	-	
12	**Exposure amounts considered for regulatory purposes (*****)**	**798,123**	**703,556**	**49,909**	**44,658**	**3,171**

EU LIA - Explanations of differences between accounting and regulatory exposure amounts (notes referred to the template above)

This template provides the reconciliation between (i) the carrying value amount under the scope of regulatory consolidation (as reported in template EU LI1), and (ii) the exposure amount considered for regulatory purposes (i.e. EAD) for the exposures subject to credit risk, securitisation framework, CCR and market risk.

(*)
With reference to the column a), the amounts correspond to the carrying value under the regulatory scope of consolidation calculated as sum of column from b) to d) of this template, while amount reported in column e) related to carrying values subject to the market risk framework is not included.

(**)
With reference to the row 1, the amounts disclosed in columns from b) to e) correspond to the carrying value under the scope of regulatory consolidation of the balance sheet assets, as reported in columns from c) to f) of template EU LI1 in the present section.

(***)
With reference to the row 2, the amounts disclosed under the columns from b) to e) correspond to the carrying value under the scope of regulatory consolidation of the balance sheet liabilities reported respectively under the columns from c) to f) of template EU LI1 in the present section.

(****)
The amount disclosed in row 3 coincides with the row 1 since any applicable on-balance sheet netting of assets and liabilities are already reflected in the amounts reported in row 1.

(*****)
The amount disclosed in row 12, column e) refers only to the “Positions subject to capital charge” for market risk position under the Standardised Approach. It is worth mentioning that it does not include the exposures subject to market risk under Internal Model for which EAD is not strictly applicable.

Scope of application

A.
The negative change related to the row “**Differences due to different netting rules, other than those already included in row 2**” mainly refers to the following effects recognised in the calculation of the exposure amount for derivatives and SFTs considered for regulatory purposes (i.e. EAD) according to CRR:
- recognition of master netting agreements;
- offsetting with collateral on OTC derivatives;
- inclusion of derivatives with negative fair value booked among balance sheet liabilities and repos in the perimeter for counterparty risk;
- recognition of collateral under the financial collateral comprehensive method for SFT;
- use of EEPE models and SA-CCR approach for EAD calculation.

B.
The positive change related to the row “**Differences due to consideration of provisions**” refers to the recognition of credit risk adjustments (i.e. LLP) in the calculation of EAD for exposures under IRB methods.

C.
The negative change related to the row “**Differences due to the use of credit risk mitigation techniques (CRMs)”** refers to the recognition Credit risk mitigation techniques affecting the exposure amount.

D.
The positive change related to the row “**Differences due to Securitisation with risk transfer**” mainly refers to:
- securitisation positions where Group acts as a sponsor:
  Adopting the line-by-line consolidation method, the following items are recognised in the consolidated accounts:
  - assets held by consolidated vehicles in place of the loans provided to them or the liabilities subscribed by Group companies, now eliminated on consolidation;
  - loans to purchase companies for non-consolidated subordinated vehicles.
    With respect to non-consolidated Purchase companies, the Consolidated financial statements, while not including the assets recorded in their books, show the maximum amount of the risk borne by the Group which, with respect to purchase companies wholly financed by the consolidated conduits, corresponds to the value of the assets of these purchase companies.
    Under a regulatory perspective, the risk is measured on liquidity facility provided to each purchase companies within the ABCP Conduit Program (for more details please refer to the chapter “Securitisation Exposures” of the present document);
- credit risk mitigation techniques affecting the exposure amount.

E.
The negative change related to the row “**Other differencies**” mainly refers to differences related to the credit risk framework and securitisation framework:
- collateral posted for OTC derivatives with negative fair value subject to master netting agreement, which amount is recognised in the EAD calculation for counterparty risk (ref. note A);
- assets posted as collateral to a CCP that are bankruptcy remote in the event that the CCP becomes insolvent (Segregated initial margin), which exposure value is zero according to CRR article 306;
- EAD related to “Default Fund” and “Other non credit risk obligation” not required for regulatory purposes;
- Unsettled “Reverse Repurchase transactions”.

Scope of application

Template EU PV1 - Prudent valuation adjustments (PVA)

(€ million)

		a	b	c	d	e	EU e1	EU e2	f	g	h
		RISK CATEGORY					CATEGORY LEVEL AVA - VALUATION UNCERTAINTY		TOTAL CATEGORY LEVEL POST-DIVERSIFICATION		
CATEGORY LEVEL AVA		EQUITY	INTEREST RATES	FOREIGN EXCHANGE	CREDIT	COMMODITIES	UNEARNED CREDIT SPREADS AVA	INVESTMENT AND FUNDING COSTS AVA		OF WHICH: TOTAL CORE APPROACH IN THE TRADING BOOK	OF WHICH: TOTAL CORE APPROACH IN THE BANKING BOOK
1	Market price uncertainty	115	55	4	27	39	2	1	121	54	68
2	Set not applicable in the EU										
3	Close-out cost	48	28	5	14	1	7	6	54	35	19
4	Concentrated positions	80	0	-	6	-			86	0	86
5	Early termination	-	-	-	-	-			-	-	-
6	Model risk	29	5	-	35	17	16	3	53	22	31
7	Operational risk	-	-	-	-	-			-	-	-
8	Set not applicable in the EU										
9	Set not applicable in the EU										
10	Future administrative costs	16	9	11	1	2			38	34	4
11	Set not applicable in the EU										
12	**Total Additional Valuation Adjustments (AVAs) as at 31.12.2024**								**353**	**145**	**208**
	Total Additional Valuation Adjustments (AVAs) as at 31.12.2023								**291**	**139**	**151**

The year on year evolution of Additional Valuation Adjustments is due to the update of the market uncertainties as well as to the evolution of the portfolio exposures.

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 requirements and buffers for UniCredit group

The minimum capital requirements applicable to the Group as at 31 December 2024, 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 2024 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;
- **1.50%**, as Other Systemically Important Institutions (O-SII) buffer[10];
- **0.46%**, as Countercyclical Capital buffer[11] (CCyB) according to the CRDIV article 130, to be calculated on a quarterly basis;
- **0.20%**, as Systemic Risk Capital buffer[12] (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 2023 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;
- at least the 1.50% of such requirement through Tier 1 Capital.

Therefore, as at 31 December 2024, the Group shall meet the following overall capital requirements:

- CET1: **10.28%**
- T1: **12.16%**
- Total Capital: **14.66%**

10 According to the Press Release issued by the FSB on 27 November 2023, UniCredit group has been removed from the list of Global Systemically Important Banks (G-SIBs) which is updated annually by the Financial Stability Board (FSB). Following this decision, which implements the international standards for G SIBs, and of Italian Circular 285 which disciplines the relevant powers, Banca d'Italia stated that UniCredit was still subject to the G-SIB requirements until 31 December 2023. Following the Press Release issued by Banca d'Italia on 24 November 2023, "Identification for 2024 of other systemically important institutions authorized to operate in Italy", the Group is identified as a national systemically important institution and has to apply a Capital O-SII buffer of 1.50% starting from 1 January 2024.
11 Amount rounded to two decimal numbers. With reference to 31 December 2024 (I) the following rates related to countercyclical capital buffer have been applied: Armenia (1.50%); Australia (1.00%); Belgium (1.00%); Bulgaria (2.00%); Chile (0.50%); Croatia (1.50%); Cyprus (1.00%); Czech Republic (1.25%); Denmark (2.50%); Estonia (1.50%); France (1.00%); Germany (0.75%); Hong Kong (0.50%); Hungary (0.50%); Iceland (2.50%); Ireland (1.50%); Latvia (0.50%); Lithuania (1.00%); Luxembourg (0.50%); Netherlands (2.00%); Norway (2.50%); Romania (1.00%); Slovakia (1.50%); Slovenia (0.50%); South Korea (1.00%); Sweden (2.00%); United Kingdom (2.00%) (II) with reference to the exposures towards Italian counterparties, Banca d'Italia has set the rate equal to 0%.
12 As at 31 December 2024 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 entered into force in Italy, moreover Banca d'Italia reciprocated the CET1 Systemic risk buffer measure defined by the German Federal Financial Supervisory Authority (BaFin), making it applicable starting from the 1 of February 2023 to all the Italian institutions.

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 2023 and applicable for 2024.

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:	**4.66%**	**4.66%**	**4.66%**
of which:			
1. Capital Conservation Buffer (CCB)	*2.50%*	*2.50%*	*2.50%*
2. Other Systemically Important Institution buffer (O-SII)	*1.50%*	*1.50%*	*1.50%*
3. Institution-specific Countercyclical Capital buffer (CCyB)	*0.46%*	*0.46%*	*0.46%*
4. Systemic risk buffer for UniCredit (SyRB)	*0.20%*	*0.20%*	*0.20%*
E) OCR (C+D)	**10.28%**	**12.16%**	**14.66%**

The following table shows **UniCredit group transitional[13] capital ratios as at 31 December 2024** compared with previous periods.

Group transitional capital ratios

	31.12.2024						
DESCRIPTION	RATIO	*DELTA Q/Q*	*DELTA Y/Y*	30.09.2024	30.06.2024	31.03.2024	31.12.2023
CET1 Capital	15.96%	*-0.28%*	*-0.18%*	16.24%	16.32%	16.36%	16.14%
Tier 1 Capital	17.75%	*-0.27%*	*-0.09%*	18.02%	17.74%	18.09%	17.84%
Total Capital	**20.41%**	***-0.27%***	***-0.49%***	**20.68%**	**20.92%**	**21.23%**	**20.90%**

Transitional capital ratios of UniCredit S.p.A.

The following table shows the **transitional[14] capital ratios of UniCredit S.p.A. as at 31 December 2024** compared with previous periods.

Transitional capital ratios of UniCredit S.p.A.

	31.12.2024						
DESCRIPTION	RATIO	*DELTA Q/Q*	*DELTA Y/Y*	30.09.2024	30.06.2024	31.03.2024	31.12.2023
CET1 Capital	24.66%	*0.22%*	*-1.36%*	24.44%	26.94%	26.62%	26.02%
Tier 1 Capital	27.63%	*0.31%*	*-1.34%*	27.32%	29.41%	29.58%	28.97%
Total Capital	**31.52%**	***0.41%***	***-2.19%***	**31.11%**	**34.33%**	**34.39%**	**33.70%**

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

- The Group consolidated net profit as at 31 December 2024 is equal to €9,719 million.
- As at 31 December 2024, the amount of the Group consolidated net profit to be included in the Own Funds is equal to €3,824 million; the reduction for €5,895 million is related to the approval by the UniCredit S.p.A. Board of Directors of the following items:
  (i) cash dividend for €2,286 million that, summed up with 1,440 million interim dividend previously approved by the Board of Directors and paid in November 2024, stands at 40% of Net Profit[15], as per 2024 Dividend Policy;
  (ii) ordinary Share Buy-back for €3,574 million (additional to the €1,700 million Share Buy-back already executed), classified as foreseeable charge as at 31 December 2024, in line with the EBA Q&A #6887;
  (iii) allocation for €35 million to support social, cultural and charity initiatives.

Transitional consolidated Own Funds

Regarding the transitional adjustments as at 31 December 2024, 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.

13 The transitional adjustments as at 31 December 2024 are (i) grandfathering of Additional Tier 1 and Tier 2 instruments and (ii) IFRS9 transitional arrangements starting from 30 June 2020.
14 The transitional adjustments as at 31 December 2024 refer to the grandfathering of Additional Tier 1 and Tier 2 instruments.
15 Defined as accounting net profit rectified for tax-losses carried forward sustainability test results, potentially adjusted for one-offs related to strategic items.

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 at 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 at 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 fourth quarter 2024, the transitional arrangements related to the application of IFRS9 generate a positive adjustment on CET1 capital for approximately €0.3 billion (10 basis points).

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 fourth quarter 2024, the countercyclical rates have been changed versus third quarter 2024, specifically: Hong Kong (from 1.00% to 0.50%), Belgium (from 0.50% to 1.00%) and Latvia (from 0.00% to 0.50%); as well, as at the same date, UniCredit group countercyclical capital reserve is equal to 0.46%, increased compared with third quarter 2024 (equal to 0.44%).

Systemic Risk Buffer (SyRB)

As at 31 December 2024 UniCredit group Systemic Risk Buffer (SyRB) capital reserve is equal to 0.20%, in relation to the applicability of the following requirements at consolidated level:

- 0.03% of capital reserve related to the SyRB defined by the German Federal Financial Supervisory Authority (BaFin) as the 2.00% of (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. Following the ESRB's Recommendation ESRB/2022/4, on 20 October 2022 Banca d'Italia reciprocated the German macroprudential measure asking for its applicability starting from the first quarter 2023.
- 0.17% of capital reserve related to the SyRB defined by Banca d'Italia to be calculated considering all credit and counterparty risk weighted exposures to Italian residents. Banca d'Italia decided to apply a target SyRB equal to 1.00%, to be achieved gradually by setting aside a reserves of 0.50% by the 31 December 2024 and 1.00% by the 30 June 2025.

Own Funds

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 31 December 2024, UniCredit exceeds (i) for an amount of €126 million, the threshold of 10% of the residual amount of CET1 items after applying the adjustments and deductions in CRR articles 32 to 36, related to significant investments in CET1 instruments issued by financial sector entities as defined in CRR article 48 and (ii) for an amount of €598 million, 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, 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 as defined in CRR article 48, generating an overall capital deduction from CET1 Capital of €724 million.

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

As at 31 December 2024, the investment held by UniCredit in the quotes of Atlante Fund and Italian Recovery Fund (ex Atlante Fund II), for approximately €225 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 31 December 2024 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 2024 103).

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 31 December 2024, CET1 Capital includes ordinary shares issued by UniCredit S.p.A., equal to €20,744 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.

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.

Own Funds

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 31 December 2024, 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)

	DESCRIPTION	a AMOUNTS AS AT 31.12.2024	AMOUNTS AS AT 30.09.2024	b SOURCE BASED ON REFERENCE NUMBERS/LETTERS OF THE BALANCE SHEET UNDER THE REGULATORY SCOPE OF CONSOLIDATION
Common Equity Tier 1 (CET1) capital: instruments and reserves				
1	Capital instruments and the related share premium accounts (A)	20,766	20,768	31-32
	of which: Ordinary shares	*20,766*	*20,768*	
	of which: Instrument type 2	-	-	
	of which: Instrument type 3	-	-	
2	Retained earnings	28,545	28,545	29
3	Accumulated other comprehensive income (and other reserves) (B)	(2,178)	3,007	17-18-19-20-21-22-23-30
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)	155	59	35
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend (C)	3,824	1,700	36
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**51,113**	**54,079**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amount)	(353)	(347)	38
8	Intangible assets (net of related tax liability) (negative amount)	(1,542)	(1,395)	4
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)	(3,874)	(3,415)	10
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	256	302	17-21
12	Negative amounts resulting from the calculation of expected loss amounts	(13)	(8)	43
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	98	125	39
15	Defined-benefit pension fund assets (negative amount)	(36)	(37)	37
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount) (E)	(35)	(3,264)	34
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) (F)	(126)	-	
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	(135)	(130)	
EU-20b	*of which: qualifying holdings outside the financial sector (negative amount)*	-	-	
EU-20c	*of which: securitisation positions (negative amount)*	*(134)*	*(130)*	*41*
EU-20d	*of which: free deliveries (negative amount)*	*(1)*	*(0)*	*42*
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)	(598)	(206)	
23	*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*	*(372)*	*(131)*	*1-2-3*
24	Not applicable			
25	*of which: deferred tax assets arising from temporary differences*	*(226)*	*(76)*	*10*
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)	(535)	(581)	44
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(6,892)**	**(8,956)**	
29	**Common Equity Tier 1 (CET1) capital**	**44,221**	**45,123**	

Own Funds

continued: Template EU CC1 - Composition of regulatory Own Funds

(€ million)

	DESCRIPTION	a AMOUNTS AS AT 31.12.2024	AMOUNTS AS AT 30.09.2024	b SOURCE BASED ON REFERENCE NUMBERS/LETTERS OF THE BALANCE SHEET UNDER THE REGULATORY SCOPE OF CONSOLIDATION
Additional Tier 1 (AT1) capital: instruments				
30	Capital instruments and the related share premium accounts	4,958	4,958	26
31	*of which: classified as equity under applicable accounting standards*	*4,958*	*4,958*	
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	-	-	27
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	27	11	45
35	*of which: instruments issued by subsidiaries subject to phase out*	-	-	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**4,985**	**4,969**	
Additional Tier 1 (AT1) capital: regulatory adjustments				
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	(30)	(30)	46
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**	**4,955**	**4,939**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**49,176**	**50,063**	
Tier 2 (T2) capital: instruments				
46	Capital instruments and the related share premium accounts	6,218	6,218	15-33
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	-	-	16
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	419	387	48
49	*of which: instruments issued by subsidiaries subject to phase out*	-	-	
50	Credit risk adjustments	843	871	49
51	**Tier 2 (T2) capital before regulatory adjustments**	**7,480**	**7,477**	
Tier 2 (T2) capital: regulatory adjustments				
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	(60)	(49)	50
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)	(43)	(44)	51
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	-	-	52
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**(103)**	**(93)**	
58	**Tier 2 (T2) capital**	**7,378**	**7,384**	
59	**Total capital (TC = T1 + T2)**	**56,554**	**57,447**	
60	**Total Risk exposure amount**	**277,093**	**277,843**	

Own Funds

continued: Template EU CC1 - Composition of regulatory Own Funds

(€ million)

DESCRIPTION		a AMOUNTS AS AT 31.12.2024	AMOUNTS AS AT 30.09.2024	b SOURCE BASED ON REFERENCE NUMBERS/LETTERS OF THE BALANCE SHEET UNDER THE REGULATORY SCOPE OF CONSOLIDATION
Capital ratios and requirements including buffers				
61	Common Equity Tier 1 capital	15.96%	16.24%	
62	Tier 1 capital	17.75%	18.02%	
63	Total capital	20.41%	20.68%	
64	Institution CET1 overall capital requirements (H)	10.28%	10.10%	
65	*of which: capital conservation buffer requirement*	*2.50%*	*2.50%*	
66	*of which: countercyclical capital buffer requirement*	*0.46%*	*0.44%*	
67	*of which: systemic risk buffer requirement*	*0.20%*	*0.03%*	
EU-67a	*of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement*	*1.50%*	*1.50%*	
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)**	**10.25%**	**10.52%**	
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)	2,727	3,681	
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)	4,152	4,323	
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)	2,526	2,498	
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)	2,351	2,593	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach (J)	843	871	
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 31 December 2024 if not otherwise specified. Regarding the transitional adjustments as at 31 December 2024 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 September 2024 (negative for €5,185 million) mainly refers to: (i) cancellation of the unavailable reserve (equal to €3,200 million) created for the execution of the Share Buy-Back Programs (last tranche of "Share Buy-Back Programme 2023" for €1,500 million and "Interim Shares Buy-Back 2024" for €1,700 million), following the cancellation of the shares repurchased; (ii) payment of interim 2024 dividend for €1,440 million; (iii) negative change (equal to €304 million) on exchange reserve, mainly due to the Russian Ruble depreciation; (iv) negative change (equal to €258 million) on reserves related to equity and debt instruments at fair value.

Own Funds

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

D.
The amount of this item (equal to €3,874 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 change compared to 30 September 2024 (positive for €3,230 million) mainly refers to the cancellation of own shares related to the Share Buy-Back Programs (last tranche of “Share Buy-Back Programme 2023” for €1,500 million and “Interim Shares Buy-Back 2024” for €1,700 million).

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 (equal to €535 million) mainly includes:
- the additional deduction - equal to €570 million - due to article 3 of CRR in accordance with ECB guidance to banks on non-performing loans;
- the prudential filter, negative for €71 million, on fair value gains and losses arising from the institution's own credit risk related to derivative liabilities;
- the positive effect for €280 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 2024 equal to 25%).

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: 15.96%): (i) the minimum Common Equity Tier 1 requirement (equal to 4.5%); (ii) the Pillar 2 requirement on CET1 (equal to 1.13%) in coherence with SREP results of 2023 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); (iii) the shortfall on AT1 requirement covered trough the CET1 capital (equal to 0.09%).
The change compared to 30 September 2024 mainly depends on the following items: (i) decrease in Common Equity Tier 1 Capital for €902 million and (ii) decrease in Risk Weighted Exposures Amounts for €750 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 31.12.2024	b 30.09.2024	c 30.06.2024	d 31.03.2024	e 31.12.2023
1	Common Equity Tier 1 (CET1) capital (A)	44,221	45,123	45,181	45,737	45,913
2	Common Equity Tier 1 (CET1) capital as if IFRS9 or analogous ECLs transitional arrangements had not been applied	43,941	44,816	44,874	45,389	45,202
3	Tier 1 capital	49,176	50,063	49,126	50,579	50,756
4	Tier 1 capital as if IFRS9 or analogous ECLs transitional arrangements had not been applied	48,896	49,756	48,819	50,232	50,045
5	Total capital	56,554	57,447	57,933	59,354	59,472
6	Total capital as if IFRS9 or analogous ECLs transitional arrangements had not been applied (B)	56,274	57,140	57,626	59,006	58,761
	Risk-weighted assets (amounts)					
7	Total risk-weighted assets (C)	277,093	277,843	276,889	279,606	284,548
8	Total risk-weighted assets as if IFRS9 or analogous ECLs transitional arrangements had not been applied	277,093	277,843	276,889	279,606	284,548
	Capital ratios					
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	15.96%	16.24%	16.32%	16.36%	16.14%
10	Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS9 or analogous ECLs transitional arrangements had not been applied	15.86%	16.13%	16.21%	16.23%	15.89%
11	Tier 1 (as a percentage of risk exposure amount)	17.75%	18.02%	17.74%	18.09%	17.84%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS9 or analogous ECLs transitional arrangements had not been applied	17.65%	17.91%	17.63%	17.97%	17.59%
13	Total capital (as a percentage of risk exposure amount)	20.41%	20.68%	20.92%	21.23%	20.90%
14	Total capital (as a percentage of risk exposure amount) as if IFRS9 or analogous ECLs transitional arrangements had not been applied	20.31%	20.57%	20.81%	21.10%	20.65%
	Leverage ratio					
15	Leverage ratio total exposure measure	878,288	898,611	890,635	903,078	877,572
16	Leverage ratio (D)	5.60%	5.57%	5.52%	5.60%	5.78%
17	Leverage ratio as if IFRS9 or analogous ECLs transitional arrangements had not been applied	5.57%	5.54%	5.48%	5.56%	5.71%

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 €44,221 million) includes €280 million due to IFRS9 transitional adjustment dynamic component (applicable percentage in 2024 equal to 25%), while for the IFRS9 transitional adjustment static component, the applicable percentage is equal to 0% starting from 1 January 2023.

B.

This item (equal to €56,274 million) does not include the effect related to IFRS9 transitional adjustments for €280 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 31 December 2024.

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 0.03%.

Own Funds

Separate disclosure of deductions (CRR article 437d)

(€ million)

TRANSITIONAL THRESHOLDS FOR DEDUCTION OF DEFERRED TAX ASSETS AND INVESTMENTS IN FINANCIAL SECTOR ENTITIES	AMOUNTS
10% CET1 threshold for not significant investments in financial sector entities	4,524
10% CET1 threshold for significant investment in financial sector entities and deferred tax assets (DTA) that rely on future profitability and arise from temporary differences	4,524
17.65% CET1 threshold for significant investment and DTA not deducted from the 10% threshold (A)	6,678

(€ million)

REF. CRR ART.	NATURE OF DEDUCTIONS	TOTAL AMOUNT SUBJECT TO DEDUCTION	AMOUNT DEDUCTED - REF. COLUMN C OF EU CC1 TEMPLATE	REF. TO THE ITEMS OF EU CC1 TEMPLATE	AMOUNT EXCLUDED FROM DEDUCTIONS
36.b	Intangible assets	1,542	1,542	8	-
36.c	Deferred tax assets that rely on future profitability, of which:	6,626	4,100		*2,526*
	not arising from temporary differences	*3,874*	*3,874*	*10*	-
	arising from temporary differences (A)	*2,752*	*226*	*25-75*	*2,526*
36.d	IRB Shortfall	13	13	12	-
36.e	Defined benefit pension fund assets	36	36	15	-
36.f	Own CET1 instruments	35	35	16	-
36.h	Not significant investments in CET1 instruments issued by FSE (B)	2,688	-	72	2,688
36.i	Significant investments in CET1 instruments issued by FSE (A)	4,649	497	19-23-73	4,152
36.k	Deductions of exposures qualifying for risk weight 1250%	135	135	EU-20a	-
36.m	Insufficient coverage for non performing exposures	174	174	27a	-
56.a	Own AT1 instruments	30	30	37	-
56.b	Reciprocal cross holding of AT1 instruments	-	-		-
56.c	Not significant investments in AT1 instruments issued by FSE (B)	6	-	72	6
56.d	Significant investments in AT1 instruments issued by FSE	-	-	40	-
66.a	Own T2 instruments	60	60	52	-
66.c	Not significant investments in T2 instruments issued by FSE (B)	34	-	72	34
66.d	Significant investments in T2 instruments issued by FSE	43	43	55	-

Notes to the template Separate disclosure of deductions (CRR article 437.d)
The amount included in in the table above does not consider the adjustment connected with the IFRS9 transitional arrangement.

A.
The amount not deducted from CET1 capital (for a total amount of €6,678 million, risk weighted at 250%), related to significant investments in Common Equity Tier 1 instruments (row 36.i, equal to €4,152 million) and deferred tax assets that rely on future profitability and arise from temporary differences (row 36.c, equal to €2,526 million) on 31 December 2024 coincides with the 17.65% of Common Equity Tier 1 Capital after applying the adjustments and deductions in CRR articles 32 to 36 in full. The amount exceeding CET1 threshold (€598 million, of which (i) €226 million related to deferred tax assets that rely on future profitability arising from temporary differences and (ii) €372 million on significant investments in CET1 instruments issued by Financial Sector Entity), is deducted from Own Funds together with the amount of significant investments in CET1 instruments issued by Financial Sector Entity that exceed the 10% of Common Equity Tier 1 Capital after applying the adjustments and deductions in CRR articles 32 to 36 (equal to €126 million).

B.
The sum of not significant investments referred to CRR articles 36.h, 56.c, 66.c, equal to €2,727 million does not exceed 10% CET1 threshold and therefore no deductions from Own Funds are applied.

Own Funds

Template EU CC2 - Reconciliation of regulatory Own Funds to balance sheet in the audited financial statements

(€ million)

	DESCRIPTION	a ACCOUNTING FIGURES (*) ACCOUNTING PERIMETER	b ACCOUNTING FIGURES (*) REGULATORY PERIMETER	AMOUNTS RELEVANT FOR OWN FUNDS PURPOSES (**) COMMON EQUITY TIER 1 (CET1)	AMOUNTS RELEVANT FOR OWN FUNDS PURPOSES (**) ADDITIONAL TIER 1 (AT1)	AMOUNTS RELEVANT FOR OWN FUNDS PURPOSES (**) TIER 2 (T2)	c REF. TO TEMPLATE EU CC1	NOTES (***)
	BALANCE SHEET - ASSETS							
1	20 C. Financial assets at fair value through P&L mandatorily at fair value - Equity investments	(693)	(666)					
2	30. Financial assets at fair value through other comprehensive income - Equity investments	(3,879)	(3,879)	(497)	-	-	19-23	A
3	70. Investments in associates and joint ventures	(4,393)	(4,482)					
4	100. Intangible assets of which:	(2,191)	(2,190)	(1,542)	-	-	8	
5	*- Goodwill*	*(38)*	*(38)*	*(88)*	-	-		B
6	*- Other Intangible Assets*	*(2,191)*	*(2,190)*	*(1,454)*	-	-		C
7	110. Deferred Tax assets of which mainly:	(10,273)	(10,266)	(4,100)	-	-	10-25	D
8	*- Deferred tax assets that do not rely on future profitability*	*(3,680)*	*(3,677)*	-	-	-		
9	*- Multiple goodwill redemption*	-	-	-	-	-		
10	*- Deferred tax assets that rely on future profitability*	*(6,593)*	*(6,590)*	*(4,100)*	-	-		
	BALANCE SHEET - LIABILITIES AND SHAREHOLDERS ' EQUITY							
11	Subordinated Liabilities of which:							
12	*- 10B. Deposits from customers*							
13	*- 10C. Debt securities issued*	9,884	9,884	-	-	6,218		
14	*- 30. Financial liabilities designated at fair value of which:*							
15	*- Eligible instruments*	*9,884*	*9,884*	-	-	*5,609*	*46*	E
16	*- Instruments subject to phase-out*	-	-	-	-	-	*EU-47b*	E
17	120. Revaluation reserves of which mainly:	(5,421)	(5,421)	(5,166)	-	-	3-11	F
18	*- Valuation reserves on debt and capital instruments at fair value through OCI*	*(310)*	*(310)*	*(230)*	-	-	*3*	
19	*- Revaluation reserves of actuarial net losses*	*(2,752)*	*(2,752)*	*(2,798)*	-	-	*3*	
20	*- Other positive items - Special revaluation laws and Property plant and equipment*	*1,833*	*1,826*	*1,867*	-	-	*3*	
21	*- Cash flow hedge reserves*	*(256)*	*(256)*	-	-	-	*3-11*	
22	*- Exchange differences*	*(3,912)*	*(3,912)*	*(3,912)*	-	-	*3*	
23	*- Financial liabilities at fair value*	*(96)*	*(96)*	*(92)*	-	-	*3*	
24	*- Reserves related to non-current assets held for sale and investments accounted for using the equity method*	*72*	*78*	-	-	-		
25	140. Equity instruments of which:	4,958	4,958	-	4,958	-		
26	*- Eligible instruments*	*4,958*	*4,958*	-	*4,958*	-	*30*	
27	*- Instruments subject to grandfathering*	-	-	-	-	-	*EU-33b*	
28	150. Reserves of which:	31,796	31,796	31,788	-	-		
29	*- Retained earnings*	*28,545*	*28,545*	*28,545*	-	-	*2*	
30	*- Other reserves*	*3,252*	*3,252*	*3,244*	-	-	*3*	F
31	160. Share premium	23	23	23	-	-	1	
32	170. Issued capital	21,368	21,368	20,744	-	609	1	
33	*of which: Ordinary shares underlying the Usufruct contract (Cashes)*	*609*	*609*	-	-	*609*	*46*	E
34	180. Treasury shares (-)	(0)	(0)	(35)	-	-	16	
35	190. Minority interests	400	409	155	-	-	5	G
36	200. Net profit (loss) for the year (+/-)	9,719	9,719	3,824	-	-	EU-5a	H
	OTHER ELEMENTS FOR RECONCILIATION WITH OWN FUNDS							
	Total other elements of which:			**(973)**	**(3)**	**1,160**		
37	*- Assets referred to defined benefit pension funds*			*(36)*	-	-	*15*	
38	*- Additional value adjustments*			*(353)*	-	-	*7*	
39	*- Prudential filters to Common Equity Tier 1 of which:*			*98*	-	-		
40	*- Own credit spread*			*98*	-	-	*14*	
41	*- Deduction for securitisations*			*(134)*	-	-	*EU-20c*	
42	*- Deduction for free deliveries*			*(1)*	-	-	*EU-20d*	
43	*- Shortfall of expected losses vs provisions (IRB models)*			*(13)*	-	-	*12*	
44	*- Other regulatory adjustments*			*(535)*	-	-	*27a*	I
45	*- Instruments issued by subsidiaries included in Additional Tier 1*			-	*27*	-	*34*	
46	*- Deduction for holdings in own Additional Tier 1 instruments*			-	*(30)*	-	*37*	
47	*- Deduction for holdings of Additional Tier 1 instruments of financial sector entities where the institution has a significant investment*			-	-	-		
48	*- Instruments issued by subsidiaries included in Tier 2*			-	*419*	-	*48*	
49	*- Excess of provisions vs expected losses (IRB models)*			-	*843*	-	*50*	
50	*- Deduction for holdings in own Tier 2 instruments*			-	*(60)*	-	*52*	
51	*- Deduction for holdings of Tier 2 instruments of financial sector entities where the institution has a significant investment*			-	*(43)*	-	*55*	
52	*- Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)*			-	-	-	*EU-55b*	
	Total transitional Own Funds			**44,221**	**4,955**	**7,378**	**29-44-58**	

Notes:
(*) The differences between accounting and regulatory figures mainly depend on the composition of accounting (IFRS) and regulatory perimeters (ref. Annex 3 - Template EU LI3 - Outline of the differences in the scopes of consolidation).
(**) Contribution positive (negative) to the Own Funds. With reference to negative elements of Own Funds (i.e. deduction), the amount reported includes also, for each reference items, the quote related to held for sale assets. The transitional adjustments as at 31 December 2024 are (i) grandfathering of Additional Tier 1 and Tier 2 instruments and (ii) IFRS9 transitional arrangements starting from 30 June 2020.
(***) Notes related to column “Amounts relevant for Own Funds purposes”:

Own Funds

Notes to the template EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements

A.
As at 31 December 2024, the amount of not significant investments in financial sector entities (Financial Sector Entity - FSE) do not exceed the conditional thresholds defined by the CRR (ref. article 46); hence, no deductions are applied to CET1 capital.
The amount of significant investments in financial sector entities (Financial Sector Entity - FSE) exceeds the conditional thresholds of 10% CET1 capital defined by the CRR (ref. article 46); hence, the exceedance (equal to €126 million) is deducted from the CET1 capital.
The amount of significant investments in financial sector entities (FSE) not deducted exceeds the conditional threshold of 17.65% of CET1 capital, defined by the CRR (ref. article 48), together with the amount of deferred tax assets that rely on future profitability and arise from temporary differences; therefore, the exceedance (€598 million in total) is deducted from CET1 capital and it is proportionally distributed between significant investments (€372 million) and deferred tax assets (€226 million - ref. note D) according to the weight of each of these elements compared to the total amount of the basket of significant investments and deferred tax assets.
The overall amount of the deduction for significant investments in financial sector entities equal to €497 million is reconciled with the amounts reported in items “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)” and “23. of which: 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” of Template EU CC1 - Composition of regulatory Own Funds.
It is worth specifying that the amount in significant investments in financial sector entities not deducted from CET1 capital is subject to a risk weight of 250% in the calculation of risk weighted exposures, consistently with CRR article 48.
It has to be mentioned that the amounts above reported are not influenced by the effects related to the transitional adjustments referred to IFRS9 in accordance with the Q&A 2018_3784.
With reference to the item “70. Investments in associates and joint ventures”, the main difference between accounting and regulatory amounts refers to those Entities consolidated by equity method in coherence with the contents of note (*).

B.
As at 31 December 2024, the amount of the deduction (equal to €88 million) is referred to (i) the goodwill incorporated into the valuation of significant investments and (ii) the goodwill generated from the Alpha Bank S.A. acquisition.

C.
The amount of deduction (equal to €1,454 million) refers to the methodology for the software assets CET1 capital deduction calculation in line with article 36(1)(b) of CRR (equal to €1,470 million) and the reduction related to the deferred tax effects according to CRR article 37.

D.
With reference to the amount of deferred tax assets that rely on future profitability, the amount deducted from CET1 capital (equal to €4,100 million), expressed net of deferred tax liabilities based on CRR article 38, is subject to the following treatment: (i) €3,874 million for the deferred tax assets that do not arise from temporary differences fully deducted from CET1 capital; (ii) €226 million related to deferred tax assets that rely on future profitability and arise from temporary differences, deducted from CET1 capital for the amount that exceeds the conditional threshold of 17.65% of CET1 capital as defined in CRR (ref. article 48), together with the amount of significant investments in financial sector entities - ref. note A.
The amount of deduction (€3,874 million) is reconciled with the amount reported in item “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)” of Template EU CC1 - Composition of regulatory Own Funds.
It is worth specifying that the amount of deferred tax assets that rely on future profitability and arise from temporary differences not deducted from CET1 capital, is subject to a risk weight of 250% in the calculation of risk weighted exposures consistently with CRR article 48.
It has to be mentioned that the amounts above reported are not influenced by the effects related to the transitional adjustments referred to IFRS9 in accordance with the Q&A 2018_3784.

E.
The amount of eligible instruments (equal to €6,218 million) only refers to instruments issued by the parent company UniCredit S.p.A. while subordinated instruments issued by Group subsidiaries are included in consolidated Own Funds for the amount resulting from the application of CRR articles 85-88 and, hence, not directly allocated to the related balance sheet items (the amount resulting from such calculation is reported in item “Instruments issued by subsidiaries included in Tier 2” among the “Other elements for reconciliation with Own Funds”).
This amount (equal to €6,218 million) is reconciled with the amount reported in Template EU CC1 - Composition of regulatory Own Funds and it is referred to:

- eligible instrument for €5,609 million and included in item “46. Capital instruments and the related share premium accounts” of the Template EU CC1 - Composition of regulatory Own Funds;

Own Funds

- item 170 (equal to €609 million) related to the ordinary shares underlying the Usufruct contract (Cashes), which have been reclassified in Tier 2, starting from 1 January 2022 under item "46 - Capital instruments and the related share premium accounts" of the Template EU CC1 - Composition of regulatory Own Funds, following the end of the CRR1 grandfathering regime, being Tier 2 compliant according to CRR2 eligibility conditions.

F.
The sum of the amounts "accounting figures", regulatory perimeter of items "120. Revaluation reserves" (equal to -€5,421 million) and "150. Reserves" for the component related to the "Other reserves" (equal to €3,252 million) is equal to -€2,170 million and reconciled with item "3 Accumulated other comprehensive income (and other reserves)" including unrealised gains and losses according to the applicable accounting principles of Template EU CC1 - Composition of regulatory Own Funds.
With reference to item "120. Revaluation reserves", it is specified that the relevant amount reported in Own Funds:
- includes, for each category of reserves, also the portion of regulatory balance sheet value that refers to non-current assets held for sales, and investments accounted for using the equity method;
- is calculated by applying to the regulatory and accounting value (equal to -€5,421 million) the prudential filter (equal to €256 million) referred to cash flow hedge reserves (ref. to item "11. Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value" of Template EU CC1 - Composition of regulatory Own Funds).

G.
The amount included in Own Funds (equal to €155 million) refers to the computable amount of minority interests recognised in Common Equity Tier 1 Capital resulting from the application of CRR articles 85-88.

H.
Refer to paragraph "Consolidated profit/loss eligible for Own Funds purposes" in the introductory section of this chapter.

I.
The amount reported in this item (equal to €535 million) is reconciled with item "27a Other regulatory adjustments" of Template EU CC1 - Composition of regulatory Own Funds and mainly includes:
- the effect 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 updates the Regulation (EU) 876/2019 (positive for €280 million) that starting from 1 January 2023 includes only the dynamic component (applicable percentage in 2024 equal to 25%) since the applicable percentage for the static component became 0% in 2023;
- the additional deduction of CET1 Capital due to article 3 of CRR (equal to €570 million) in accordance with ECB guidance to banks on non-performing loans;
- the adjustment to CET1 Capital due to prudential filter on fair value gains and losses arising from the institution own credit risk related to derivative liabilities (negative for €71 million).

Own Funds

Countercyclical capital buffers

Template EU CCyB2 - Amount of institution-specific countercyclical capital buffer

(€ million)

DESCRIPTION		a
1	Total risk exposure amount	277,093
2	Institution specific countercyclical capital buffer rate	0.46%
3	Institution specific countercyclical capital buffer requirement	1,266

Own Funds

Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

(€ million)

	a	b	c	d	e	f	g	h	i	j	k	l	m
	31.12.2024												
	GENERAL CREDIT EXPOSURES		RELEVANT CREDIT EXPOSURES – MARKET RISK				OWN FUNDS REQUIREMENTS						
BREAKDOWN BY COUNTRY	EXPOSURE VALUE UNDER THE STANDARDISED APPROACH	EXPOSURE VALUE UNDER THE IRB APPROACH	SUM OF LONG AND SHORT POSITION OF TRADING BOOK FOR SA	VALUE OF TRADING BOOK EXPOSURE FOR INTERNAL MODELS	SECURITISATION EXPOSURES VALUE FOR NON-TRADING BOOK	TOTAL EXPOSURE VALUE	RELEVANT CREDIT RISK EXPOSURES - CREDIT RISK	RELEVANT CREDIT EXPOSURES – MARKET RISK	RELEVANT CREDIT EXPOSURES – SECURITISATION POSITIONS IN THE NON-TRADING BOOK	TOTAL	RISK-WEIGHTED EXPOSURE AMOUNTS	OWN FUNDS REQUIREMENT WEIGHTS (%)	COUNTERCYCLICAL CAPITAL BUFFER RATE (%)
ABU DHABI	72	560	-	-	-	632	9	-	-	9	111	0.05	0.000%
ALGERIA	0	86	-	-	-	86	8	-	-	8	98	0.05	0.000%
ARGENTINA	1	3	-	-	-	4	0	-	-	0	2	0.00	0.000%
ARMENIA	0	3	-	-	-	3	0	-	-	0	3	0.00	1.500%
AUSTRALIA	7	13	-	-	-	20	0	-	-	0	5	0.00	1.000%
AUSTRIA	3,641	53,437	2	12	435	57,526	1,589	1	4	1,594	19,923	9.50	0.000%
AZERBAIJAN	0	171	-	-	-	171	1	-	-	1	18	0.01	0.000%
BAHAMA ISLANDS	32	-	-	-	-	32	0	-	-	0	4	0.00	0.000%
BANGLADESH	0	7	-	-	-	7	1	-	-	1	9	0.00	0.000%
BELARUS	0	23	-	-	-	23	0	-	-	0	2	0.00	0.000%
BELGIUM	522	201	0	3	93	819	31	0	1	32	402	0.19	1.000%
BERMUDA	1,094	24	-	-	-	1,118	7	-	-	7	83	0.04	0.000%
BOSNIA AND HERCEGOVINA	3,085	0	-	-	-	3,085	166	-	-	166	2,072	0.99	0.000%
BRAZIL	23	13	-	-	-	35	2	-	-	2	25	0.01	0.000%
BRITISH VIRGIN ISLANDS	0	24	-	-	-	25	0	-	-	0	4	0.00	0.000%
BULGARIA	2,689	9,949	-	0	145	12,784	570	0	1	571	7,137	3.40	2.000%
CANADA	73	287	-	6	-	366	8	0	-	8	98	0.05	0.000%
CAYMAN ISLANDS	49	11	-	-	-	60	7	-	-	7	93	0.04	0.000%
CHINA	27	0	-	-	-	27	1	-	-	1	9	0.00	0.000%
COLOMBIA	4	5	-	-	-	9	0	-	-	0	5	0.00	0.000%
COSTA RICA	1	7	-	-	-	8	0	-	-	0	1	0.00	0.000%
CROATIA	10,754	207	-	-	-	10,960	651	-	-	651	8,137	3.88	1.500%
CUBA	0	4	-	-	-	4	0	-	-	0	1	0.00	0.000%
CYPRUS	32	316	-	-	-	347	13	-	-	13	157	0.07	1.000%
CZECH REPUBLIC	1,796	17,267	-	6	946	20,015	637	0	8	645	8,062	3.85	1.250%
DENMARK	23	1,314	0	2	-	1,340	40	0	-	41	508	0.24	2.500%
EGYPT	244	295	-	-	-	539	7	-	-	7	91	0.04	0.000%
ESTONIA	0	0	-	-	-	0	0	-	-	0	0	0.00	1.500%
ETHIOPIA	114	-	-	-	-	114	0	-	-	0	0	0.00	0.000%
FINLAND	10	771	0	1	-	782	22	0	-	22	278	0.13	0.000%
FRANCE	507	4,832	0	91	4,118	9,548	162	6	34	201	2,511	1.20	1.000%
GEORGIA	4	3	-	-	-	7	0	-	-	0	5	0.00	0.000%
GERMANY	4,733	117,058	0	185	11,682	133,660	2,614	12	97	2,723	34,040	16.24	0.750%
GREECE	408	31	-	-	1	440	31	-	0	31	389	0.19	0.000%
GUATEMALA	6	-	-	-	-	6	0	-	-	0	2	0.00	0.000%
GUERNSEY	0	34	0	-	-	34	2	0	-	2	21	0.01	0.000%
HONDURAS	0	6	-	-	-	6	0	-	-	0	0	0.00	0.000%
HONG KONG	3	14	-	-	-	18	2	-	-	2	29	0.01	0.500%

Own Funds

continued: Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer

(€ million)

	a	b	c	d	e	f	g	h	i	j	k	l	m
	31.12.2024												
	GENERAL CREDIT EXPOSURES		RELEVANT CREDIT EXPOSURES – MARKET RISK				OWN FUNDS REQUIREMENTS						
BREAKDOWN BY COUNTRY	EXPOSURE VALUE UNDER THE STANDARDISED APPROACH	EXPOSURE VALUE UNDER THE IRB APPROACH	SUM OF LONG AND SHORT POSITION OF TRADING BOOK FOR SA	VALUE OF TRADING BOOK EXPOSURE FOR INTERNAL MODELS	SECURITISATION EXPOSURES VALUE FOR NON-TRADING BOOK	TOTAL EXPOSURE VALUE	RELEVANT CREDIT RISK EXPOSURES - CREDIT RISK	RELEVANT CREDIT EXPOSURES – MARKET RISK	RELEVANT CREDIT EXPOSURES – SECURITISATION POSITIONS IN THE NON-TRADING BOOK	TOTAL	RISK-WEIGHTED EXPOSURE AMOUNTS	OWN FUNDS REQUIREMENT WEIGHTS (%)	COUNTERCYCLICAL CAPITAL BUFFER RATE (%)
HUNGARY	3,849	3,729	-	0	-	7,579	324	0	-	324	4,047	1.93	0.500%
ICELAND	0	0	-	-	-	0	0	-	-	0	0	0.00	2.500%
INDIA	31	27	-	-	-	58	2	-	-	2	31	0.01	0.000%
INDONESIA	1	3	-	-	-	4	0	-	-	0	1	0.00	0.000%
IRAN	0	1	-	-	-	1	0	-	-	0	2	0.00	0.000%
IRAQ	0	51	-	-	-	51	1	-	-	1	13	0.01	0.000%
IRELAND	258	754	0	-	6,195	7,208	32	0	89	122	1,524	0.73	1.500%
ISLE OF MAN	0	14	-	-	-	14	1	-	-	1	7	0.00	0.000%
ISRAEL	4	46	-	-	-	50	1	-	-	1	14	0.01	0.000%
ITALY	30,658	125,007	3	187	25,431	181,286	6,469	17	432	6,918	86,475	41.24	0.000%
JAPAN	6	43	-	-	-	48	1	-	-	1	10	0.00	0.000%
JERSEY	206	1	-	-	-	206	4	-	-	4	46	0.02	0.000%
JORDAN	0	9	-	-	-	10	1	-	-	1	10	0.00	0.000%
KAZAKHSTAN	18	5	-	-	-	23	2	-	-	2	25	0.01	0.000%
KENYA	1	0	-	-	-	1	0	-	-	0	1	0.00	0.000%
KUWAIT	0	19	-	-	-	19	1	-	-	1	10	0.00	0.000%
LATVIA	3	7	-	0	-	10	0	0	-	0	3	0.00	0.500%
LIBERIA	0	168	-	-	-	168	3	-	-	3	37	0.02	0.000%
LIECHTENSTEIN, PRINCIPALITY OF	17	146	0	-	-	164	4	0	-	4	55	0.03	0.000%
LITHUANIA	1	3	-	-	-	4	0	-	-	0	3	0.00	1.000%
LUXEMBOURG	1,241	6,875	3	27	169	8,316	191	4	2	197	2,459	1.17	0.500%
MACEDONIA	3	0	-	-	-	3	0	-	-	0	3	0.00	0.000%
MALAYSIA	9	8	-	-	-	17	1	-	-	1	10	0.00	0.000%
MALTA	46	16	-	-	-	62	2	-	-	2	23	0.01	0.000%
MARSHALL ISLANDS	0	6	-	-	-	6	1	-	-	1	10	0.00	0.000%
MEXICO	40	229	-	1	-	271	7	0	-	7	90	0.04	0.000%
MONGOLIA	0	0	-	-	-	0	0	-	-	0	1	0.00	0.000%
MONTENEGRO	3	0	-	-	-	3	0	-	-	0	3	0.00	0.000%
MOROCCO	28	79	-	-	-	107	6	-	-	6	80	0.04	0.000%
NETHERLANDS	521	5,778	-	24	749	7,072	172	0	6	179	2,232	1.06	2.000%
NEW ZEALAND	4	0	-	-	-	4	0	-	-	0	3	0.00	0.000%
NORWAY	83	362	-	1	-	446	8	0	-	8	106	0.05	2.500%
OMAN	0	95	-	-	-	95	3	-	-	3	33	0.02	0.000%
PAKISTAN	0	21	-	-	-	21	5	-	-	5	61	0.03	0.000%
PANAMA	467	277	-	3	-	747	3	0	-	3	36	0.02	0.000%
PARAGUAY	1	0	-	-	-	2	0	-	-	0	1	0.00	0.000%
PERU	6	3	-	-	-	9	1	-	-	1	7	0.00	0.000%
PHILIPPINES	1	6	-	-	-	7	0	-	-	0	4	0.00	0.000%

Own Funds

continued: Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer

(€ million)

	a	b	c	d	e	f	g	h	i	j	k	l	m
	31.12.2024												
	GENERAL CREDIT EXPOSURES		RELEVANT CREDIT EXPOSURES – MARKET RISK				OWN FUNDS REQUIREMENTS						
BREAKDOWN BY COUNTRY	EXPOSURE VALUE UNDER THE STANDARDISED APPROACH	EXPOSURE VALUE UNDER THE IRB APPROACH	SUM OF LONG AND SHORT POSITION OF TRADING BOOK FOR SA	VALUE OF TRADING BOOK EXPOSURE FOR INTERNAL MODELS	SECURITISATION EXPOSURES VALUE FOR NON-TRADING BOOK	TOTAL EXPOSURE VALUE	RELEVANT CREDIT RISK EXPOSURES - CREDIT RISK	RELEVANT CREDIT EXPOSURES – MARKET RISK	RELEVANT CREDIT EXPOSURES – SECURITISATION POSITIONS IN THE NON-TRADING BOOK	TOTAL	RISK-WEIGHTED EXPOSURE AMOUNTS	OWN FUNDS REQUIREMENT WEIGHTS (%)	COUNTERCYCLICAL CAPITAL BUFFER RATE (%)
POLAND	281	250	-	2	-	533	27	0	-	27	336	0.16	0.000%
PORTUGAL	17	357	-	-	13	387	7	-	0	7	89	0.04	0.000%
QATAR	4	329	-	-	-	334	4	-	-	4	45	0.02	0.000%
ROMANIA	8,342	5,634	-	0	-	13,976	707	0	-	707	8,832	4.21	1.000%
RUSSIA	988	1,711	-	3	-	2,702	189	0	-	189	2,360	1.13	0.000%
RWANDA	0	5	-	-	-	5	0	-	-	0	0	0.00	0.000%
SAN MARINO	7	15	-	-	-	22	1	-	-	1	15	0.01	0.000%
SAUDI ARABIA	9	168	-	-	-	177	2	-	-	2	29	0.01	0.000%
SENEGAL	0	12	-	-	-	12	0	-	-	0	1	0.00	0.000%
SERBIA	3,564	164	-	0	-	3,728	221	-	-	221	2,766	1.32	0.000%
SINGAPORE	72	1,018	-	-	-	1,090	22	-	-	22	276	0.13	0.000%
SLOVAKIA	807	7,289	-	1	461	8,557	210	0	4	214	2,672	1.27	1.500%
SLOVENIA	1,752	432	-	4	-	2,188	100	0	-	100	1,254	0.60	0.500%
SOUTH AFRICAN REPUBLIC	2	4	-	-	-	6	0	-	-	0	5	0.00	0.000%
SOUTH KOREA	4	0	-	6	-	11	0	1	-	1	10	0.00	1.000%
SPAIN	159	3,206	-	14	1,174	4,552	86	1	12	98	1,223	0.58	0.000%
SWEDEN	31	1,573	-	18	-	1,622	22	1	-	23	287	0.14	2.000%
SWITZERLAND	460	6,060	0	18	-	6,538	156	0	-	156	1,949	0.93	0.000%
TAIWAN	8	10	-	-	-	18	1	-	-	1	9	0.00	0.000%
THAILAND	1	23	-	-	-	24	0	-	-	0	6	0.00	0.000%
TOGO	0	14	-	-	-	14	0	-	-	0	0	0.00	0.000%
TUNISIA	5	29	-	-	-	34	4	-	-	4	44	0.02	0.000%
TURKEY	115	354	-	-	-	469	20	-	-	20	253	0.12	0.000%
U.S.A.	1,144	6,159	0	59	160	7,522	213	7	2	222	2,778	1.32	0.000%
UKRAINE	0	7	-	-	-	8	0	-	-	0	4	0.00	0.000%
UNITED KINGDOM	4,523	7,967	0	48	72	12,610	194	2	4	200	2,501	1.19	2.000%
URUGUAY	0	23	-	-	-	24	0	-	-	0	5	0.00	0.000%
UZBEKISTAN	0	108	-	-	-	108	1	-	-	1	14	0.01	0.000%
VIET-NAM	1	24	-	-	-	24	2	-	-	2	21	0.01	0.000%
Other States	92	10	0	1	-	103	5	0	-	5	63	0.03	0.500%
TOTAL	**89,854**	**393,720**	**9**	**722**	**51,843**	**536,148**	**16,025**	**54**	**694**	**16,773**	**209,662**		

Own Funds

Minimum Requirement for Own Funds and Eligible Liabilities (MREL)

The Minimum Requirement for Own Funds and Eligible Liabilities (MREL) is set by the Resolution Authority to ensure that a bank maintains at all times a sufficient amount of eligible instruments that can be written down or converted into capital resources in order to absorb losses or recapitalize the bank in the event of bankruptcy.

The Minimum Requirements for Own Funds and Eligible Liabilities (MREL) applicable to UniCredit group, defined by the Resolution Authority for 2024, in accordance with the Banking Recovery and Resolution Directive (BRRD) article 45 and Single Resolution Mechanism Regulation (SRMR) article 12, are:

- **MREL overall requirement**, equal to the maximum between:
  - 22.84% of total risk exposure amount (TREA) to which the combined capital reserve applicable to the UniCredit group (4.66%) at the reference date is added; therefore, the total minimum requirement applicable as at 31 December 2024 is 27.50%;
  - 6.09% of the total exposure measure (TEM).

  As at 31 December 2024 the applicable requirement to the UniCredit group is based on TREA.
- **MREL subordinated requirement**, equal to the maximum between:
  - 15.06% TREA to which the combined capital reserve applicable to the UniCredit group (4.66%) at the reference date is added; therefore, the total minimum requirement applicable as at 31 December 2024 is 19.72%;
  - 6.09% of the total exposure measure TEM.

  As at 31 December 2024 the applicable subordinated requirement to the UniCredit group is based on TREA.

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

- Own Funds computed according to CRR provisions (and subsequent amendments);
- Tier 2 capital with a residual maturity equal or greater than 1 year as at 31 December 2024 for the amount related to the regulatory amortization not included in the Own Funds, according to CRR2 article 64;
- Eligible liabilities (Senior non-preferred, Senior Unsecured and deposits not covered and not preferential) that meet the conditions of computability according to CRR2 article 72b (with the exception of point (d) of paragraph 2);
- Eligible liabilities (Structured notes) that meet the conditions of computability according to article 45b(2).

In order to meet the MREL subordinated requirement the elements listed above shall be envisaged only if they are fully subordinated to the excluded liabilities referred to in article 72a(2).

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 MREL eligible instruments according to CRR2 article 72b.

MREL requirements (at resolution Group level)

The resolution strategy for UniCredit group is the Single Point of Entry (SPE) and it’s only limited to the Entities of the Group based in the European Union. The resolution strategy has been defined by the Single Resolution Board (SRB) and, as a resolution tool, envisages the "Bail-in" applicable to UniCredit S.p.A., which is the only entity subject to resolution.

The template below provides summary information about the amount of Own Funds and Eligible Liabilities and the related requirements and ratios.
The overall MREL ratio as at 31 December 2024 amounts to:

- 32.73% in terms of TREA and it is above the applicable requirement at the same date equal to 27.50%;
- 10.33% in terms of TEM and it is above the applicable requirement at the same date equal to 6.09%.

The subordinated MREL ratio as at 31 December 2024 amounts to:

- 24,01% in terms of TREA and it is above the applicable requirement at the same date equal to 19.72%;
- 7.57% in terms of TEM and it is above of the applicable requirement of 6.09%.

Own Funds

Template EU KM2 - Key metrics

(€ million)

	OWN FUNDS AND ELIGIBLE LIABILITIES, RATIOS AND COMPONENTS	MINIMUM REQUIREMENT FOR OWN FUNDS AND ELIGIBLE LIABILITIES (MREL) a 31.12.2024
1	Own Funds and eligible liabilities	90,690
EU-1a	*of which Own Funds and subordinated liabilities*	*66,528*
2	Total risk exposure amount of the resolution group (TREA)	277,093
3	Own Funds and eligible liabilities as a percentage of TREA	32.73%
EU-3a	*of which Own Funds and subordinated liabilities*	*24.01%*
4	Total exposure measure (TEM) of the resolution group	878,288
5	Own Funds and eligible liabilities as percentage of the TEM	10.33%
EU-5a	*of which Own Funds or subordinated liabilities*	*7.57%*
Minimum requirement for Own Funds and eligible liabilities (MREL)		
EU-7	MREL expressed as percentage of the TREA	27.50%
EU-8	*of which to be met with Own Funds or subordinated liabilities*	*19.72%*
EU-9	MREL expressed as percentage of the TEM	6.09%
EU-10	*of which to be met with Own Funds or subordinated liabilities*	*6.09%*

Template EU TLAC1 - Composition (at resolution group level)

(€ million)

		31.12.2024 MINIMUM REQUIREMENT FOR OWN FUNDS AND ELIGIBLE LIABILITIES (MREL)
Own Funds and eligible liabilities and adjustments		
1	Common Equity Tier 1 capital (CET1)	44,221
2	Additional Tier 1 capital (AT1)	4,955
6	Tier 2 capital (T2)	7,378
11	**Own Funds for the purpose of articles 92a CRR and 45 BRRD**	**56,554**
Own Funds and eligible liabilities: Non-regulatory capital elements (A)		
12	Eligible liabilities instruments issued directly by the resolution entity that are subordinated to excluded liabilities (not grandfathered) (B)	10,041
EU12a	Eligible liabilities instruments issued by other entities within the resolution group that are subordinated to excluded liabilities (not grandfathered)	-
EU12b	Eligible liabilities instruments that are subordinated to excluded liabilities, issued prior to 27 June 2019 - (subordinated grandfathered)	-
EU12c	Tier 2 instruments with a residual maturity of at least one year to the extent they do not qualify as Tier 2 items	-
13	Eligible liabilities that are not subordinated to excluded liabilities (not grandfathered pre cap)	21,923
EU13a	Eligible liabilities that are not subordinated to excluded liabilities, issued prior to 27 June 2019 and grandfathered (pre-cap)	2,262
14	Amount of non subordinated eligible liabilities instruments, where applicable after application of article 72b (3) CRR (C)	24,185
17	**Eligible liabilities items before adjustments**	**34,226**
EU17a	*of which subordinated liabilities items*	*10,041*
Own Funds and eligible liabilities: Adjustments to non-regulatory capital elements		
18	Own Funds and eligible liabilities items before adjustments	90,780
20	(Deduction of investments in other eligible liabilities instruments) (D)	(90)
22	**Own Funds and eligible liabilities after adjustments**	**90,690**
EU-22a	*Of which own funds and subordinated*	*66,528*
Risk-weighted exposure amount and Leverage exposure measure of the resolution group		
23	Total risk exposure amount (TREA)	277,093
24	Total exposure measure (TEM)	878,288
Ratio of Own Funds and eligible liabilities		
25	Own Funds and eligible liabilities as a percentage of TREA	32.73%
EU-25a	*of which Own Funds and subordinated*	*24.01%*
26	Own funds and eligible liabilities as a percentage of TEM	10.33%
EU-26a	*of which Own Funds and subordinated*	*7.57%*
27	CET1 (as a percentage of TREA) available after meeting the resolution group's requirements (E)	9.73%

Own Funds

Notes to the template EU TLAC1 - Composition (at resolution group level)

A.
The value of Own Funds is referred to the amount calculated at Group level. The amounts reported are reconciled with the figures included in the template EU CC1 - Composition of regulatory Own Funds, in particular:
- row 1 "Common Equity Tier 1 capital (CET1)" of this template is reconciled with the Item "29 Common Equity Tier 1 (CET1) capital";
- row 2 "Additional Tier 1 capital (AT1)" of this template is reconciled with the Item "44 Additional Tier 1 (AT1) capital";
- row 6 "Tier 2 capital (T2)" of this template is reconciled with the Item "58 Tier 2 (T2) capital".

B.
The amount equal to €10,041 million, related to the MREL subordinated eligible liabilities issued by UniCredit S.p.A., includes Senior non-Preferred instruments.

C.
The amount of €24,185 million, related to MREL non subordinated eligible liabilities issued by UniCredit S.p.A., includes Senior Preferred instruments, Certificates and Structured Notes protected (meeting the condition of BRRD article 45b(2)) and Eligible Deposits.

D.
The amount (negative for €90 million) represents the unused part of the plafond granted by the SRB as general prior permission for the buyback and market making activity for the period 1 October 2024 - 31 December 2024 for an amount equal to €525 million (€75 million for the Senior non-Preferred and €450 million for the Senior Preferred, Structured Notes protected and Certificated protected instruments).

E.
The percentage reported in this row represents the CET1 available after meeting the resolution Group's minimum capital requirements on CET1 and TLAC. The minimum capital requirement on CET1 reflects the article 104a(4) of CRDV application consistently with what reported in the Own Funds section, table "Capital requirements and buffers for UniCredit group".

Template EU TLAC 3a - Resolution entity - Creditor rating*

(€ million)

	INSOLVENCY RANKING (A)	1	2	4	5	6	
1	DESCRIPTION OF THE INSOLVENCY RANKING	EQUITY	SUBORDINATED DEBTS (D)	SENIOR UNPREFERRED DEBTS	UNSECURED DEBTS	DEPOSITS NOT COVERED AND NOT PREFERENTIAL	TOTAL
2	Liabilities and Own Funds (B)	46,854	11,017	10,128	74,592	46,145	**188,737**
3	*of which: excluded liabilities*	-	-	-	*25*	*1,630*	***1,655***
4	Liabilities and Own Funds less excluded liabilities	46,854	11,017	10,128	74,568	44,515	**187,082**
5	*Subset of liabilities and Own Funds less excluded liabilities that are Own Funds and liabilities potentially eligible for meeting MREL - of which: (C)*	46,854	10,567	10,041	23,688	497	**91,647**
6	*- residual maturity ≥ 1 year < 2 years*	-	-	*2,578*	*3,990*	*29*	***6,597***
7	*- residual maturity ≥ 2 year < 5 years*	-	-	*4,625*	*13,495*	*92*	***18,212***
8	*- residual maturity ≥ 5 years < 10 years*	-	*4,417*	*2,839*	*5,567*	*11*	***12,833***
9	*- residual maturity ≥ 10 years but excluding perpetual securities*	-	*1,192*	-	*636*	*365*	***2,193***
10	*- perpetual securities*	*46,854*	*4,958*	-	-	-	***51,812***

Notes to the template EU TLAC3a - Resolution entity - Creditor rating
(*) The figures included in the template are reported at resolution entity level. According to the resolution strategy defined for the UniCredit group, the Parent Company represents the Single Point of Entry (SPE) and the amounts refer to capital and liabilities issued by UniCredit S.p.A. at individual level.
This template provides information on all liabilities ranking lower than or pari passu to eligible liabilities, including own funds and other capital instruments, showing the distribution of liabilities across the hierarchy of claims.

A.
The Insolvency Ranking is consistent with the provisions of articles 111 and subsequent of Insolvency Law and of article 91 par 1 and 1-bis of Legislative Decree 385/1993 included in Annex 3b - "Insolvency Ranking in the jurisdictions of the Banking Union" published by the SRB, in force for Italy from 4 July 2023.

B.
The amounts included in row 2 are referred to the outstanding amount comprehensive of accrued interests and intragroup position. It is specified that the total equity is expressed considering the Share Capital and reserves not including Own Funds deductions, while for derivatives, included in column 5 "Unsecured debts", it is considered the fair value as reported in the balance sheet.

Own Funds

C.
The amounts included in row 5 are different from those included in row 4 because of the liabilities that do not satisfy the computable conditions defined in BRRD article 45b.
It is specified that the amount included in the column total of the row is different from the value included in row 18 of template EU TLAC1, since for the MREL calculation the amount of the consolidated Own Funds is considered.

Own Funds requirements and risk weighted exposure amounts

As of the fourth quarter 2024, the amount of Group RWEA stood at €277.1 billion, showing a decrease with respect to third quarter 2024 by -€0.7 billion; the main drivers are below:

- Credit and Counterparty risk RWEAs (rows 1, 6, 16, excluding row EU 8b) for -€0.1 billion related to: (i) -€0.2 billion counterparty risk (for lower derivatives and SFTs exposure in Italy, under IMM approach); (ii) +€0.1 billion credit risk (for the acquisition of Alpha Bank Romania, Internal Models update in Austria, new securitisations in Italy and Eastern Europe, Russian Ruble depreciation);
- Market risk RWEAs (rows EU 8b, 15, 20) for -€1.3 billion, mainly driven by the expiring of portfolio positions under IMA Approach;
- Operational risk RWEAs (row 23) for +€0.6 billion, related to the increase of the 3-year average revenues of some banks treated under Standard Approach.

Template EU OV1 - Overview of risk weighted exposure amounts

(€ million)

		RISK WEIGHTED EXPOSURE AMOUNTS (RWEAs)		TOTAL OWN FUNDS REQUIREMENTS
		a	b	c
DESCRIPTION		31.12.2024	30.09.2024	31.12.2024
1	**Credit risk (excluding CCR)**	**219,814**	**220,438**	**17,585**
2	*Of which the standardised approach*	*79,705*	*78,170*	*6,376*
3	*Of which the foundation IRB (F-IRB) approach*	*11,074*	*11,477*	*886*
4	*Of which slotting approach*	*3,478*	*3,726*	*278*
EU 4a	*Of which equities under the simple risk weighted approach*	*1,391*	*1,346*	*111*
5	*Of which the advanced IRB (A-IRB) approach*	*118,754*	*122,409*	*9,500*
6	**Counterparty credit risk - CCR**	**8,236**	**8,454**	**659**
7	*Of which the standardised approach*	*1,362*	*1,406*	*109*
8	*Of which internal model method (IMM)*	*5,245*	*5,302*	*420*
EU 8a	*Of which exposures to a CCP*	*338*	*439*	*27*
EU 8b	*Of which credit valuation adjustment - CVA*	*1,008*	*1,039*	*81*
9	*Of which other CCR*	*282*	*268*	*23*
10	*Not applicable*			
11	*Not applicable*			
12	*Not applicable*			
13	*Not applicable*			
14	*Not applicable*			
15	**Settlement risk**	**14**	**16**	**1**
16	**Securitisation exposures in the non-trading book (after the cap)**	**8,576**	**7,852**	**686**
17	*Of which SEC-IRBA approach*	*2,894*	*2,358*	*232*
18	*Of which SEC-ERBA (including IAA)*	*3,268*	*3,123*	*261*
19	*Of which SEC-SA approach*	*1,951*	*1,989*	*156*
EU 19a	*Of which 1250%/deduction*	-	-	-
	Of which Specific treatment for senior tranches of qualifying NPE securitisations[1]	*463*	*381*	*37*
20	**Position, foreign exchange and commodities risks (Market risk)**	**8,827**	**10,069**	**706**
21	*Of which the standardised approach*	*5,401*	*5,484*	*432*
22	*Of which IMA*	*3,426*	*4,585*	*274*
EU 22a	**Large exposures**	**-**	**-**	**-**
23	**Operational risk**	**31,626**	**31,014**	**2,530**
EU 23a	*Of which basic indicator approach*	*1,527*	*1,112*	*122*
EU 23b	*Of which standardised approach*	*3,879*	*2,958*	*310*
EU 23c	*Of which advanced measurement approach*	*26,220*	*26,944*	*2,098*
24	**Amounts below the thresholds for deduction (subject to 250% risk weight) (for information)**[2]	**19,907**	**18,866**	**1,593**
25	*Not applicable*			
26	*Not applicable*			
27	*Not applicable*			
28	*Not applicable*			
29	**Total**	**277,093**	**277,843**	**22,167**

Note:
1. In 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).
2. The increase observed in row 24 “Amounts below the thresholds for deduction (subject to 250% risk weight) (for information)” is mainly due to the commitment stemming from the notice to the counterparty about the exercise of the rights to acquire CNP UniCredit Vita S.p.A., which is subject to 250% risk weight in coherence with the treatment of the equity stake.
For any further details 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 Own Funds chapter.

Own Funds requirements and risk weighted exposure amounts

Template EU CR10 - Specialised lending and equity exposures under the simple risk weighted approach (CR10.1)

(€ million)

SPECIALISED LENDING: PROJECT FINANCE (SLOTTING APPROACH)							
REGULATORY CATEGORIES	REMAINING MATURITY	ON-BALANCE SHEET EXPOSURE	OFF-BALANCE SHEET EXPOSURE	RISK WEIGHT	EXPOSURE POST CCF AND POST CRM	RISK WEIGHTED EXPOSURE AMOUNT	EXPECTED LOSS AMOUNT
		a	b	c	d	e	f
Category 1	Less than 2.5 years	14	12	50%	17	7	-
	Equal to or more than 2.5 years	202	34	70%	216	141	1
Category 2	Less than 2.5 years	4	7	70%	6	4	0
	Equal to or more than 2.5 years	164	35	90%	173	135	1
Category 3	Less than 2.5 years	0	1	115%	1	1	0
	Equal to or more than 2.5 years	85	0	115%	85	97	2
Category 4	Less than 2.5 years	-	-	250%	-	-	-
	Equal to or more than 2.5 years	-	-	250%	-	-	-
Category 5	Less than 2.5 years	7	0	-	7	-	4
	Equal to or more than 2.5 years	14	-	-	14	-	7
Total as at 31.12.2024	**Less than 2.5 years**	**26**	**21**		**31**	**11**	**4**
	Equal to or more than 2.5 years	**464**	**69**		**488**	**374**	**11**
Total as at 30.06.2024	**Less than 2.5 years**	**21**	**18**		**26**	**11**	**4**
	Equal to or more than 2.5 years	**482**	**65**		**511**	**361**	**10**

Template EU CR10 - Specialised lending and equity exposures under the simple risk weighted approach (CR10.2)

(€ million)

SPECIALISED LENDING: INCOME-PRODUCING REAL ESTATE AND HIGH VOLATILITY COMMERCIAL REAL ESTATE (SLOTTING APPROACH)							
REGULATORY CATEGORIES	REMAINING MATURITY	ON-BALANCE SHEET EXPOSURE	OFF-BALANCE SHEET EXPOSURE	RISK WEIGHT	EXPOSURE POST CCF AND POST CRM	RISK WEIGHTED EXPOSURE AMOUNT	EXPECTED LOSS AMOUNT
		a	b	c	d	e	f
Category 1	Less than 2.5 years	717	262	50%	724	360	-
	Equal to or more than 2.5 years	542	108	70%	607	413	2
Category 2	Less than 2.5 years	992	439	70%	1,049	729	4
	Equal to or more than 2.5 years	1,108	237	90%	1,243	1,093	10
Category 3	Less than 2.5 years	310	201	115%	318	356	9
	Equal to or more than 2.5 years	71	4	115%	73	79	2
Category 4	Less than 2.5 years	25	0	250%	25	61	2
	Equal to or more than 2.5 years	1	-	250%	1	2	0
Category 5	Less than 2.5 years	21	-	-	21	-	11
	Equal to or more than 2.5 years	0	-	-	0	-	0
Total as at 31.12.2024	**Less than 2.5 years**	**2,064**	**902**		**2,137**	**1,506**	**26**
	Equal to or more than 2.5 years	**1,722**	**349**		**1,923**	**1,587**	**15**
Total as at 30.06.2024	**Less than 2.5 years**	**3,179**	**910**		**3,285**	**1,920**	**99**
	Equal to or more than 2.5 years	**1,603**	**305**		**1,727**	**1,421**	**15**

The decrease compared to June 2024, with reference to columns “a”, “d” and “e”, is due to lower commercial volumes mainly in Italy and Austria. The template EU CR10.4 “Specialised lending: commodities finance (slotting approach)” and template EU CR10.3 “Specialised lending: Object Finance (slotting approach) are not reported as the Group does not hold exposures as at 31 December 2024.

Own Funds requirements and risk weighted exposure amounts

Template EU CR10 - Specialised lending and equity exposures under the simple risk weighted approach (CR10.5)

(€ million)

	EQUITY EXPOSURES UNDER THE SIMPLE RISK-WEIGHTED APPROACH					
	ON-BALANCE SHEET EXPOSURE	OFF-BALANCE SHEET EXPOSURE	RISK WEIGHT	EXPOSURE POST CCF AND POST CRM	RISK WEIGHTED EXPOSURE AMOUNT	EXPECTED LOSS AMOUNT
CATEGORIES	a	b	c	d	e	f
Private equity exposures	481	-	190%	481	914	4
Exchange-traded equity exposures	466	-	290%	20	59	0
Other equity exposures	113	0	370%	113	418	3
Total as at 31.12.2024	**1,059**	**0**		**614**	**1,391**	**7**
Total as at 30.06.2024	**983**	**0**		**592**	**1,335**	**6**

Template EU MR1 - Market risk under the standardised approach

(€ million)

DESCRIPTION		a RWEAs
	Outright products	
1	Interest rate risk (general and specific)	534
2	Equity risk (general and specific)	45
3	Foreign exchange risk	4,817
4	Commodity risk	1
	Options	
5	Simplified approach	-
6	Delta-plus approach	3
7	Scenario approach	-
8	Securitisation (specific risk)	-
9	**Total as at 31.12.2024**	**5,401**
	Total as at 30.06.2024	**6,217**

With regards to foreign exchange risk (row 3 of the template above), UniCredit group includes, in the calculation of foreign exchange RWEA, also the structural FX position stemming from legal entities with reporting currency different from Euro, according to the EBA Guidelines 2020/09.
Such Guidelines are applicable starting from January 2022. In this regard, UniCredit obtained formal approval from the ECB (as per article 352(2) of the CRR, permission ECB-SSM-2021-ITUNI-56) to exclude from the calculation of foreign exchange RWEA the part of structural FX positions that can be considered as a hedging of the consolidated total capital ratio against the adverse effects of exchange rates. The authorization currently covers the currencies BAM, BGN, CZK, HUF, RON and RSD.
The variation observed is attributable to the foreign exchange RWEA and is mainly due to the variation in the structural positions in Ruble.

Credit risk

Non-performing and forborne exposures

This section includes the disclosure requirements in according to Regulation (EU) 637/2021 (with reference to CRR2 article 442), shown in coherence with the FINREP submission as at 31 December 2024.
The signs in the tables below are coherent with the related Regulatory Reporting (FINREP and Asset Encumbrance).

Template EU CQ1 - Credit quality of forborne exposures

(€ million)

		a	b	c	d	e	f	g	h
		GROSS CARRYING AMOUNT/NOMINAL AMOUNTOF EXPOSURES WITH FORBEARANCE MEASURES				ACCUMULATED IMPAIRMENT, ACCUMULATED NEGATIVE CHANGES IN FAIR VALUE DUE TO CREDIT RISK AND PROVISIONS		COLLATERALS RECEIVED AND FINANCIAL GUARANTEES RECEIVED ON FORBORNE EXPOSURES	
			NON-PERFORMING FORBORNE						
DESCRIPTION		PERFORMING FORBORNE		OF WHICH DEFAULTED	OF WHICH IMPAIRED	ON PERFORMING FORBORNE EXPOSURES	ON NON-PERFORMING FORBORNE EXPOSURES		OF WHICH COLLATERAL AND FINANCIAL GUARANTEES RECEIVED ON NON-PERFORMING EXPOSURES WITH FORBEARANCE MEASURES
005	**Cash balances at central banks and other demand deposits**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
010	**Loans and advances**	**6,241**	**3,336**	**3,336**	**3,324**	**(473)**	**(1,568)**	**4,743**	**1,116**
020	Central banks	-	-	-	-	-	-	-	-
030	General governments	13	14	14	14	(0)	(6)	-	-
040	Credit institutions	-	-	-	-	-	-	-	-
050	Other financial corporations	556	153	153	144	(58)	(79)	407	9
060	Non-financial corporations	5,013	2,550	2,550	2,548	(342)	(1,269)	3,545	761
070	Households	659	619	619	619	(73)	(213)	791	346
080	**Debt Securities**	**31**	**3**	**3**	**0**	**(2)**	**(2)**	**19**	**0**
090	**Loan commitments given**	**718**	**250**	**250**	**250**	**(14)**	**(30)**	**308**	**46**
100	**Total as at 31.12.2024**	**6,989**	**3,589**	**3,589**	**3,575**	**(490)**	**(1,600)**	**5,070**	**1,162**
	Total as at 30.06.2024	**6,938**	**3,882**	**3,882**	**3,861**	**(570)**	**(1,733)**	**5,195**	**1,270**

Note:
In coherence with the UniCredit group approach, the non-performing exposures are equal to the defaulted ones.

Template EU CQ3 - Credit quality of performing and non-performing exposures by past due days

(€ million)

		a	b	c	d	e	f
		GROSS CARRYING AMOUNT/NOMINAL AMOUNT					
		PERFORMING EXPOSURES			NON-PERFORMING EXPOSURES		
DESCRIPTION			NOT PAST DUE OR PAST DUE <= 30 DAYS	PAST DUE > 30 DAYS <= 90 DAYS		UNLIKELY TO PAY THAT ARE NOT PAST-DUE OR PAST DUE <= 90 DAYS	PAST DUE > 90 DAYS <= 180 DAYS
005	**Cash balances at central banks and other demand deposits**	**45,858**	**45,858**	**0**	**107**	**107**	**-**
010	**Loans and advances**	**459,429**	**457,724**	**1,705**	**11,232**	**6,023**	**802**
020	Central banks	12,566	12,566	0	-	-	-
030	General governments	24,134	24,095	38	396	192	0
040	Credit institutions	29,922	29,921	0	49	4	1
050	Other financial corporations	53,887	53,871	16	291	224	6
060	Non-financial corporations	201,766	200,767	999	7,862	4,369	409
070	*of which SMEs*	*66,491*	*66,263*	*228*	*3,507*	*1,520*	*253*
080	Households	137,155	136,504	651	2,634	1,234	386
090	**Debt securities**	**171,159**	**171,159**	**-**	**194**	**188**	**4**
100	Central banks	231	231	-	-	-	-
110	General governments	114,259	114,259	-	1	1	-
120	Credit institutions	29,713	29,713	-	-	-	-
130	Other financial corporations	23,311	23,311	-	187	187	-
140	Non-financial corporations	3,645	3,645	-	6	0	4
150	**Off balance sheet exposures**	**363,159**			**3,025**		
160	Central banks	401			-		
170	General governments	11,293			109		
180	Credit institutions	22,224			0		
190	Other financial corporations	52,265			27		
200	Non-financial corporations	261,749			2,832		
210	Households	15,229			56		
220	**Total as at 31.12.2024**	**1,039,606**	**674,742**	**1,705**	**14,557**	**6,318**	**806**
	Total as at 30.06.2024	**1,068,326**	**695,650**	**964**	**14,704**	**5,898**	**1,279**

Credit risk

continued: Template EU CQ3 - Credit quality of performing and non-performing exposures by past due days

(€ million)

		g	h	i	j	k	l
		GROSS CARRYING AMOUNT/NOMINAL AMOUNT					
		NON-PERFORMING EXPOSURES					
	DESCRIPTION	PAST DUE > 180 DAYS <= 1 YEAR	PAST DUE > 1 YEAR <= 2 YEARS	PAST DUE > 2 YEAR <= 5 YEARS	PAST DUE > 5 YEAR <= 7 YEARS	PAST DUE > 7 YEARS	OF WHICH DEFAULTED
005	**Cash balances at central banks and other demand deposits**	**-**	**-**	**-**	**-**	**-**	**107**
010	**Loans and advances**	**1,161**	**1,226**	**1,231**	**368**	**421**	**11,232**
020	Central banks	-	-	-	-	-	-
030	General governments	30	93	73	4	3	396
040	Credit institutions	34	1	5	-	4	49
050	Other financial corporations	32	16	11	0	2	291
060	Non-financial corporations	758	864	870	282	309	7,862
070	*of which SMEs*	*465*	*544*	*412*	*132*	*180*	*3,507*
080	Households	307	251	271	81	103	2,634
090	**Debt securities**	**-**	**-**	**0**	**3**	**-**	**194**
100	Central banks	-	-	-	-	-	-
110	General governments	-	-	-	-	-	1
120	Credit institutions	-	-	-	-	-	-
130	Other financial corporations	-	-	0	-	-	187
140	Non-financial corporations	-	-	-	3	-	6
150	**Off balance sheet exposures**						**3,025**
160	Central banks						-
170	General governments						109
180	Credit institutions						0
190	Other financial corporations						27
200	Non-financial corporations						2,832
210	Households						56
220	**Total as at 31.12.2024**	**1,161**	**1,226**	**1,231**	**370**	**421**	**14,557**
	Total as at 30.06.2024	**1,385**	**1,200**	**1,350**	**379**	**569**	**14,704**

Note:
The template above does not include the Held for Trading portfolio.

Template EU CQ4 - Quality of non-performing exposures by geography

(€ million)

		a	b	c	d	e	f	g
		GROSS CARRYING/NOMINAL AMOUNT						
			OF WHICH NON-PERFORMING					
	DESCRIPTION			OF WHICH DEFAULTED	OF WHICH SUBJECT TO IMPAIRMENT	ACCUMULATED IMPAIRMENT	PROVISIONS ON OFF-BALANCE SHEET COMMITMENTS AND FINANCIAL GUARANTEES GIVEN	ACCUMULATED NEGATIVE CHANGES IN FAIR VALUE DUE TO CREDIT RISK ON NON-PERFORMING EXPOSURES
010	**On balance sheet exposures**	**642,014**	**11,425**	**11,425**	**638,794**	**(9,358)**		**(81)**
020	Italy	211,819	4,227	4,227	211,443	(3,766)		(56)
030	Germany	125,853	2,336	2,336	124,633	(1,281)		(10)
040	Austria	58,744	1,523	1,523	58,277	(1,156)		-
050	Russia	4,780	542	542	4,780	(461)		-
060	Romania	16,364	390	390	16,343	(504)		-
070	Other Countries	224,453	2,408	2,408	223,318	(2,190)		(16)
080	**Off balance sheet exposures**	**366,184**	**3,025**	**3,025**			**1,042**	
090	Italy	130,259	1,742	1,742			404	
100	Germany	83,302	664	664			207	
110	Austria	33,191	197	197			134	
120	Kenya	93	80	80			0	
130	Netherlands	7,179	60	60			13	
140	Other Countries	112,162	282	282			285	
150	**Total as at 31.12.2024**	**1,008,198**	**14,451**	**14,451**	**638,794**	**(9,358)**	**1,042**	**(81)**
	Total as at 30.06.2024	**1,027,390**	**14,597**	**14,597**	**648,382**	**(10,094)**	**1,094**	**(82)**

Notes:
- In coherence with the UniCredit group approach, the non-performing exposures are equal to defaulted.
- The template above:
  - does not include the Held for Trading portfolio;
  - does not include the item "Cash balances at central banks and other demand deposits".
- Countries included are the ones with higher non performing exposures in the UniCredit group.

Credit risk

Template EU CQ5 - Credit quality of loans and advances by industry

(€ million)

	DESCRIPTION	a	b	c	d	e	f
		GROSS CARRYING AMOUNT					
			OF WHICH NON-PERFORMING				
				OF WHICH DEFAULTED	OF WHICH LOANS AND ADVANCES SUBJECT TO IMPAIRMENT	ACCUMULATED IMPAIRMENT	ACCUMULATED NEGATIVE CHANGES IN FAIR VALUE DUE TO CREDIT RISK ON NON-PERFORMING EXPOSURES
010	Agriculture, forestry and fishing	3,444	154	154	3,444	(175)	-
020	Mining and quarrying	1,437	12	12	1,437	(122)	-
030	Manufacturing	51,192	2,845	2,845	51,189	(2,112)	(1)
040	Electricity, gas, steam and air conditioning supply	11,016	104	104	11,016	(185)	-
050	Water supply	2,241	42	42	2,241	(60)	-
060	Construction	13,857	893	893	13,695	(707)	-
070	Wholesale and retail trade	37,365	1,762	1,762	37,309	(1,160)	(13)
080	Transport and storage	9,841	216	216	9,840	(241)	-
090	Accommodation and food service activities	3,943	257	257	3,943	(182)	-
100	Information and communication	6,522	116	116	6,372	(99)	(1)
110	Real estate activities	39,717	771	771	39,629	(668)	-
120	Financial and insurance actvities	3,872	77	77	3,836	(80)	-
130	Professional, scientific and technical activities	13,628	249	249	13,552	(203)	-
140	Administrative and support service activities	5,332	86	86	5,330	(77)	-
150	Public administration and defense, compulsory social security	990	-	-	990	(0)	-
160	Education	286	9	9	286	(7)	-
170	Human health services and social work activities	2,024	146	146	2,024	(79)	-
180	Arts, entertainment and recreation	1,181	23	23	1,181	(16)	-
190	Other services	1,740	101	101	1,740	(39)	-
200	**Total as at 31.12.2024**	**209,627**	**7,862**	**7,862**	**209,052**	**(6,212)**	**(14)**
	Total as at 30.06.2024	**223,607**	**8,183**	**8,183**	**222,050**	**(6,660)**	**(17)**

Notes:
- In coherence with the UniCredit group approach, the non-performing exposures are equal to defaulted.
- The template above does not include the Held for Trading portfolio.

Template EU CQ7 - Collateral obtained by taking possession and execution processes

(€ million)

	DESCRIPTION	a	b
		COLLATERAL OBTAINED BY TAKING POSSESSION	
		VALUE AT INITIAL RECOGNITION	ACCUMULATED NEGATIVE CHANGES
010	**Property Plant and Equipment (PP&E)**	**1**	**(0)**
020	**Other than PP&E**	**1,027**	**(808)**
030	Residential immovable property	8	(1)
040	Commercial immovable property	459	(199)
050	Movable property	9	(1)
060	Equity and debt instruments	551	(607)
070	Other collateral	-	-
080	**Total as at 31.12.2024**	**1,028**	**(809)**
	Total as at 30.06.2024	**1,096**	**(762)**

Credit risk

Template EU CR1 - Performing and non-performing exposures and related provisions

(€ million)

		a	b	c	d	e	f
		GROSS CARRYING AMOUNT/NOMINAL AMOUNT					
		PERFORMING EXPOSURES			NON-PERFORMING EXPOSURES		
DESCRIPTION			OF WHICH: STAGE 1	OF WHICH: STAGE 2		OF WHICH: STAGE 2	OF WHICH: STAGE 3
005	**Cash balances at central banks and other demand deposits**	**45,858**	**45,317**	**542**	**107**		**74**
010	**Loans and advances**	**459,429**	**406,370**	**51,392**	**11,232**		**11,078**
020	Central banks	12,566	10,419	2,147	-		-
030	General governments	24,134	22,515	1,085	396		396
040	Credit institutions	29,922	29,594	253	49		49
050	Other financial corporations	53,887	49,936	3,899	291		282
060	Non-financial corporations	201,766	172,272	28,947	7,862		7,751
070	*of which SMEs*	*66,491*	*57,215*	*9,148*	*3,507*		*3,490*
080	Households	137,155	121,634	15,061	2,634		2,601
090	**Debt securities**	**171,159**	**167,513**	**2,205**	**194**		**119**
100	Central banks	231	231	-	-		-
110	General governments	114,259	112,267	1,114	1		-
120	Credit institutions	29,713	29,124	199	-		-
130	Other financial corporations	23,311	22,383	754	187		115
140	Non-financial corporations	3,645	3,507	138	6		4
150	**Off-balance sheet exposures**	**363,159**	**228,396**	**22,177**	**3,025**		**2,126**
160	Central banks	401	12	-	-		-
170	General governments	11,293	9,978	313	109		29
180	Credit institutions	22,224	11,343	853	0		0
190	Other financial corporations	52,265	33,895	1,802	27		20
200	Non-financial corporations	261,749	163,185	18,043	2,832		2,043
210	Households	15,229	9,983	1,166	56		34
220	**Total as at 31.12.2024**	**1,039,606**	**847,595**	**76,315**	**14,557**		**13,397**
	Total as at 30.06.2024	**1,068,326**	**858,457**	**78,353**	**14,704**		**13,757**

continued: Template EU CR1 - Performing and non-performing exposures and related provisions

(€ million)

		g	h	i	j	k	l	m	n	o
		ACCUMULATED IMPAIRMENT, ACCUMULATED NEGATIVE CHANGES IN FAIR VALUE DUE TO CREDIT RISK AND PROVISIONS							COLLATERALS AND FINANCIAL GUARANTEES RECEIVED	
		PERFORMING EXPOSURES - ACCUMULATED IMPAIRMENT AND PROVISIONS			NON-PERFORMING EXPOSURES - ACCUMULATED IMPAIRMENT, ACCUMULATED NEGATIVE CHANGES IN FAIR VALUE DUE TO CREDIT RISK AND PROVISIONS			ACCUMULATED PARTIAL WRITE-OFF	ON PERFORMING EXPOSURES	ON NON-PERFORMING EXPOSURES
DESCRIPTION			OF WHICH: STAGE 1	OF WHICH: STAGE 2		OF WHICH: STAGE 2	OF WHICH: STAGE 3			
005	**Cash balances at central banks and other demand deposits**	**(7)**	**(6)**	**(1)**	**(83)**		**(59)**		**0**	**-**
010	**Loans and advances**	**(4,074)**	**(1,017)**	**(3,058)**	**(5,122)**		**(5,095)**	**(692)**	**267,165**	**3,638**
020	Central banks	(6)	(0)	(6)	0		0	-	8,403	-
030	General governments	(48)	(33)	(15)	(31)		(31)	(1)	5,302	236
040	Credit institutions	(18)	(17)	(1)	(9)		(9)	-	21,819	32
050	Other financial corporations	(229)	(51)	(178)	(142)		(132)	(1)	26,910	13
060	Non-financial corporations	(2,389)	(510)	(1,879)	(3,838)		(3,822)	(489)	102,990	2,285
070	*of which SMEs*	*(1,090)*	*(253)*	*(837)*	*(1,797)*		*(1,794)*	*(209)*	*47,796*	*1,319*
080	Households	(1,386)	(407)	(979)	(1,103)		(1,102)	(201)	101,741	1,071
090	**Debt securities**	**(101)**	**(21)**	**(80)**	**(142)**		**(85)**	**-**	**123**	**0**
100	Central banks	(0)	(0)	-	-		-	-	-	-
110	General governments	(84)	(11)	(72)	(1)		-	-	-	-
120	Credit institutions	(4)	(2)	(2)	-		-	-	-	-
130	Other financial corporations	(6)	(5)	(1)	(138)		(82)	-		-
140	Non-financial corporations	(8)	(3)	(5)	(4)		(2)	-	123	0
150	**Off-balance sheet exposures**	**(422)**	**(158)**	**(250)**	**(621)**		**(574)**	**-**	**50,667**	**570**
160	Central banks	(0)	(0)	-	-		-		-	-
170	General governments	(2)	(2)	(0)	(4)		(4)		1,489	80
180	Credit institutions	(7)	(5)	(1)	-		-		3,763	-
190	Other financial corporations	(24)	(16)	(7)	(5)		(4)		13,508	0
200	Non-financial corporations	(357)	(123)	(220)	(608)		(563)		29,913	465
210	Households	(32)	(11)	(21)	(4)		(3)		1,994	25
220	**Total as at 31.12.2024**	**(4,604)**	**(1,202)**	**(3,388)**	**(5,968)**		**(5,813)**		**317,955**	**4,208**
	Total as at 30.06.2024	**(5,010)**	**(1,166)**	**(3,824)**	**(6,348)**		**(6,181)**		**341,571**	**4,421**

Note:
The template above does not include the Held for Trading portfolio.

Credit risk

Template EU CR2 - Changes in the stock of non-performing loans and advances

(€ million)

	DESCRIPTION	a GROSS CARRYING AMOUNT
010	**Initial stock of non-performing loans and advances as at 31.12.2023**	**11,789**
020	Inflows to non-performing portfolios	7,615
030	Outflows from non-performing portfolios	(8,172)
040	Outflows due to write-offs	(1,081)
050	Outflow due to other situations	(7,091)
060	**Final stock of non-performing loans and advances as at 31.12.2024**	**11,232**

Note:
In alignment with EBA instructions on FINREP templates it should be noted that the amounts related to "Inflows to non-performing portfolios" and "Outflow due to other situations" also include changes due to reclassification effects between counterparty categories (e.g. Small Medium Enterprises and "Other non SME"), which inflates the in/out flows for the related categories.

Template EU CR1-A - Maturity of exposures

(€ million)

		a	b	c	d	e	f
		NET EXPOSURE VALUE					
	DESCRIPTION	ON DEMAND	<= 1 YEAR	> 1 YEAR <= 5 YEARS	> 5 YEARS	NO STATED MATURITY	TOTAL
1	Loans and advances	47,487	96,387	128,515	192,204	5,822	470,414
2	Debt securities	66	12,997	77,417	86,113	0	176,593
3	**Total as at 31.12.2024**	**47,553**	**109,384**	**205,932**	**278,317**	**5,822**	**647,008**
	Total as at 30.06.2024	**48,815**	**127,757**	**205,264**	**271,397**	**5,981**	**659,213**

Credit risk

Use of standardised approach

List of the ECAI (External Credit Assessment Institution) and ECA (Export Credit Agency) used in the standardised approach and of the credit portfolios on which the ratings supplied by these entities are applied.

PORTFOLIOS	ECA/ECAI	RATING CHARACTERISTICS[1]
Exposures to central governments or central banks	Fitch Ratings Moody's Investor Services Standard and Poor's Rating Services Cerved Rating Agency[2]	Solicited and Unsolicited
Exposures to regional governments or local authorities		
Exposures to public sector entities		
Exposures to multilateral development banks		
Exposures to institutions		
Exposures to corporates		
Items representing securitisation positions		
Exposures to institutions and corporates with a short-term credit assessment		
Exposures in the form of units or shares in collective investment undertakings (CIUs)		

Notes:
1. Solicited rating: shall mean a rating assigned for a fee following a request from the entity evaluated. Ratings assigned without such a request shall be treated as equivalent to solicited ratings if the entity had previously obtained a solicited rating from the same ECAI.
Unsolicited rating: shall mean a rating assigned without a request from the entity evaluated and without payment of a fee.
2. Only Unsolicited.

The process in use to transfer the issuance and issue rating follows the logic described in CRR article 139 and compares seniority of the claim and the resulting risk weight with and without the application of the issuance specific rating.

Template EU CR4 - Standardised approach - Credit risk exposure and CRM effects

(€ million)

		EXPOSURES BEFORE CCF AND BEFORE CRM		EXPOSURES POST CCF AND POST CRM		RWEA AND RWEA DENSITY	
		ON-BALANCE SHEET EXPOSURES	OFF-BALANCE SHEET EXPOSURES	ON-BALANCE SHEET EXPOSURES	OFF-BALANCE SHEET EXPOSURES	RWEA	RWEA DENSITY (%)
	EXPOSURE CLASSES	a	b	c	d	e	f
1	Central governments or central banks	133,224	2,827	165,442	3,217	12,971	7.69%
2	Regional government or local authorities	21,545	5,428	25,157	1,164	415	1.58%
3	Public sector entities	13,757	1,108	12,210	164	944	7.63%
4	Multilateral development banks	2,991	201	3,911	50	1	0.02%
5	International organisations	10,031	0	10,031	0	-	-
6	Institutions	1,604	1,250	2,869	698	1,013	28.41%
7	Corporates	32,129	30,396	26,612	3,706	22,127	72.98%
8	Retail	14,906	4,152	13,300	496	9,549	69.21%
9	Exposures secured by mortgages on immovable property	10,532	186	10,445	43	4,155	39.62%
10	Exposures in default	824	178	753	27	899	115.33%
11	Exposures associated with particularly high risk	243	9	213	9	333	150.00%
12	Covered bonds	63	-	63	-	13	19.93%
13	Exposures to institutions and corporates with a short-term credit assessment	1,039	85	902	3	230	25.41%
14	Units or shares in collective investment undertakings	1,481	428	1,481	428	2,358	123.53%
15	Equity exposures	7,035	1,656	7,035	1,656	16,846	193.84%
16	Other items	10,592	0	10,592	0	7,851	74.12%
17	**Total as at 31.12.2024**	**261,995**	**47,904**	**291,015**	**11,661**	**79,705**	**26.33%**
	Total as at 30.06.2024	**262,804**	**39,420**	**294,738**	**9,512**	**77,657**	**25.52%**

Credit risk

Template EU CR5 - Standardised approach - Credit risk exposures by regulatory exposure class and risk weights

(€ million)

		RISK WEIGHT								
		0%	2%	4%	10%	20%	35%	50%	70%	75%
EXPOSURE CLASSES		a	b	c	d	e	f	g	h	i
1	Central governments or central banks	159,724	-	-	-	1	-	62	-	-
2	Regional government or local authorities	24,561	-	-	-	1,676	-	10	-	-
3	Public sector entities	10,715	-	-	-	897	-	257	-	-
4	Multilateral development banks	3,956	-	-	-	5	-	-	-	-
5	International organisations	10,031	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	2,906	-	438	-	-
7	Corporates	-	-	-	-	7,340	3	1,981	68	-
8	Retail	-	-	-	-	-	1	-	-	13,796
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	8,012	1,892	-	41
10	Exposures in default	-	-	-	-	-	-	-	-	-
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-
12	Covered bonds	-	-	-	0	63	-	-	-	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	831	-	25	-	-
14	Units or shares in collective investment undertakings	99	-	-	-	3	-	0	-	94
15	Equity exposures	-	-	-	-	-	-	-	-	-
16	Other items	2,379	-	-	2	375	-	14	-	-
17	**Total exposure value as at 31.12.2024**	**211,464**	**-**	**-**	**2**	**14,096**	**8,016**	**4,678**	**68**	**13,931**
	Total exposure value as at 30.06.2024	**213,456**	**-**	**-**	**40**	**13,493**	**6,675**	**5,915**	**52**	**13,619**

Credit risk

continued: Template EU CR5 - Standardised approach - Credit risk exposures by regulatory exposure class and risk weights

(€ million)

		RISK WEIGHT							TOTAL EXPOSURE VALUE	OF WHICH UNRATED
		100%	150%	250%	370%	1250%	OTHERS	DEDUCTED(*)		
EXPOSURE CLASSES		j	k	l	m	n	o		p	q
1	Central governments or central banks	5,767	570	2,526	-	-	9	202	168,659	3,044
2	Regional government or local authorities	70	4	-	-	-	-	-	26,321	6
3	Public sector entities	244	262	-	-	-	-	-	12,374	262
4	Multilateral development banks	-	-	-	-	-	-	-	3,961	-
5	International organisations	-	-	-	-	-	-	-	10,031	-
6	Institutions	223	-	-	-	-	-	-	3,567	427
7	Corporates	20,166	762	-	-	-	-	-	30,318	17,365
8	Retail	-	-	-	-	-	-	-	13,797	13,797
9	Exposures secured by mortgages on immovable property	542	-	-	-	-	-	-	10,487	10,487
10	Exposures in default	541	239	-	-	-	-	-	780	780
11	Exposures associated with particularly high risk	-	222	-	-	-	-	-	222	222
12	Covered bonds	-	-	-	-	-	-	-	63	1
13	Exposures to institutions and corporates with a short-term credit assessment	47	3	-	-	-	-	-	905	-
14	Units or shares in collective investment undertakings	1,209	132	-	-	16	356	-	1,909	66
15	Equity exposures	3,254	-	5,437	-	-	-	416	8,691	8,773
16	Other items	7,755	-	-	-	-	67	-	10,592	10,592
17	**Total exposure value as at 31.12.2024**	**39,818**	**2,194**	**7,963**	**-**	**16**	**432**	**617**	**302,676**	**65,820**
	Total exposure value as at 30.06.2024	**38,790**	**3,312**	**6,834**	**0**	**16**	**2,048**	**37**	**304,250**	**68,046**

(*) Reference should be made to paragraph "Deductions connected to investments in financial sector entities and deferred tax asse ts that rely on future profitability and arise from temporary differences" in the introductory section of Own Funds chapter.

Credit risk

Use of the IRB approach

Banca d'Italia, with act No.365138 dated 28 March 2008, authorised UniCredit group to use IRB Advanced approach in order to determine capital requirements for credit risks.
The Group has been authorized to use internal estimations of PD, LGD and EAD parameters for Group Wide credit portfolios (Sovereign, Banks, Multinational Corporates and Global Project Finance) and for local credit portfolios of relevant subsidiaries (Corporate and Retail). With reference to Italian Mid-corporate and Small Business portfolios, regulatory EAD parameters are currently used.
These methodologies have been adopted by UniCredit S.p.A. (UCI S.p.A.), UniCredit Bank GmbH (UCB GmbH) and UniCredit Bank Austria AG (UCBA AG). According to the Roll-out plan, providing a progressive extension of the IRB rating methods, approved by the Group and shared with the Supervisory Authorities, the methods have been extended starting from 2008 to the following legal entities: UniCredit Banka Slovenija dd, UniCredit Bulbank AD, UniCredit Bank Czech Republic and Slovakia a.s., UniCredit Bank Hungary Zrt., UniCredit Bank S.A. (Romania) and AO UniCredit Bank in Russia.
In October 2021, UniCredit Leasing GmbH and Subsidiaries were authorised to revert to the use of the Standardised Approach (Permanent Partial Use) for all former AIRB portfolios. From 1 November 2021, UniCredit Bank Ireland plc was merged in UCI S.p.A. and for exposures coming from UniCredit Bank Ireland the RWEA calculation approaches authorised in UCI S.p.A. were adopted.
This qualitative information provides the description of the rating systems authorized by the Supervisory Authorities for each main exposure class, as illustrated in the following table.

PREVAILING ASSET CLASS	RATING SYSTEM		LEGAL ENTITY
Central governments and central banks	Group Wide	Sovereign (PD, LGD, EAD)	UCI S.p.A., UCB GmbH, UCBA AG, UCB CZ & SK, UCB RO(*)
Institutions		Financial Institutions & Banks (PD, LGD, EAD)	UCI S.p.A., UCB GmbH, UCBA AG, UCB Slo(*), UCB BG(*), UCB CZ & SK, UCB HU(*), UCB RO(*)
Corporate		Multinational Corporate (PD, LGD, EAD)	UCI S.p.A., UCB GmbH, UCBA AG, UCB Slo(*), UCB BG, UCB CZ & SK, UCB HU(*), UCB RO(*), AO UCB(*)
		Global Project Finance (PD, LGD, EAD)	UCI S.p.A., UCB GmbH, UCBA AG, UCB CZ & SK
	Local	Integrated Corporate Rating (RIC) (PD, LGD)	UCI S.p.A.(**)
		Mid Corporate (PD, LGD, EAD)	UCB GmbH, UCBA AG, UCB CZ & SK, UCB BG, UCB HU(*), UCB RO(*)
		Foreign Small and Medium Sized Enterprises (PD, LGD, EAD)	UCB GmbH
		Income Producing Real Estate (IPRE) (PD, LGD, EAD)	UCB GmbH, UCB CZ & SK
		Acquisition and Leveraged Finance (PD, LGD, EAD)	UCB GmbH
		Wind Project Finance (PD, LGD, EAD)	UCB GmbH
		Real Estate (PD, LGD)	UCI S.p.A.
		Commercial Real Estate Finance (PD, LGD, EAD)	UCB GmbH
		Real Estate Customers Rating (PD, LGD, EAD)	UCBA AG
		Income Producing Real Estate (IPRE) (Slotting criteria)	UCI S.p.A., UCBA AG, UCB BG
		Project Finance (Slotting Criteria)	UCB BG
Retail exposures		Integrated Small Business Rating (RISB) (PD, LGD) (***)	UCI S.p.A.
		Integrated Private Rating (RIP-One) (PD, LGD, EAD)	UCI S.p.A.
		Small Business (PD, LGD, EAD)	UCB GmbH, UCBA AG, UCB CZ & SK, UCB BG
		Private Individuals (PD, LGD, EAD)	UCB GmbH, UCBA AG, UCB CZ & SK, UCB BG
Securitisation		Asset Backed Commercial Paper (PD, LGD, EAD)	UCB GmbH

Notes:
(*) These entities are currently authorized only to use the IRB Foundation, therefore use only PD internal estimations for determination of capital requirements. Moreover, for AO UCB the use of the FIRB approach is for consolidated purposes only.
(**)The Integrated Rating Corporate (RIC) rating system is also adopted for the Italian Large Corporate (ILC) portfolio for the estimation of PD and LGD parameters, which includes Italian companies with an operating revenues/value between €250 and €500 million.
(***) PD Parameter is applied, among others, also to Natural Persons characterized by entrepreneurship risk ("Private-like") which are excluded from the scope of application of the PD RIP-One but included within the unique framework of LGD RIP One.

Credit risk

Keywords:

UCI S.p.A.: UniCredit S.p.A.
UCB GmbH: UniCredit Bank GmbH
UCBA AG: UniCredit Bank Austria AG
UCB Slo: UniCredit Banka Slovenija d.d.
UCB BG: UniCredit Bulbank AD
UCB CZ & SK: UniCredit Bank Czech Republic and Slovakia a.s.
UCB HU: UniCredit Hungary Zrt.
UCB RO: UniCredit Bank SA (Romania)
AO UCB: AO UniCredit Bank (Russia)

The Group Master Scale, introduced in the Group governance rules, allows to have vision of the customer riskiness at Group level and to increase communication and management reporting.

The Group Rating Master Scale is based on the following assumptions:

- the investment grade/non-investment grade rating classes are clearly separated by a well-defined threshold that may change according to the PD changes identified in all group wide rating scales (which are directly derived from S&P migration matrices);
- the range of PD is sufficiently large (AAA to Default), the default classes correspond to those defined by EBA;
- the Group Rating Master Scale has been defined in order to have a level of granularity as the one of the Standard & Poor's rating scale in the best classes.

The Group Rating Master Scale is used for management reporting purposes only; thus, it has no impact on the Internal Rating Based (IRB) approach, on the regulatory requirements compliance of rating models and on the Roll-out plan. The Risk Weighted Asset, Expected Loss and Loan Loss Provision calculations do not change. There is also no impact on the pricing of loans, and it is not necessary to recalibrate existing rating models.

Based on the previous considerations. the correspondence between the PD rating classes provided by the Group Rating Master Scale and those of external agency (S&P's) are purely indicative and therefore they may change over time.

Credit risk

Rating Group Master Scale Template

Rating notch	Rating	PD_min	PD_max	S&P proxy rating equivalent
1	1A	0.000%	0.026%	AAA,AA+,AA,AA-,A+,A
2	1B	0.026%	0.035%	A, A-
3	1C	0.035%	0.048%	A-
4	2A	0.048%	0.065%	A-
5	2B	0.065%	0.089%	BBB+
6	2C	0.089%	0.121%	BBB+, BBB
7	3A	0.121%	0.165%	BBB
8	3B	0.165%	0.224%	BBB, BBB-
9	3C	0.224%	0.306%	BBB-
10	4A	0.306%	0.417%	BBB-, BB+
11	4B	0.417%	0.568%	BB+
12	4C	0.568%	0.775%	BB
13	5A	0.775%	1.056%	BB, BB-
14	5B	1.056%	1.439%	BB-
15	5C	1.439%	1.961%	BB-, B+
16	6A	1.961%	2.673%	B+
17	6B	2.673%	3.643%	B+, B
18	6C	3.643%	4.965%	B, B-
19	7A	4.965%	6.767%	B
20	7B	6.767%	9.222%	B, B-
21	7C	9.222%	12.570%	B-
22	8A	12.570%	17.131%	B-
23	8B	17.131%	23.349%	B-, CCC
24	8C	23.349%	31.823%	CCC
25	8D	31.823%	100.00%	CCC
26	9A	*Past Due*		D
27	9B	*Unlikely to pay*		D
28	9C	*Unlikely to pay: distressed restructuring*		D
29	9D	*Unlikely to pay: sale of credit obligations*		D
30	9E	*Bad Loans*		D

All the internal rating systems adopted by UniCredit group represent a fundamental component of credit decision-making and credit risk process. In particular internal rating systems and PD, LGD and EAD parameters are applied in the following areas:

- Different phases of the credit process:
  - Approval/renewal. The assignment of an internal rating is a key component in the credit assessment of a counterparty/transaction and represents a mandatory step in providing/renewing credit lines. The rating assigned before the decision-making is an integrated part of the credit assessment and it is discussed in the credit proposal. Moreover, together with the loan exposure, the PD as calculated by the internal rating is also a component for defining the appropriate credit approval level;
  - Monitoring. The main objective of the loan monitoring process is the early identification of deteriorating creditworthiness of a counterparty/transaction, and the timely definition of the most appropriate corrective actions, aiming to bring credit files back to regular status and avoiding the default classification. This activity mainly focuses on the analysis of signs of potential or actual credit risk deterioration and taking adequate actions to manage the exposure. Possible options also include request of new or additional collateral, resulting in the reduction of LGD, and thus a positive impact on EAD and potentially in a subsequent recovery phase;
  - Loan recovery. The assessment of the proposed strategy aims at defining the recovery plan, loan loss provisions, expected net cash flows (after levying on collaterals and guarantees) and all the other values for the calculation of the Net Present Value (NPV), on the basis of the related prudential collection hypothesis considering all the costs and the probability of the strategy to fail. The assessment results in the estimated LGD.

Credit risk

- Provision policies. For performing loan customers, starting from 1 January 2018, the IFRS9 Expected Credit Loss (ECL) Model envisages that a credit event does not have to occur for a credit loss to be recognised. ECLs are recalculated at each reporting date in order to reflect changes in credit risk since initial recognition of a financial instrument. Forward-looking information and macro-economic factors are used for the determination of ECLs. Moreover, the measurement of the risk parameters for the expected credit losses calculation shall reflect an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes based on baseline and alternative scenario "worst-case" and/or "best-case". A stage approach is followed: i) Stage 1: covers all exposures that have not significantly deteriorated in credit quality since initial recognition. Financial instruments assigned to Stage 1 result in the recognition of a 12-month expected credit loss. ii) Stage 2 covers financial instruments that have significantly deteriorated in credit quality since initial recognition but that do not have objective evidence of a default event. Financial instruments assigned to Stage 2 result in the recognition of a lifetime expected credit losses. iii) For counterparties in the default category (stage 3), the estimated recoverable amount is the present value of future cash flows expected to be recovered, discounted at the original effective interest rate of the exposure. For positions in Stage 3, lifetime expected credit losses shall be recorded.
- Capital management and allocation. Ratings are also an essential element in the process of managing and allocating capital that is performed on a risk-based perspective. Specifically, the output of rating systems feeds RWEA and Expected Loss calculation that are considered for allocating capital and for the quantification of "risk adjusted performance" measures (i.e., EVA, sEVA, ROAC and RACE)16.
- Reporting. The fundamental objective of the reporting and monitoring activities performed by the Group Risk Management function is the analysis of the main drivers and parameters of credit risk (exposure, portfolio mix, asset quality, cost of risk, shortfall, etc.). The reporting provides a managerial tool for supporting decision-making process in the management and mitigation of risks. Group Risk Management function performs credit risk reporting at portfolio level, producing reports at Group level, both recurring and specific (on demand of Top Management, Supervisors or external entities, e.g., rating agencies) with the objective of analysing the main risk components and their development over time, and thus to detect any signals of deterioration at an early stage and, subsequently, to put in place the appropriate corrective actions. Credit portfolio performance is analysed with reference to its main risk drivers (such as growth and risk indicators), customer segments, regions, industrial sectors, impaired credits performance and relevant coverage. The most relevant reports, at the Group level, are detailed below:
  - Integrated Risk Report is produced with a quarterly frequency, shared internally at Management/Board level and externally with Supervisory Authority;
  - A comprehensive Credit Risk Report harmonizing and integrating all major monitoring and reporting on Credit Risk present in Parent Company, providing a consistent and structured representation and steering of the overall performing credits portfolio both at Group and regional/divisional level from a managerial perspective. The report is produced on a quarterly basis and shared internally at Management level;
  - Reports from Group Internal Validation function informing periodically management bodies on the performance of the internal models, including the significant weaknesses. The main validation reports are:
    - Validation Report: formalised by the competent validation functions and sent to the competent Chief Risk Officer functions;
    - Annual Report of Internal Validation: formalized by Group Internal Validation (GIV) on an annual basis and including the result of all validation activities carried out during the year on Pillar I rating systems at the Group level. The report highlights the overall adequacy of each risk measurement system in scope by describing the main achievements and most important gaps and weaknesses to be properly addressed as well as the existing Supervisory findings within the validation scope. Furthermore, it provides a summary at rating systems level "as a whole", by aggregating the Overall Validation Assessment on the different components (model, process, data and IT). The report is submitted to: the Audit Committee, in charge of issuing a formal opinion; the Internal Audit function, for information; the Board of Directors, for approval and then to the Supervisory Authority;
    - Quarterly Validation Overview (QVO): formalized by the Group Validation Function on a quarterly basis and providing a picture of the status of recommendations and main topics to be addressed regarding all the validation phases as well as the Credit risk model monitoring on PD. The QVO is submitted by GIV to Group and local Chief Risk Officers for internal managerial alignment and sent to the Group Internal Audit function (hereinafter Internal Audit) for information. In addition, annually a summary of the recommendations tracking is reported jointly with the "Annual Report of Internal Validation Function".
  - In order to provide an assessment/overview on the IRB control system, the Internal Audit reports:
    - An update of the results of audit activities on IRB models shall be included in the periodic quarterly Integrated Internal Audit Report.
    - A summary of main topics that emerged from Internal Audit activities on IRB framework as well as open critical issues shall be included within the Annual year end Integrated Internal Audit Report.

  In addition, Internal Audit contributes within the annual Group Internal Validation report with a summary of the Internal Audit evaluation.

16 Economic Value Added (EVA), simplified EVA (sEVA), Return on Allocated Capital (ROAC) and Risk Adjusted Credit Efficiency (RACE).

Credit risk

For more details on the Credit Risk Mitigation techniques, reference is made to the paragraph "2.4 Credit risk mitigation technique" of the Consolidated financial statements as at 31 December 2024, Notes to the consolidated accounts, Part E Information on risks and related hedging policies, Section 2 Risks of the prudential consolidated perimeter, 2.1 Credit risk, 2. Credit risk management policies.

The Governance framework for the management of IRB rating systems leverages on the presence of the "Credit Models & Risk Policies" function, within the Risk Management, responsible for guaranteeing at Group level the coordination and steering of the overall of IRB model landscape as well as the related methodologies and underlying processes. In particular, the structure is responsible of defining Group Standards compliant with regulations and supervisory expectations as well as supporting local functions in their implementation.

In addition, the Parent Company and the entities that received the IRB authorization needed to establish a validation process of the rating systems as well as an extension of the Internal Audit activities with respect to such systems.

The purpose of the validation process is to express an evaluation concerning the proper functioning, predictive ability and overall performance of the IRB systems adopted and their consistency with regulatory requirements specifically through:
- the assessment of the model development process with a particular emphasis on the underlying approach and the methodological criteria supporting the estimation of risk parameters;
- the assessment of the accuracy of estimates of all major risk components through the rank ordering analysis and parameter calibration analyses, also through an adequate benchmarking practice;
- the check that the rating system is actually used in various management areas;
- the analysis of operating processes, monitoring safeguards, documentation and IT facilities related to the rating systems.

The validation process established within the Group, requires first of all for a distinction between the initial and on-going validation.
The purpose of the initial validation is to assess the positioning of the Group's rating systems in relation to minimum regulatory requirements, to Group's guidelines and standards concerning methodology, processes, data quality, quantitative and qualitative analyses, internal governance and technological environment while identifying any gaps or critical areas before the Supervisory Authority's approval or in case fundamental changes are introduced.
On the other hand, the purpose of on-going validation is to periodically assess the proper functioning of all components of the rating system and to monitor its compliance with internal and regulatory requirements.

The validation process foresees specific assignment of responsibilities for validating so-called Group Wide systems and Local systems. For Group Wide systems, the development methodology is unified at Group level and the validation activity is assigned to the Parent Company.
As a general rule, Parent Company is responsible for validating directly the Group Wide models and the models adopted by UniCredit S.p.A., for all the components and for all risks in Pillar I, Pillar II, managerial models and reporting. The validation of the local models is executed by the local validation functions, under Group Internal Validation (GIV) coordination and supervision.

In order to allow the objective assessment of the risk measurement systems, the department responsible for validation procedures is separate from the ones responsible for the development of the models, from the risk reporting ones and from the Internal Audit function[17].

At Group level Group Internal Validation reports directly to Group Chief Risk Officer and at local level the Local Validation functions mirror the Parent reporting to local Chief Risk Officers.

The validation process is mainly based on the following leading principles:
- introduction of validation planning prioritization criteria allowing to focus the efforts on the most value-added activities in terms of risk control;
- homogeneity across the Group of the recommendations importance assignment and the overall evaluation on the rating system according to the validation outcomes;
- the monitoring of the recommendations raised by the validation function.

The department responsible for the validation activities has established and maintains guidelines for validating rating systems aimed at a convergence towards standard validation procedures, thereby ensuring that the criteria for assessing results are shared also through the introduction of standard common thresholds and the comparison between the different systems. The use of thresholds makes it possible to depict test results using a traffic-light system whose colours are associated with various levels of severity of the phenomena reported.
A different set of validation tests is defined for each validation activities (initial or on-going).

17 Internal Audit is a function independent both from development and validation functions.

Credit risk

Additionally, validation tests are divided into qualitative and quantitative analyses:
- the qualitative section is used to assess the effectiveness of the methodology used to create the model, the inclusion of all significant factors and the ability to depict the data used during the development phase;
- the quantitative section assesses, among others, performance, stability and calibration of the overall model as well as its specific components and individual factors.

Focusing on quantitative analysis, for each area specific measures are adopted; a summary is reported in the following table:

PARAMETERS	AREA OF ANALYSIS	MEASURES
PD - LGD - EAD	Performance	Somers' D
PD	Calibration	Binomial Test and Wilcoxon
LGD - EAD	Calibration	T-Test and Wilcoxon
PD	Stability	Population Stability Index and Migration Matrix
LGD - EAD	Stability	Population Stability Index
PD - LGD - EAD	Representativeness	Population Stability Index
PD	Concentration and Homogeneity	Adjusted Herfindahl Index and Z-test/T-test
LGD - EAD	Concentration and Homogeneity	Adjusted Herfindahl Index and MADM
PD - LGD - EAD	Correlation	Spearman correlation coefficient and the Variance Inflation Factor (VIF)

For Shadow Rating models the validation analyses are performed comparing internal estimation to external rating and PDs retrieved from rating agencies, while for internal default-based models the comparison is done towards default rate. For LGD, comparison is towards observed losses both through the cycle and under downturn condition; in case number of defaults is too low to ensure statistical robustness, validation assessment is based on benchmarking activities. For EAD models, assessment is always based on internal defaults.

Additional areas of analysis, related to the organizational requirements stated in the European regulation of reference are process, IT and data quality.
The data and documents related to the validation procedures done so far are saved in special storage areas ensuring rapid access to, and security of, the information as well as the ability to reproduce all analyses performed.

Aim of the Internal Audit activity is to check the functionality of the controls carried out on internal rating system. The activity consists in the verification of:
- the compliance of IRB systems with regulations;
- the effective use of rating systems for business purposes;
- the adequacy and completeness of the rating validation process.

Internal Audit defined a common set of audit rules and guidelines, maintained updated on ongoing basis, to allow each local internal audit function to assess the soundness of their Internal Control Systems.
These rules have been developed in order, to assess, among others, the accuracy of the conclusions of the risk control functions as well as the compliance with the regulatory requirements, envisaged for the internal validation process of internal rating and risk control systems. It should be noted that internal audit functions are not directly involved in the design or selection of the models.
In accordance with its mission Internal Audit directly audits UniCredit S.p.A. and, when needed, the legal entities of the Group, also managing the coordination of the activity of subsidiaries internal audit functions.
The audits necessary to assess the functionality of the rating systems are given suitable space in the Group audit planning process. The planning activities at Group level are centrally monitored by Internal Audit.
Moreover, in order to provide an assessment/overview on the IRB control system, the Internal Audit reports:
- An update of the results of audit activities on IRB models shall be included in the periodic quarterly Integrated Internal Audit Report.
- A summary of main topics that emerged from audit activities on IRB framework as well as open critical issues shall be included within the Annual year end Integrated Internal Audit Report.

In addition, Internal Audit contributes within the annual Group Internal Validation report with a summary of the audit evaluation.
Finally, Internal Audit regularly reports on its activity and results to the Parent company's Audit Committee, the Risk Committee and the Board of Directors.
On the basis of validation activities and of the Audit Committee opinion, the Board of Directors annually confirms that the requirements for the use of IRB systems in UniCredit group are fulfilled.

The following sections describe the rating systems used by the Group per each asset class and Group legal entities where they are used.

Credit risk

Concerning the Group Wide (GW) models, the majority of them (Sovereigns, Banks, Multinational Corporate)[18] have been developed following a Shadow Rating approach, where the External Ratings, provided by the ECAI, play a fundamental role. The shadow rating approach is typically used when default data is scarce and external ratings of the major rating agencies (Standard and Poor's or Fitch Ratings) are available for a significant portion of the portfolio. The common purpose to all quantitative methodologies developed for rating systems is to identify risk factors that provide good information about the probability of default.

The Shadow Rating approach does that indirectly by identifying the most important factors (quantitative and qualitative) and by estimating the relative weights of each of them in order to mimic external ratings as much as possible. In order to make the estimated model useful for regulatory and for other credit risk management purposes, it is still necessary to calibrate it to an appropriate probability of default.
More in details, two main phases can be identified in during the model development in which the External Rating are considered:

- risk differentiation phase: in this phase quantitative (financials) and qualitative factors/drivers are regressed toward the External Rating (grade) in order to identify the most relevant factors (and relative weights) to predict the credit quality of the client and assign each client with a score. The aim of the model is to correctly order the clients from the best one to the worst one by allocating them, during the following risk quantification phase, into 17 rating classes (AAA-CCC) with the purpose of replicate, as much as possible, the ordering assigned by the External Rating Agencies;
- risk quantification phase: in this phase migration matrices from ECAI are used to determine the long run average default rate associated to each of the 17 grades in which the counterparts have been allocated in order to properly calibrate the model assigning them an adequate PD level.

External ratings are used only in the model development phase while they do not play any role in the model application phase (i.e.: once the weights of each relevant model factor/driver have been defined and the calibration function has been estimated).

Definition of Default (DoD)
With reference to the quantification of the regulatory figures, the Definition of Default classification process went live in January 2021 for all Group legal entities.
In 2021, with the goal to implement the regulatory change represented by the Definition of Default (DoD) in the risk quantification phase, model recalibrations have been implemented.
Concerning GW models, in May 2021, a model recalibration has been implemented for GW Global Project Finance rating system (PD and LGD components). For GW Sovereigns, GW Banks and GW Multinational Corporates no recalibration was needed due to the shadow rating nature of those rating systems with the exception for LGD Defaulted Asset component, due to the fact that it leverages on local LGD models and therefore inherits the effect from the Definition of Default recalibrations of local LGD estimates.

Sovereign (Central governments and central banks)

Group Wide models

Sovereigns' Rating model
The Sovereign PD & LGD model is in production since 2008, for regulatory purposes and internal use. The current version of the PD models has been implemented in May 2021, upon authorization of Supervisory Authority, while the LGD model is in place since 2014.
A recalibration of the Sovereign PD model with the extension of the underlying time series went live since November 2023.
The model approach was made to replicate the ranking capabilities of external (ECAI) ratings using a combination of qualitative and quantitative factors. Two separated models were designed for emerging and developed countries (EM and DC respectively).
The quantitative module for the latter (DC) uses variables related to the balance of payment, monetary indicators, GDP (Gross Domestic Product) and some fiscal indicators. The qualitative module includes variables related to the quality of the financial system, the exchange rate policies, geo-political conditions, socio-political conditions, flexibility of the economic system, vulnerability to exogenous shocks and debt service.
The quantitative module for emerging countries (EM) uses variables related to the balance of payment, monetary indicators, per capita GDP, external solvency risk indicators, exports as a percentage of gross domestic product (GDP) and selected fiscal indicators. The qualitative module includes variables concerning the flexibility of the economic system, socio-political conditions, vulnerability to exogenous shocks, external financial support and debt service.

Sovereigns' LGD model
The model provides LGD only for unsecured exposure to sovereign counterparties and it is based on a set of macroeconomic variables and qualitative factors, able to replicate the external historical LGD evidence and external (ECAI) recovery rate ratings.
For the quantitative module, the explanatory variables selected are as follows: the current account balance as a percentage of GDP, the fiscal gap, the excess budget revenue and the real effective exchange rate. The qualitative module includes variables concerning the stability of the financial system, socio-political conditions, debt service and geo-political risk.

18 While the Group Wide model for Global Project Finance is based on internal defaults.

Credit risk

Banks (Institutions)

Group Wide models

Banks Rating model

The Banks PD & LGD model is in production since 2008, for regulatory purposes and internal use.
A revised model for Banks PD has been implemented since July 2023 in order to fulfil outcomes of TRIM (Targeted Review of Internal Models inspection) investigation held in 2019 and guidelines issued in the last years by EBA and ECB[19].

The approach used for the estimation of the Banks rating, defined as a shadow rating, attempts to replicate the ranking ability of external ratings (from ECAIs) through a combination of quantitative and qualitative factors.

The quantitative and qualitative scores are then integrated and adjusted to consider integration/support from Group/Government/Institutional Protection Fund and, where relevant, the transfer risk (i.e. the risk that the debtor is not able to obtain foreign currency to meet its obligations even if in possession of relevant local currency).

With the model Banks PD different topics are introduced:

- the enlargement of the scope of application with respect to the previous one since also Authorized and Supervised Financial institutions have been included due to the similarity of the business and riskiness of the counterparties already in the model scope.
- a new definition of sub-segments in order to better manage the new perimeter.
- a new definition of Country risk framework, moving from the previous mainly based on an insolvency risk of the Country to a new one based on a risk of doing business in a Country. Besides, also a transfer risk component has been revised, i.e. the risk that the debtor is unable to obtain foreign currency to meet its obligations, even though such debtors holds the corresponding local currency.
- the PD rating scale has been updated taking into account last years observations preserving at the base the default rates implied by ECAI external ratings (i.e., keeping in place a shadow rating approach), but making it more representative of the Banks internal portfolio.
- a new framework related to the Margin of Conservatism (MoC) type A, B and C has been introduced as required by the EBA Guidelines (on PD estimation, LGD estimation and treatment of defaulted assets).

Finally, in accordance with the CRR articles 149 and 150, the new model encompasses the request for reversion to less sophisticated approach and consequent request for PPU for the Corporate Treasuries and Funding Vehicles (CTFV), in light of simplification of the model landscape, immateriality of the portfolios and rare use of the model for such segment.

Banks' LGD model

The model, live since 2017, has been subject to TRIM investigation in 2019 and related outcomes have been embedded in the subsequent update. It applies to senior unsecured performing loan exposure, which represents the majority of exposures to banks and is based on a methodology built on a balance-sheet evaluation.
Specifically, the Senior Unsecured LGD value for a bank is calculated using its latest financial statement with the assumption that the Bank's assets will be liquidated following a default event. The methodology follows a waterfall approach where the seniority of creditors is also taken into account.

In order to obtain a realistic and conservative valuation of the bank's assets, "haircuts" have been established for each type of asset class (some of them based on external data), in order to take into account, the likely deterioration that might occur before default, as well as the differences between book value and realized earnings from sales.
In addition, based on the fact that the success of the recovery phase largely depends on the applicable legal/institutional environment, specific haircuts for legal risk on a country basis are applied on top of the asset haircuts.
Additional haircuts reflecting the costs of the recovery process are also taken into account based on the assessment of workout experts. Since the assets of the borrowing bank are stated in local currency, but the final recovery must be estimated in the currency of the creditor, in case the currency of the borrowing bank and creditor is different, an additional fixed currency volatility haircut is applied that is calculated based on historically observed exchange rate volatility, in order to take depreciation risk into account (i.e. regarding UniCredit group exposure, this haircut is applied to all counterparties that reside outside Eurozone).
Besides, the LGD framework has been completed to reflect more accurately the typically lower risk profile of some specific products (or transactions), in particular with respect to covered bonds and products with country risk mitigation and short-term commercial loans between banks (Short Term Commercial Financing).

19 EBA Guidelines on PD estimation, LGD estimation and treatment of defaulted assets (EBA/GL/2017/16) and ECB Guide to Internal Models - February 2024.

Credit risk

Corporate (non-financial companies, including SMEs, specialised lending and purchased receivables)

Group Wide Models

Multinational Corporate Rating model
The rating model applies to multinational companies defined as companies with consolidated turnover or operating revenues greater than €500 million for at least 2 consecutive years.

The PD & LGD Group Wide Multinational Corporate rating model (GW MNC) is in production since 2008, for regulatory purposes and internal use. A new redevelopment went live in 2021 after receival of the ECB authorization, embedding also the outcomes of TRIM investigation held in 2019. The approach used for the estimation of the Multinational rating, defined as a shadow rating, attempts to replicate ranking ability of external ratings (from ECAIs) through a combination of quantitative and qualitative factors.

The quantitative and qualitative scores are then integrated and calibrated in order to fit the ECAIs external ratings. Specific PD adjustments are applied in order to consider the following aspects:
- the support (if any) by the economic group to which the company belongs;
- the country risk; in this context, the model considers country risk and specific transfer risk, i.e. the risk that the debtor is not able to obtain foreign currency to meet its obligations even if in possession of relevant local currency.

The scope of the rating system also includes those subsidiaries that carry out corporate treasury activities (such as cash concentration, FX management and funding) or that are specialised funding vehicles (issuing MTN-Medium Term Notes, notes, bonds) whose creditworthiness is driven by the parent/group support in the form of an explicit guarantee for the counterparties or its issues or via some other support mechanism (e.g. an agreement with the Parent Company); the rating of these counterparties is calculated by the specific model of CTFV.

On the basis of a qualitative questionnaire, the relation between the Parent Company and the counterparty itself is determined and the final rating and LGD are calculated.

In September 2023 a material model change and extension on GW MNC PD model 5.0.has been submitted to ECB for approval and currently under assessment of the Supervisory Authority.

Multinational Corporate LGD model
The LGD model applies to multinational companies defined as companies with consolidated turnover or operating revenues greater than €500 million for at least 2 consecutive years.
The LGD model refers to senior unsecured exposures towards performing companies and has been subject to TRIM investigation in 2019 embedding the related outcomes.

Given the lack of historical time series of internal recovery rates for Multinational companies (since this is a portfolio with a low risk of default), a regressive-statistical model, mainly based on recovery data provided by an external provider has been developed.

The LGD estimation is based on two main components: the company's asset valuation and the ranking of UniCredit with respect to other creditors. The former component is considered using factors which can cover both a going concern or a liquidation scenario.
Then the LGD is adjusted to take into account the legal risks and costs related to the recovery process taking into account specificity of the Country. Besides, the LGD framework is completed estimating another LGD which properly reflects the lower risk profile typical of some specific products (or transactions) in which payment is guaranteed by the sale of assets to a third-party resident in a low-risk country (called Only Delivery Risk).

Global Project Finance rating model (GPF)
The Group Wide rating model Global Project Finance (GPF) is dedicated to project finance transactions/clients with total volume of project debt (evaluated at origination) over €20 million.
The current version of the PD model was implemented in 2011 with the aim to improve the predictive power of the model compared to the previous version.
PD model has been subject to several recalibration activities since its introduction and the current one has been implemented in May 2021 replacing the last one adopted since 2019 in order to recognise within the model the Definition of Default requirements and to embed the outcomes of the TRIM investigation occurred in 2019.

Credit risk

The estimation approach is based on a qualitative questionnaire able to replicate the internal default experience assessing 5 risk areas: the risk connected to the sponsors (shareholders) of the project, the risk of completion for projects in construction phase, operational risk, "special" risks (e.g. force majeure risk, interest rate/FX risk) and the risk associated with cash flows expectations. In addition, country-induced risk (general and transfer) is considered in the final PD.

In February 2024 a material model change and extension on GW GPF, with the aim of removing the threshold of €20 million on total volume of project debt in order to incorporate also local project finance transactions, has been submitted to ECB for approval and currently under assessment of the Supervisory Authority.

Global Project Finance LGD model (GPF)
The internal model for estimating GPF LGD applied to the total direct exposures for performing counterparts, is based on the historical internal and external project finance LGD evidence.

The current version of the LGD model was implemented in 2011 and a recalibration has been implemented in May 2021 in order to recognise within the model the Definition of Default requirements and to embed the outcomes of the TRIM investigation occurred in 2019.

The LGD methodology is essentially based on a qualitative questionnaire that determines a “standard” LGD scenario and an “extreme” LGD scenario that, combined together, lead to the expected project LGD calculated in parallel for senior tranches and for those junior.
The final LGD values estimated by the model consider add-ons taking into account the negative phases of the business cycle (downturn add-on) and recovery costs.

In February 2024 a request to the use of less sophisticated approach from AIRB to FIRB on GW GPF rating system has been submitted to ECB for approval and currently under assessment of the Supervisory Authority.

Group Wide EAD model
The GW EAD model is in production since 2010. In 2021, ECB authorized the new version of the model submitted as material change in April 2019 and assessed during TRIM investigation. The new EAD Model, as highlighted also by the regulator, presents many relevant improvements in comparison to the old model.
The segmentation of this new version is based on the credit segment of the client and on the product family of the facility and due to these drivers 24 sub-models were identified.

The calculation leverages on six different model components. Firstly, the LEQ (Limit Equivalent Factor) measures the increase (within the limits) of the outstanding expected at default, the LOF (Limit Overdraft Factor) estimates the evolution of the exposures over the limits while the Q_DaD is a local dedicated parameter reflecting the drawing after default component. Moreover, it was introduced the SF (Scaling factor) that reflects the calibration adjustment for aligning the EAD to its long run average, the Downturn adjustment aimed at ensuring appropriate and conservative EAD estimates also in the negative phase of the economic cycle and a Margin of Conservatism buffer in order to covers the deficiencies emerged during the estimation phase of the model. Finally, it has to be mentioned that a dedicated defaulted asset component was introduced.

A model recalibration of GW EAD model has been performed and implemented since February 2023 in order to extend the time series to the most updated ones available and to recognize within the model the Definition of Default requirements.

Local models, Italian perimeter

Italian Corporate Rating model
The Integrated Corporate Rating (RIC) model provides a rating for the counterparties of UniCredit S.p.A. afferent to the Mid-Corporate segment with revenue (or total assets if revenue information is not available) from €5 million to €250 million.
In 2019 the model has been subject to a revision (new RIC model) by extending the scope to Holdings & Financial Enterprises with total assets above €250 million, while carving out Income Producing Real Estate transactions for which an ad-hoc approach has been developed (refer to the paragraph “IPRE (Income Producing Real Estate) Slotting criteria”).

Starting from 2023, the RIC rating system is adopted also for the Italian Large Corporate (ILC) portfolio for the estimation of the PD and LGD parameters, which includes Italian companies with an operating revenue between €250 million and €500 million.

In 2023 a specific model for all Real Estate counterparties[20] (not classified as IPRE) was released into production after ECB approval, therefore these counterparties were carved-out from the scope of application of the RIC model (reference is made to the paragraph “*Real Estate Rating model” in this section*).

20 The Real Estate corporate model is used for counterparties having the "05" balance structure (Real Estate Companies) according to the classification of “Centrale Bilanci” and total assets in excess of €5 million, consistent with the customer management segmentation adopted by the Bank and with its credit processes.

Credit risk

The structure of the rating system consists of three basic modules, two of which are quantitative and one qualitative:
- the economic-financial module, that considers the financial statements information in the archives of the Central Financial Statements Archive ("Sistema Centrale Bilanci") (cash flow and profitability, financial charges, financial structure and composition of debt, financial stability and liquidity; growth, volatility and operational structure);
- the behavioural modules, the first developed on the basis of internal data sources while the second on the basis of external data provided by Central Credit Archive ("Centrale Rischi"), allowing customer's monitoring (cash loans, withdrawal, short term maturity, long term maturity, self-liquidating loans, loan guarantees);
- the qualitative module, that considers the answers to the questions of the qualitative questionnaire filled out during the application phase.

The model features of the new RIC have been enhanced also by developing dedicated modules for Real Estate[21] and Holding & Financial Enterprises to take into account the various types and riskiness of these counterparties. Dedicated versions of the Financial, Behavioural and Qualitative modules have been developed for the three macro-segments covered by the new RIC model: Industrial, Real Estate and Holding & Financial.

The stand-alone evaluation of the counterparty is integrated with information of the Economic Group they belong to, where appropriate, taking into account the type of bond and the creditworthiness of all component companies.

The RIC model provides a rating updating process through a system of trigger events aimed at ensuring greater stability in the assessments, both with the timely update and the intervention of experts, where necessary (operators and rating desk).

The Definition of Default in the new RIC has been updated according to Capital Requirement Regulation overcoming the technical past due treatment.
The model revision has been authorized by ECB in January 2019 and implemented in May 2019 together with a recalibration including a time series extension up to end of 2017.
Moreover, in May 2024, a recalibration with the extension of the historical time series up to December 2022 and the inclusion in the scope of the application of Italian Large Corporate segment, has been implemented.

Italian Real Estate Rating model

An ad-hoc PD model has been developed for Real Estate (RE) segment, submitted to the Supervisory Authority in May 2022 and implemented since October 2023, carving out RE counterparties from RISB and RIC Rating Systems with the extension to Real Estate funds (not IPRE).
The time series of Development Reference Data Sets have been updated up to most available data at developing time (up to 2019).
According to the segmentation provided within the Group Methodological Standards, the Real Estate module classifies the companies that mainly buy, build or re-build Real Estate properties (both residential and not residential) with the aim of selling and renting them. This model family also covers Real estate funds investing in Real estate properties directly and Real Estate Start-ups. Transactions set by Real Estate companies presenting IPRE characteristics, are excluded from this model family and must be included in the IPRE segment.

In detail, the scope of application of PD Real Estate is defined by the set of obligors which must be:
- a domestic company, which, as main activity, buys, builds or re-builds Real Estate properties, on their behalf and for own account, with the aim of selling and renting the object;
- Real estate funds investing in Real estate properties directly.

The new RE model has been developed in alignment with the Group Methodological Standards, embedding all the steps characterizing the risk differentiation and risk quantification phases:
- the adoption of counterparty-based approach;
- the new scorecard model structure is based on the following modules: Internal and External Behavioral Financial, External Bureau and Real Estate Features. The risk drivers related to each internal module are selected starting from the corresponding long lists with univariate and multivariate analyses and experts' contributions;
- the alignment of the Calibration of the PD model with the Group Methodological Standards on Risk Quantification;
- the computation of the Margins Of Conservatism with respect to the three categories (A, B and C) in line with the EBA Guidelines on PD;
- the analysis of model Rating Dynamics.

In July 2024, a recalibration with the extension of the historical time series up to December 2022 has been implemented.

21 The Real Estate corporate model is used for counterparties having the "05" balance structure (Real Estate Companies) according to the classification of "Centrale dei Bilanci" and total assets in excess of €5 million, consistent with the customer management segmentation adopted by the Bank and with its credit processes.

Credit risk

Local Italian Corporate LGD models

The model for the calculation of the LGD risk parameter was firstly revised in 2013 developing the LGD estimation also for defaulted loans, differentiated by their default state. A further redevelopment of the LGD model has been submitted to the Supervisory Authority in May 2022, and implemented since October 2023 together with the time series of Development Reference Data Sets which have been updated up to most available data at developing time (up to 2018).
The new model includes all counterparties belonging to the Corporate asset class (up to €500 million of annual production value/turnover). In details, the scope of application of LGD Corporates is defined by the set of obligors with the following characteristics, i.e. obligors must be domestic company with annual production value/turnover lower than €500 million, including RISB[22], RIC, Real Estate and Italian Large Corporate (previously treated within the GW MNC LGD rating model) segments and excluding portfolios treated with dedicated models (e.g. Global Project Finance, Income Producing Real Estate).

In LGD Corporates model is based on a modular structure according to which the final LGD estimates are derived through a combination of several model components (i.e. LGD Litigation, Migration Rates and Delta Exposures) depending on the status (Performing or Defaulted Assets) of the counterpart and its respective transactions.
Given the relevance for the LGD model of the transaction view, it is worth highlighting that, unlike the PD model, Private-like are out of scope of this LGD Corporates Model while they were in scope of LGD Individuals Model.
Furthermore, the risk differentiation has been enhanced allowing to better support the new origination, thanks to the introduction of the Loan to Value, the fine tuning of the treatment of personal guarantees and the inclusion of new variables to differentiate the migration rate (e.g., debt level, product mix, exposure).
The new LGD Model is based on the “workout LGD” approach, that is the LGD values are estimated based on UniCredit historical realized recoveries, costs and losses. Furthermore, the LGD model is composed by different model components (Loss given Litigation, Migration Rate and Delta Exposure modules) that are combined depending on the final application status of the counterparty (Performing or Defaulted Assets).

The main enhancements introduced in the development of LGD Corporates model are the following:
- Data series aligned with the Definition of Default;
- Enhancements in the risk differentiation and risk quantification phases of different LGD-like and not LGD-like model components and in the final overall calibration in alignment with the Group Methodological Standards;
- Inclusion of downturn economic conditions effects in the calibration of model components in compliance with the recent regulatory evolutions;
- Inclusion of Margin of Conservatism aimed at taking into account for generalized estimation error and additional uncertainty in the model estimates in compliance with the Regulation.

For “Defaulted Assets” LGD model for non-performing loans, doubtful loans, and past due, a statistical approach has been adopted that allowed to incorporate in the estimates the information related to the performance period in a defined state and to the trends of the previous recovery period.
The “Defaulted Assets” LGD model estimates the loss rate referring to the vintage of the default classification, at the time in which the specific counterparty is located in default (so-called Time Dependency) taking into consideration, therefore, also available information after the moment of default itself.

A further step towards greater functionality and representativeness of the model is the recognition of the mitigating effect of guarantees on the estimates of the loss rate obtained with the implementation of rating systems “Guarantors”. The Guarantors Individuals rating system expresses an overall opinion on the creditworthiness of the Guarantor that results from the integration of elementary modules that merge the information retrieved from internal and external information sources.

In July 2024, a recalibration with the extension of the historical time series up to December 2022 has been implemented.

Italian Corporate EAD model

The development activities on EAD model for Corporates segment has been started in order to ensure the alignment with respect to the EBA guidelines and consistently with the Group IRB roll-out plan.

IPRE (Income Producing Real Estate) Slotting criteria

Since August 2019, UniCredit adopted the Income Producing Real Estate (henceforth IPRE) assessment criteria for the risk weights assignment based on the Slotting approach framework finalized by the Bank.

The adoption of the new IPRE rating system is aimed at:
- addressing a specific request received from the Supervisory Authority to identify and carve out the portion of IPRE transactions currently included into Probability of Default (PD) Mid-Corporate (Rating Interno Corporate - RIC) model application perimeter, also required by Internal Control functions;

22 It is worth mentioning that for RISB rating system, differently from the PD model, the Private-like sub-model is out of scope of this LGD Corporate model, considering that it was already considered within the unique framework component related to LGD Private Individuals model (i.e. RIP One rating system) implemented since 2021 following up ECB approval).

Credit risk

- complying with the classification rules for the definition of IPRE transactions and with the IPRE development methodological framework valid for the entire Group;
- extending the Internal Rating-Based (IRB) coverage to the portion of portfolio currently treated with Standardised Approach.

Given all the above, the approach is based on:
- a Group-level accepted definition of IPRE transactions based on the key characteristics defined by the Regulator (ref. to CRR article 147(8));
- the definition of the Methodological Standards for the development of IPRE (slotting and internal) models valid for the entire Group;
- the identification of the IPRE portfolio (from 2010 to 2017).

The IPRE slotting model consists of an expert assessment of the credit risk of the transaction performed through qualitative scorecards. The expert appraisal of the IPRE transactions against such assessment criteria and operating instructions determines the assignment of a level of risk used in order to attribute the regulatory risk category (Slot) to the transaction.

In November 2024, a recalibration with the extension of the historical time series up to December 2023 has been implemented.

Local models, German perimeter

Mid-corporate rating model (MIT)
The "Mittelstandsrating" model applies to German corporate UCB GmbH customers with a reported turnover between €5 million and €500 million, excluding Specialised Lending and Real Estate customers. It comprises also public sector entities not guaranteed by public Authorities with valid financial statements.
In December 2019 a revised version of the model, that was authorized by ECB in November 2019, has been implemented mainly to address Group Internal Validation findings and Supervisory recommendations as well as to align the model to Group Standards.

The updated model is composed of a quantitative module using financial statements (Hard fact Module) and a qualitative module (Soft fact Module) and the Behavior Score.
More in detail, the quantitative module consisted of four different financial statement sub-modules (MAJA - "Maschinelle Analyse von Jahresabschlüssen") depending on the company's industry sector (Production, Trade, Construction, Services). Each of them combines a set of financial ratios that cover areas of analysis such as:
- asset and debt structure;
- cost structure, liquidity;
- profitability.

The qualitative module covered areas of analysis concerning:
- financial conditions;
- management qualification;
- planning and controlling;
- industry/market/products;
- special risk;
- industry sector rating.

In addition, adjustments to the model estimates are foreseen within the model framework in case of warning signals or rating aging. A manual correction of the calculated model PD in order to consider any circumstances not reflected by the automatically calculated PD/model, the so-called override, is possible as well. The use of overrides is clearly defined and described, subject to specific restrictions/constraints.

With reference to the LGD model refer to the description in the paragraph "Local German portfolios LGD model".

Foreign Small and Medium Sized Enterprises Rating Model (FSME)
The Foreign Small and Medium Sized Enterprises Rating model (FSME) applies to corporate customers domiciled outside Germany with a reported turnover up to €500 million, excluding Specialised Lending, Real Estate customers, Financial Institutions and Public Sector entities.

The rating procedure was authorized for regulatory capital purposes in 2011. The model comprises a quantitative and a qualitative module. The score resulting from the analysis of financial statements is based on externally developed hard fact models and complemented by internally developed qualitative module leveraging on experience with the German Mid Corporate segment. Currently, UniCredit Bank GmbH is using 25 mostly country specific external models to cover the relevant portfolio that refers to about 50 different countries.

Credit risk

Adjustments to the model estimates are foreseen within the model framework in case of rating aging. A correction of the calculated model PD in order to consider any circumstances not reflected in the automatically calculated PD/model, the so-called override, is possible as well.

In June 2024, a recalibration of the model with the extension of the historical time series up to December 2022 has been implemented.

With reference to the LGD model refer to the description in the paragraph “Local German portfolios LGD model”.

Commercial Real Estate Finance Rating model (CREF)

The rating model for UniCredit Bank GmbH’s Commercial Real Estate Finance (CREF) is used to assess exposure to:

- real estate developers with published financial statements: companies with income mainly derived from construction (or purchase) and subsequent sale of buildings for residential or commercial purposes (offices, stores);
- real estate investors with published financial statements: companies with income mainly derived from the lease of owned residential and commercial properties; this segment comprises building societies and open-end real estate funds;
- real estate investors without published financial statements: companies or individual customers with income originating mainly from the lease of own properties.

These clients are evaluated through models built combining four modules (with client group-specific weights):

- a qualitative module that aims to assess the quality and reliability of management, the abilities of the management team, the quality of organizational management and the bank’s experience in managing relationships with the company;
- a real estate feature that aims to assess the asset/project to be financed or already financed (by the bank or other lender), including the quality and implicit risk of the company’s properties/projects, its planning capabilities (based on past experience) and cash flows planned/projected for future years;
- a quantitative financial module based on the company’s financial statements supplemented with a qualitative assessment of the quality, reliability and completeness of the financial statements;
- a behaviour module.

In July 2021, a revision of PD CREF model has been implemented that has been extended to CREF customers with an approval limit below €50 thousand, currently unrated, and unauthorized overdrafts to receive a regulatory flat PD.

Main model changes include update of the customer segmentation, introduction of an internally developed behavioural score component; development of new qualitative module with focus on management, financial statement module (hard fact) and qualitative real estate features module; development of new integration function of the PD model for the four modules; recalibration of the model and update of age restriction rules. The Definition of Default has been considered for the development/calibration of the model.

A recalibration of the PD CREF model has been performed including an extension of the time series up to 2020, in line with the Group Methodological Standards in order to comply with the regulatory requirements, implemented since June 2023, upon ECB’s authorization.

With reference to the LGD model refer to the description in the paragraph “Local German portfolios LGD model”.

Acquisition and Leveraged Finance transactions rating model (ALF)

The “Acquisition and Leveraged Finance” (ALF) model is used for the assessment of projects to finance/refinance corporate acquisition transactions, in which additional bank liabilities are added to the normal operating debt of the company acquired in order to finance the acquisition.

The debt resulting from the acquisition is repaid out of the future cash flow of the company acquired, and, in certain cases (i.e., acquisitions that involve strategic investors), out of the cash flows of the acquiring company.

Acquisition transactions and their corporate and tax implications (often involving several jurisdictions) demand specific expertise during the audit phase, and require:

- appropriate risk-return relationships in addition to a loan structure based on a realistic cash flow simulation model;
- the adjustment of the acquired company’s financial and debt repayment structure to future cash flows;
- the combined use of highly differentiated borrowing tools (senior debt, junior debt, mezzanine debt, etc.).

In terms of procedural aspects, the “ALF rating” is essentially a financial rating that calculates the acquired company’s probability of default based on equity and financial ratios taken from the forecasted (budgeted) financial statements and income statement.

Credit risk

There is no qualitative module since in the preparation of the forecasted financial statements, a large amount of qualitative information based on experts' opinions is already implicitly taken into consideration. The forecasted financial statements are prepared through models that simulate future cash flows (INCAS, international financial model).

Also for this model rating ageing restriction rules are considered as well as possibilities of override.

A model recalibration of PD ALF model with the extension of the time series has been performed and implemented since November 2022.

For ALF an overall LGD approach is applied where all the collateral is included in the LGD estimation and no explicit collateral reflection takes place. There are two seniorities (senior and mezzanine) reflecting the two possible LGD values.
Within the new LGD model, which was submitted in 2021 to Supervisory Authority and implemented in August 2022, ALF is included as a sub model to local LGD model. The main approach was kept as described, with some improvements like e.g. in the consideration of discounting, Margin of Conservatism, downturn add-on calculation, methodology for non-performing exposures (see description of Local German portfolios LGD model).

Income Producing Real Estate (IPRE) rating model

The model applies to special purpose vehicles (SPVs) specifically founded in order to invest in a real estate portfolio. The companies are non-recourse to the investor and ring-fenced from other companies. Their loans are repaid/serviced exclusively from the income generated by the properties being. There is no size limit in place.
The IPRE rating model is a transaction-based rating model that assigns a PD to a transaction, not to the corporate customer or fund who initiates and structures the transaction.

The core of the IPRE model is a Monte Carlo based cash flow simulation. This approach is modelling the main drivers of the cash flows of a transaction by a stochastic process, where the parameters are estimated from historic data (market rents, interest rates, vacancy periods, etc.). The resulting cash flows are calculated quarterly until maturity and the PD is calculated from the ability to cover the debt service and further costs by the income generated from the financed real estate properties.
In order to capture additional aspects of the transaction the result of the simulation is adjusted based on:

- the assessment of the location and quality of the specific objects held by the SPV via the so called MoriX values[23];
- a qualitative assessment of e.g. quality of the management, contractual design or review of customer relationship.

For this model too, rating aging restriction rules are considered as well as possibilities of override.
On a continuous base the model is subject to fine-tunings and parameter update to capture latest development in the portfolio.

An update of the PD IPRE model parameters as well as expert parameters has been performed and implemented since October 2023.

With reference to the LGD model methodology, IPRE is included as a sub model to local LGD model (see description of Local German portfolios LGD model).

Wind Project Finance transactions rating model (WIND)

The Wind model applies to financing operations of wind energy projects in Germany (onshore), with a project volume of less than €20 million. Additionally, the industry code is clearly specified and due to the loan and collateral agreements, the bank must have a significant degree of control over the financed object.
The cash flow model has been introduced in June 2009. The Wind-rating model was approved IRBA compliant in January 2011 by Supervisory Authority.
In February 2024 a material model change and extension on GW GPF has been submitted to ECB for approval, together with the request to revert to the use of less sophisticated approach from AIRB to FIRB for GW GPF rating system, both currently under assessment of the Supervisory Authority. Within the scope of this amendment, the removal of the threshold (mentioned above) of €20 million on total volume of project debt is foreseen, in order to incorporate also local project finance transactions (such as the transactions covered by the German WIND rating system).
The PD model is made up of a quantitative model, stemming from future cash flows' Monte Carlo simulations, whose outcome was adjusted by means of a qualitative component based on judgmental factors and weights.
Both modules (quantitative and qualitative) are mandatory for the final evaluation and the qualitative module can upgrade or downgrade by clearly defined notches. The resulting final PD is converted via master scale to the final rating of the transaction.
Also for this model rating aging restriction rules are considered as well as possibilities of override in clearly defined cases.
A recalibration of the PD WIND model has been performed with the extension of the time series up to 2022 and implemented since October 2023.

23 MoriX values are obtained via a structured approach to assess the real estate properties' quality through the evaluation by real estate appraisers that apply bank internally developed criteria.

Credit risk

Regarding LGD parameter, UCB GmbH developed a method to evaluate the collateral value of the Wind Energy plants. This approach is mainly based on Monte Carlo simulations of future cash flows of the Wind Energy plants. The simulations are consistently used for PD and collateral evaluation. Additionally, a LGD on the unsecured exposure is provided.

Local German portfolios LGD model

The re-developed LGD model submitted to Supervisory Authority has been implemented since August 2022. The new model is in line with the Group Methodological Standard in order to comply with the most recent regulatory requirements as well as harmonize the modelling standards within the UniCredit group. The model has been fully redeveloped, with main changes like e.g. cash flow based discounting with regulatory given interest rate, changes in the collateral evaluation methodology, changed assumptions for resolution scenarios with LGD for cure cases greater than zero, changed inclusion of collateral mitigation effect, updated treatment of incomplete recovery processes, introduction of calibration step to long-run average LGD, improvements in calculation of Margin of Conservatism (MoC) to cope for deficiencies, new methodology for non-performing exposures and for downturn estimation, introduction of more risk drivers for the single LGD components.

The scope of application of the UCB GmbH Local German LGD model are all facilities related to corporate and retail customers, except for bonds, including ALF and all specialised lending.

The LGD represents the financial loss suffered by the bank on the individual transaction and is calculated as a percentage of the exposure to default. The LGD is calculated on obligor level and takes account of the fact that different types of default are possible:

- Liquidation: total liquidation and the relationship with the customer is terminated, the customer is removed from the portfolio;
- Cure: the customer returns to the performing portfolio after the probation period.

For all different types of default, a forced sale of collaterals is basically possible.
With regard to cure cases an overall LGD is estimated, whereas for liquidation cases an unsecured LGD is calculated and collateral values are taken into account in a second step. The LGD is determined by taking into account all recoveries and costs collected during the default period and discounted to the default date with the EBA requested discount rate of 3M EURIBOR plus 5%.

Personal guarantees and credit derivatives are not considered in the models, since the substitution approach is used for this type of guarantees.
In order to determine the final value of the LGD, the following factors are taken into consideration:

- minimum value that the LGD can assume according to legislative provisions (e.g. 10% for residential mortgages assigned to retail exposure, CRR article 164);
- the sum over all collaterals securing the loan;
- estimated probability of cure;
- estimated LGD Liquidation;
- estimated LGD Cure;
- estimated indirect cost factor;
- Margin of Conservatism;
- downturn adjustments.

With regard to the procedure for estimating the collateral value a loss component (LGD secured) and the market volatility are estimated. This has been obtained on the basis of a historical sample. The market volatility is taken into account by the market value forecast for real estate collaterals and ship vessels, whereas a haircut is estimated for the other collaterals.

The remaining LGD components (e.g. LGD cure, LGD liquidation, probability of cure) are estimated by sub-model relying on the different rating methods (the main categories are Mid Corporate Rating, Small Business Customer Rating, Commercial Real Estate Rating, Private Individual Rating, Foreign Small and Medium Sized Enterprises Rating) and customer segments.

A recalibration of LGD for retail and corporates portfolio has been performed with the extension of the time series up to 2020 and implemented since April 2023.

Local German portfolios EAD model

The model is applied in UCB GmbH to all the credit products belonging to local partner that are IRB-A relevant (with the exclusion of the transactions belonging to partners with a Group Wide rating).
The EAD is defined as the exposure at the time of default. The exposure is the total outstanding amount before loan loss provisions and write-offs.
The prediction horizon of the EAD model is one year. This means that, when the model is applied, the estimates refer to the expected exposure when default occurs within one-year time.
It is calculated for each individual transaction as the sum of two components, EAD on balance and EAD off balance, where the estimated part of the EAD is the off-balance EAD.

Credit risk

This EAD depends on the following elements:
- CEQ: Credit Equivalent Factor; this is the credit conversion factor for the credit and represents the portion of the commitment/guarantee issued by the bank that will be used;
- LEQ: Limit Equivalent Factor; this is the percentage of the amount unused 1, 2,…,12 months before the default that is expected to be used at the time of the default;
- LOF (Limit Overdraft Factor) is the parameter that estimate the expected amount of use that, at the time of the default, will exceed the allocated maximum limit (overdraft amount);
- Endorsement: amount of commitments issued to the bank's customer;
- External line: line of credit;
- Drawing: current use of the line of credit;
- Add-on for Drawings after Default for non-Retail Exposures.

The parameters defined above are then differentiated according to the product macro-typologies defined.

Local Models, UniCredit Leasing GmbH and Subsidiaries[24] (UCLG)
Due to UCB GmbH's strategic decision to run down business of UniCredit Leasing, all UCLG IRB models have been decommissioned from IRB approach and the permanent partial use of the Standardised approach applies since December 2021 after the approval of the Supervisory Authority. Affected models are: German Mid Corporate, Small Business, Specialised Lending, Local LGD, Local EAD and Group Wide models.

Local Models, UniCredit Bank Austria AG

Mid Corporate rating model
The "Firmenkundenrating" rating (Mid Corporate PD rating model) is applied to customers domiciled in Austria or in any other country with annual turnover of more than €3 million and less than €500 million. The model consists of three components: a quantitative module, a qualitative module as well as a behaviour component and was last redeveloped in 2019, recalibrated in 2020 and is live since July 2021.
The risk factors for the quantitative module have been selected on the basis of both statistical and expert criteria.
The principal risk factors included in the quantitative module generally cover the following areas of analysis:
- liquidity;
- structure of liabilities;
- dynamic factors (such as revenue trend);
- equity ratio.

The qualitative module covers the areas of analysis relating to:
- management quality;
- accounting and reporting;
- equipment, systems and organization;
- market and market position;
- level of orders/utilization of capacity;
- the behaviour module focuses on credit and overdraft behaviour, and is fully automized via a monthly run, allowing a prompter analysis of customer risk.

The behavior component looks at the customer's credit line behavior within the bank, allowing a prompter analysis of customer risk:
- days past due;
- liquidity;
- inflows on current account.

The "qualitative rating", the "behavior rating" and the "financial rating" (quantitative rating after carrying out a first "override-proposal" on the basis of the information available) are combined to obtain the so-called "Combined Customer Rating".
The "warning signals" are applied to this rating in order to obtain the "Modified Customer Rating". It is also possible to verify or decline the proposed override stemming from the financial rating or apply a customer related override to this rating, thus producing the "Stand alone Customer Rating". If this rating is older than 12 months or the used information of the financial rating is older than 24 months, an "age restriction" is applied, resulting in a gradual downgrading.
The Mid Corporate rating model is calibrated on the UCBA AG's data sample (time series starting with 2006) and the model is based on logistic-regression concept.
A recalibration with the extension of the time series up to 2022 is implemented since November 2024.

24 UniCredit Leasing Finance GmbH, UniCredit Leasing Aviation GmbH.

Credit risk

Income Producing Real Estate (IPRE) and the Real Estate Customer (RECR) rating model

In September 2019 two material model changes have been submitted to Supervisory Authority consisting in the setup of a slotting model for IPRE transactions and model redevelopment for RECR PD, to comply with the new regulatory requirements as well as harmonize the modelling standards within the UniCredit group and with a further recalibration in 2020 only for RECR PD. The models went live since July 2021.

For the IPRE model the former transaction-based PD approach was decommissioned and is substituted by a slotting approach. The IPRE model is a customer-based rating applied to a particular type of specialised loans linked to “cash flow based” real estate projects in which the bank has direct access to the cash flows deriving from the transaction. On this type of customer, the essential question is whether the cash flows from the transaction are sufficient to repay the loans to the bank, if the client is an SPV as well as if the whole project is ring fenced.
For the IPRE model, new logic of weighting of transactions into slots and risk areas based on expert assessment is applied. IPRE is characterized in 4 segments (sales versus rent and under construction versus completed). Operating instructions are given for each slot and risk area to evaluate the riskiness of the project along the different areas. Responses are weighted with triple rounding and clustered into the categories from 1{Strong} to 4{Weak}. Special warning signals, ageing & override reasons allow adjustments of the calculated values.

The Real Estate Customer rating (RECR) is a “corporate rating” coping with “Real Estate Investors”, “Real Estate Developers”, and “Public Value Joint Building Associations”. For all of these, a quantitative module (referring to the balance sheet data), a qualitative module as well as behavior module are used.

The RECR model is calibrated on the UCBA AG’s data sample (time series starting with 2007). Each component of RECR model results in integration of qualitative, behavior and quantitative scores (based on logistic regression output).
After integration of the three components (based on logistic regression output) to a customer rating, further adjustments are applied to take account of warning signals, over rulings and “age restrictions” (according to the age of the rating).

A recalibration of the IPRE Slotting model with the extension of the time series up to 2021 has been performed and implemented since October 2023.

For PD RECR, the last recalibration with the extension of the historical time series up to 2022 has been implemented since November 2024.

Local Austria portfolios LGD model

The LGD model developed by UCBA applies to all facilities related to all local IRB customer segments (rating models: RECR, Mid Corporate, Small Business and Private Individuals). The LGD represents the financial loss suffered by the bank and is calculated as a percentage of the exposure at default. The local LGD model is based on average calculation of the internal data of defaulted borrowers and represents a transaction-specific workout LGD approach.
The methodology accounts for four potential default events as outcome of the workout process for defaulted clients:
- Cure/Re-aging: return of the client to the performing portfolio without relevant loss for the bank;
- Settlement/Restructuring: re-entering of the client in restructured form to the performing portfolio with a loss (> €100) for the bank;
- Liquidation: complete collateral realization and debt enforcement with termination of credit relationship;
- Open: workout process not yet closed.

All defaults can be associated to one of the three default events and an ex-post LGD is calculated, based on the realized revenues and costs. In doing this, all single cash flows are discounted to the moment of default. For the last default event (Open) artificial cashflows are estimated based on an inference on already closed positions.
The model is developed for Regulatory purposes following the Secured/Unsecured approach including a split into three main model components (LGD_cure, Probability_cure, LGD_Liquidation), embedding all steps characterizing the risk differentiation and risk quantification phases. The general scheme of the LGD model in BA provides separate estimation of the recoveries deriving from collateral and those from the unsecured part of the exposure and a combination of all recoveries. Personal guarantees and credit derivatives are not taken into account in the models, since the substitution approach is used for this type of guarantees.

In order to determine the final value of the LGD, the following quantities are taken into consideration:
- EAD;
- expected recovery rate of the collateral net of direct costs (especially regarding estimation of specific collateral haircuts based on realized recoveries and depending on collateral type);
- expected recovery rate of the unsecured portion of the transaction net of direct costs;
- expected overall recovery rate net of direct costs;
- expected cure rate;
- recovery process duration;

Credit risk

- discounting rate;
- indirect expenses rate (as result of the internal bank processes in the workout units);
- certain margins of conservatism and general conservatism to cover possible estimation inaccuracies;
- downturn factor.

With regard to the procedure for estimating the recovery rate of collateral, this has been obtained on the basis of a historical sample and calculated differently for the following main collateral types with possible consideration of additional segmentation criteria:
- residential real estate;
- commercial real estate;
- other real estate;
- financial collateral;
- life assurance policies;
- receivables;
- other physical collateral.

Concerning securities, an internal model for own volatility estimates (internal haircut model) has been implemented.
With regard to the procedure for estimating the "unsecured" part and "overall part", on the other hand, this has been carried out separately for two main categories primarily based on the rating models:
- juridical persons: RECR, Mid Corporate, Small Business (juridical);
- natural persons: Private Individuals, Small Business (natural).

Several risk drivers further differentiate the levels of the different model components (LGD_cure, Probability_cure, LGD_Liquidation). For private individuals and small business, a further drill-down into exposure class is in place. Furthermore, for the defaulted portfolio the "best estimate LGD" with a further drill-down by time-buckets is in use.
Local LGD model is estimated on the UCBA AG's data sample (time series starting with 2008) and the model is based on average values, the LGD values are recalibrated regularly to include the latest observations.
The downturn methodology for the LGD is based on Group standards. The Definition of Default is considered by an adjustment factor and a dedicated Margin of Conservatism (MoC).
In January 2021 a model redevelopment for LGD has been submitted to the Supervisory Authority to comply with the new regulatory requirements as well as harmonize the modelling standards within the UniCredit group, and it is implemented since March 2023 together with the recalibration of 2022 which includes the extension of the series up to the most recent years.

Local Austria portfolios EAD model
The EAD model determines the expected exposure on a transaction at the time of default. It is estimated for each individual transaction by using the following information:
- effective exposure at the time of the estimation;
- amount of guarantees/commitments issued by the bank to the counterparty;
- allocated maximum credit limit;
- currency (EUR or non-EUR).

The estimated parameters are as follows:
- CEQ (Credit Equivalent Factor): this is the credit conversion factor for contingent liabilities, and represents the portion of the commitment/guarantee issued by the bank that will be used;
- LEQ (Limit Equivalent Factor): this is the percentage of the amount unused 12 months before default that is expected to be used at the time of default;
- LOF (Limit Overdraft Factor): estimates the expected used amount at the time of default that will exceed the allocated maximum limit (overdraft amount) in relation to the external line size;
- BO (Base overdraft): an absolute amount (EUR) that estimates the overdraft independent of external line size (in particular relevant for "small" external lines).

Up to 12 monthly snapshots for each transaction were used and the parameters have been estimated by calculating averages for each segment. This segmentation is based on the product and customer categories.
EAD model is estimated on the UCBA AG's data sample (time series starting with 2005). The EAD parameters are re-estimated regularly on a regular basis to include the latest observations.
In 2019 an annual re-estimation for the local EAD model has been conducted by extending the time series by another year (ranging from October 2005 to December 2017) spanning a period of more than 10 years.
A redevelopment of the EAD model has been performed and authorized by the Supervisory Authority and will be implemented in 2025.

Credit risk

Local Models Central and Eastern European Countries

With reference to the Group perimeter in the Central and Eastern Europe (CEE) area, the Group was authorized since 2011 to use the F-IRB approach for measuring the capital requirements for credit risk in Czech Republic, Bulgaria, Slovenia and Hungary, and starting from 2012 also in Romania and Slovakia.
Beside this, the use of A-IRB approach has been authorized in Czech Republic, starting from September 2014, with specific reference to the local Czech portfolio, and from June 2020 with specific reference to Retail Slovak portfolio. In Bulgaria the use of A-IRB approach has been authorized starting from July 2016.

PREVAILING ASSET CLASS	RATING SYSTEM	LEGAL ENTITY
Corporate	CZ & SK Mid-Corporate (PD, LGD, EAD)	UCB CZ & SK
	CZ & SK IPRE (PD, LGD, EAD)	
Retail	CZ & SK Small Business (PD, LGD, EAD)	UCB CZ & SK
	CZ & SK Private Individuals (PD, LGD, EAD)	
Corporate	Mid -Corporate (PD, LGD, EAD)	UCB BG
	IPRE Slotting Criteria	
	Project Finance Slotting Criteria	
Retail	Small Business (PD, LGD, EAD)	
	Private Individuals (PD, LGD, EAD)	
Corporate	Mid-Corporate (PD)	UCB HU(*)
Corporate	Mid-Corporate (PD)	UCB RO(*)

Note:
(*) These Banks are currently authorized only to use the IRB Foundation approach, therefore they only use PD internal estimations for determination of capital requirements.

The existing framework for the local Corporate/Retail exposures consists of:
- the Mid-Corporate rating model generally based on the combination of:
  - the financial module;
  - the qualitative module;
  - the behavioural module (only for some legal entities);
  - the definition of a warning signals set and an override system.
- the IPRE (Income Producing Real Estate) rating model, developed alternatively using the supervisory Slotting Criteria approach or an approach based on a PD model with new qualitative and quantitative modules, differentiated for segment Developers and Investors;
- the Small Business rating model, generally foreseeing the following component:
  - socio-demographic (only for some legal entities);
  - financial (based on client type: Full accountancy, Simplified accountancy, Freelancers, etc.);
  - qualitative;
  - behavioural.
- the rating system for Private Individuals usually foreseeing several scorecards developed at product level for both application and behavioural phase.

Specific details are provided below.

Czech Republic and Slovakia

Since December 2013, UniCredit Bank Czech Republic a.s. is named UniCredit Bank Czech Republic and Slovakia a.s. (UCB CZ&SK) following the merger with UniCredit Bank Slovakia a.s. However, different IRB authorized local models have been maintained for the treatment of exposures respectively in Czech Republic and Slovakia.
UCB CZ&SK was authorized since 2011 to use the F-IRB approach for measuring the capital requirements for credit risk for Czech part of portfolio and from 2012 for the Slovakian part. The use of A-IRB approach has been authorized in Czech Republic, starting from September 2014, with specific reference to the local Czech portfolio, and from June 2020 with specific reference to retail Slovak portfolio.

Following the new Group Methodological Standards as well as to harmonize the modelling standards within the Group and include the changes due to the Definition of Default, the following material model changes have been performed:
- a unique PD model for CZ and SK Mid-Corporate portfolios, in order to replace the two previous separate models, including also a material model extension of the range of its application to CZ Leasing portfolio with the consequent decommissioning of the authorized internal model CZ PD Leasing (submission in September 2019), authorized by Supervisory Authority together with the recalibration with the extension of time series up to 2020. The last recalibration on the new model with the extension of the time series up to 2023 is implemented since April 2024;

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- a unique cross-countries model for both CZ and SK IPRE portfolios to replace the two separate models currently in production (a slotting one for SK) applying also a stricter definition of IPRE segment, resulting in a shift of some customers into Real Estate segment treated with the Mid Corporate PD model and reducing the scope of the IPRE model, implemented since May 2023 together with the recalibration of the new model with the extension of the time series up to 2020. Therefore the Slovak IPRE portfolio became AIRB from Slotting approach;
- a unique PD model for CZ and SK Private Individuals, to replace the two separate models, reworking and integrating several distinct informational areas (modules and sub-modules) resulting into common CZ&SK ones with exception of Credit Bureau sub-module with dedicated Czech and Slovak scorecards and credit cards with application module on Czech side and flat PD on Slovak side implemented since November 2023;
- a unique EAD model for CZ and SK portfolios, in order to replace several separate models, introducing also the "drawings after default" component and an EAD Defaulted Asset model, is implemented since August 2024;
- a unique PD model for CZ and SK Small Business, to replace the two separate models, implemented since November 2023;
- a unique LGD model for both CZ and SK portfolios with the aim to replace several separate models, is implemented since August 2024.

Bulgaria

Starting from January 2011, UniCredit Bulbank has been authorized to the PD Mid- Corporate model as well as to the estimation of specialised lending exposures using the "supervisory slotting criteria".
Moreover, also the Private Individual and Small Business PD models, together with the LGD and EAD models for both local Corporate and Retail exposures have been approved as A-IRB compliant since July 2016.

Following the new Group Methodological Standards as well as harmonize the modelling standards within the Group and including the changes due to the new Definition of Default, the following material model changes have been performed:

- PD Mid Corporate and PD Small Business models, where the main changes include the revision of: segmentation criteria; Financial module (in line with Group Common Long list); Application module (by including Socio-demographic and External Bureau modules); Behavioural module (on client level and based on Group Common Long list); integration logic between Application and Behavioural modules. The revised model, including an extension of the time series, was implemented since February 2022. The PD Small Business model has been recalibrated with the extension of the time series up to 2020 and implemented since July 2023;
- IPRE Slotting model, where the main changes include the revision of segmentation criteria; the introduction of additional assessment factors as well as 4 scorecards based on the Exit strategy and Construction phase; the update of the weights on each assessment factors and the calibration of the IPRE slotting criteria model to a Central Tendency (CT) based on long run average default rate. The revised model, including an extension of the time series, was implemented since February 2022;
- PD Private Individuals where the main changes include the revision of the segmentation criteria and of the model structure by introducing additional modules and specific modules combination to assign final customer rating; recalibration of the Central Tendency based on 2008-2016 default time frame and calibration methodology revision; introduction of an overall Margin of Conservatism (authorization process on-hold, waiting for the final decision on the request to revert to the use of less sophisticated approach from AIRB to STD and adoption of PPU for local models);
- LGD model where the main changes consist in transition to the Definition of Default, transition from Secured/Unsecured to Overall (Gross) LGD estimation approach, update of the historical time series, adjustment of downturn concept to fulfil the regulatory requirements and MoCs, and development of LGD Defaulted Asset and ELBE models (authorization process on-hold, waiting for the final decision on the request to revert to the use of less sophisticated approach from AIRB to STD and adoption of PPU for local models);
- EAD model has been recalibrated with the extension of the time series up to 2020 and implemented since August 2023.

In April 2024, a request to revert to the use of less sophisticated approach from AIRB to STD and adoption of PPU for local models has been submitted to the Supervisory Authority for approval;authorization process is currently ongoing.

Romania

Between 2010 and March 2011, the "Mid-Corporate" rating model was refined, implying a deep customization of both financial and qualitative modules according to country specific default experience and a new calibration process was carried out.
In 2015 a further revised model was authorized with improved Financial and Qualitative modules and ensure a more comprehensive model design through the introduction of a behavioral component and using a longer time series.
In 2017 a further revision of the Mid-Corporate model, aiming at extending the time series, used for behavioral module development, was performed during 2017, submitted to the Supervisory Authority in December 2017, authorized in May 2020 and implemented in June 2020.
In July 2021 a recalibration has been implemented to support the inclusion of the Definition of Default in the risk quantification phase.
In January 2021 a redevelopment of the new Mid Corporate model has been submitted to the Supervisory Authority driven by the necessity to comply with new EBA Guidelines, TRIM guidelines and regulatory changes on the Definition of Default, as well as to address Supervisory Authority recommendations; it is currently waiting for Supervisory Authority authorization.
A request for the reversion from FIRB approach to less sophisticated Standard approach with the consequent request of Permanent Partial Use (PPU) for the overall Legal Entity including both Group Wide and local models, has been submitted for approval to ECB and National Competent Authority in December 2023 (authorization process is currently ongoing).

Credit risk

Slovenia
Since April 2022 the Slovenian Mid Corporate portfolio, previously reported under F-IRB approach, has been reverted to the use of the Standardised approach.

Hungary
The Mid Corporate Hungarian PD model was refined in 2017 in order to enhance its discriminatory power and, following the Supervisory Authority's authorization in February 2019, the model has been implemented for regulatory reporting purposes from March 2019.
In November 2021 a new PD Mid Corporate model, upon authorization by Supervisory Authority, was implemented, following the new Group Methodological Standards.
The main changes include the update of the qualitative and financial modules, the introduction of a new behavioral component, a new Central Tendency (CT) computation methodology, the extension of times series and the updated of Margin of Conservatism (MoC) methodology.
A model calibration of PD Mid Corporate of Hungary has been implemented since September 2022.

Retail exposures (exposures secured by residential property; qualifying revolving retail exposures; other retail exposures)

Local Model, Italian legal entities

Italian Small Business Rating model
The Integrated Small Business Rating (RISB) provides a rating for the counterparties of UniCredit S.p.A. with revenues (or total assets if revenue information is not available) up to €5 million, according to the segmentation used by the constitution of UniCredit S.p.A.
A new redevelopment of the PD RISB model has been submitted to the Supervisory Authority in May 2022, and implemented since October 2023 together with the time series of Development Reference Data Sets which have been updated up to most available data at developing time (up to 2019).

Within the new PD RISB model, a change in the segmentation in line with Group Methodological Standards has been performed with the inclusion of Natural Persons characterized by entrepreneurship risk, i.e. freelancer/sole traders/fully liable shareholders of unlimited liability companies ("Private-like"), previously considered in the Private Individuals segment, within the Small Business one. Specifically, the RISB PD model foresees two sub-models, which have different model structure, due to the peculiarity of the counterparties in scope:
- Private-like sub-model considers Natural Persons (including UCG employees) characterized by entrepreneurship risk and joint obligation in which at least one of the components is economically dependent from a company;
- Pure RISB sub-model includes domestic counterparties with annual production value/turnover lower than €5 million (except Group Wide counterparties, Other Group Local models, Financial Institutions, Public entities and Specialised lending), publicly owned companies and start-ups.

The new PD RISB model has been developed in alignment with the Group Methodological Standards, embedding all the steps characterizing the risk differentiation and risk quantification phases:
- the adoption of counterparty-based approach for both sub-models;
- type of transactions covered are:
  - Mortgages (secured, unsecured and current accounts);
  - Personal loans;
  - Loan on salary (Cessione del Quinto, Delegazione di pagamento);
  - Credit cards;
  - Overdrafts;
  - Personal guarantees issued by the Bank;
  - Advances of invoices and other contracts.
- in **Pure RISB sub-model** two different approaches have been selected, according to the module:
  - flexible cohort approach for Socio-Qualitative and External Bureau score modules;
  - fixed cohort approach for Financial, External and Internal Behavioral score modules.
  - The risk drivers related to each module are selected starting from the corresponding long lists with univariate and multivariate analyses and experts' contributions.
- in **Private-like sub-model** two different approaches have been selected, according to the module:
  - flexible cohort approach for application phase including Socio-Demographic, Product-Financial and External Bureau score modules;

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- fixed cohort approach for behavioral phase based on Internal Behavioral score modules. Two different behavioral modules have been developed in order to consider available information on the individual's side and/or on the Company side.
  The risk drivers related to each module are selected starting from the corresponding long lists with univariate and multivariate analyses and experts' contributions;
- the alignment of the Calibration of the PD model with the Group Methodological Standards on Risk Quantification;
- the computation of the Margins Of Conservatism with respect to the three categories (A, B and C) in line with the EBA Guidelines on PD;
- the analysis of model Rating Dynamics.

In July 2024, a recalibration with the extension of the historical time series up to December 2022 has been implemented.

Finally, to be compliant with Group Segmentation Standards "Condomini" segment has been carved out from the RISB perimeter and treated under standardised approach with the request for Permanent Partial Use (PPU).

Italian Small Business LGD model
In reference to the LGD model for the small business segment, refer to the description under "Local Italian Corporate LGD Models".

Private individuals Rating model
New PD model at counterparty level (RIP-One).
Starting from November 2021, after approval by the Regulator, the bank has adopted the new IRB RIP-One system for estimating credit parameters (PD; LGD, EAD) of the Private Individuals perimeter.

With reference to the PD parameter, the new rating system completely modifies the paradigm of the previous models by replacing the product approach with a counterparty approach. The statistical model therefore assigns a PD parameter to the debtor in its entirety, also taking into account the mix of products in its credit portfolio.

The operating logics of the model are summarized in the following points:
- each exposure to the debtor is valued separately on the basis of his seniority:
  - exposures with less than 6 months of seniority, or exposures in the origination phase, are assessed by the application component which considers the following information:
    - socio-demographic information (educational qualification, type of occupation, etc.);
    - characteristics of the credit product underlying the exposure - these information depends on the type of product aggregated into the macro-categories Mortgage Loans, Personal Loans, CQS, Overdraft, Credit Card;
    - information provided by the CRIF and Experian databases;
  - exposures with more than 6 months of seniority are instead evaluated through the behavioral component which considers the following main information:
    - equity of the debtor (Financial assets);
    - presence of unpaid instalments on loans;
    - percentage of outstanding debt to be repaid on loans;
    - presence of any past-due periods on credit lines;
    - draw level on credit lines.

When each exposure has been assessed by the appropriate score, these are summarized at the debtor level in a single score value.
The debtor's score is finally transformed into PD through the calibration process; the model recognizes the EBA requirements for the Definition of Default right from the model development activities and obviously in the risk quantification phase.

The model forces PD to more conservative levels when the following events are detected:
- evidence found on particularly negative external databases (CRIF, Experian, Ce.Ri);
- in case of assignment of the rating to a joint account, negative evidence found on the co-obligors;
- forborne classification of the debtor.

The RIP-One provides for an automatic update of the Rating on a monthly basis across the entire reference portfolio.
It is important to underline that Natural Persons model characterized by entrepreneurship risk ("Private-like") are excluded from the scope of application of the RIP-One, these debtors are included into the broader Small Business segment as a sub-model of the overall new RISB model (for details refer to "Italian Small Business Rating model" in this section).
A model recalibration of PD RIP One with the extension of the time series up to December 2022 is implemented since July 2024.

Credit risk

Local Italian retail LGD model
Since November 2021, a new development of Private Individuals LGD model (covering the whole product portfolio), consistently with the RIP-ONE Rating Model revision, has been released in production upon the Supervisory Authority authorization.
The LGD model design is still based on the so-called workout LGD approach and the final LGD estimates are obtained combining several model components (LGD Litigation, Danger Rate and Delta Exposure).
The granularity of the model is at product level (mortgage loans, personal loans and overdraft/credit cards) and it is specialised by status of the counterpart (Performing and Defaulted Assets).

The main changes regard:
- the Definition of Default, in force starting from 2021;
- the compliance to the new EBA guidelines Regulation, in force starting from 2022 (e.g discounting interest rate, new DT methodology, MOCs overarching framework, etc).

It is worth mentioning that the unique framework component related to LGD Private Individuals model (i.e. RIP One rating system) is applied also to the Private-like sub-model of PD RISB, which is out of scope of application of the LGD Corporate model.

A model recalibration of LGD RIP One with the extension of the time series up to December 2022 is implemented since July 2024.

Local Italian EAD individuals model
As for the PD and LGD parameters, starting from November 2021 after approval by the Supervisory Authority, the bank has adopted the new EAD model RIP-One for the counterparties belonging to Private Individuals segment of UniCredit S.p.A.

EAD model is based on different model component that are combined to obtain final EAD estimates. These components are partly estimated via statistical analysis within the so-called risk differentiation phase, where the relation between a target variable and various potential risk drivers is assessed, in order to select the best predictive variables. Other components that concur to the final EAD estimates are computed within the risk quantification phase that aims at calibrating the estimates to the observed long-run average of the parameter as well as reflecting downturn conditions and including appropriate Margin of Conservatism (MoC).

The adopted approach is the 12-month fixed horizon approach which envisages the identification, for each obligor, of both the default entry date and the reference date corresponding to twelve months prior to the default entry date.

The perimeter of EAD model application/estimation has been defined taking into account the specific features of the facility, as represented by the following macro-categories:
- Banking Credit Exposures with the possibility of drawing a Credit Limit, including traditional credit lines;
- Banking Credit Exposures with predefined maturity and without Credit Limit to be drawn- only work in progress mortgages can be considered;
- Multipurpose credit lines (MPCL).

The methodological approach foresees the estimation of two different model components to define the Exposure at Default: the Limit Equivalent Factor (LEQ) and the Limit Overdraft Factor (LOF).

LEQ focuses on the behavior of drawings within the granted amount; this component aims at forecasting the share of the exposure within the credit limit that will be drawn in the timespan between the reference date and the date of default.
LOF focuses on the overdraft component; this component aims at forecasting the share of the exposure above the credit limit that will be drawn in the timespan between the reference date and the date of default.
A model recalibration of EAD RIP One with the extension of the time series up to December 2022 is implemented since July 2024.

Local Model, German legal entities

Small Business rating model
The “SBC” rating model applies to German customers with a reported production value/turnover up to €5 million and private individuals with main income from self-employment (Freelancers/Individual entrepreneurs/Full-liability single-person company business), excluding Specialised Lending and Real Estate Customer.

In November 2021 a redevelopment of the Small Business PD model has been implemented following ECB authorization. The new model complies with Group Methodological Standards and new regulatory requirements.

Credit risk

Main changes include: the update of customer segmentation, development of new socio-demographic, financial and behavioural score modules (replacing the current ones), development of new integration function of the three modules, introduction of automatic monthly re-rating process, elimination of unrated customers and re-calibration of the model as well as consideration of a new Margin of Conservatism (MoC) concept according to the Group Methodological Standards.
For risk differentiation purposes, the portfolio is divided into new clients and existing clients. Based on the customer's characteristics and segmentation (e.g. new clients or existing client, type of product, exposure and legal form), the model determines which modules (socio-demographic, financial, behaviour, or external credit bureau module) are relevant for the rating of the customer and computes the corresponding scores. These single scores are then aggregated by using an integration function to a sub-model from which the final rating of the customer is finally derived.

According to new rating model, a client either receives an Application Score, a Monitoring Score or, during a transition period, a weighted combination of the two. For two segments with special kind of obligations and with a low materiality, one constant PD is used for all obligors within the segment (so-called flat PD segment). The segmentation used for calibration differentiates the legal form of the client (natural vs. legal persons) and considers a special segment for unauthorized overdrafts.
A recalibration for Small Business PD model to support the inclusion of the Definition of Default in the risk quantification phase was applied with the go-live of the new model in November 2021.
A recalibration of the Small Business PD model has been performed with the extension of the time series up to 2021, in line with the latest Group's Methodological Standards complying with the latest regulatory requirements, and implemented since November 2023, upon ECB's authorization.
With reference to the LGD model refer to the description in the paragraph "Local German portfolios LGD model".

Private Individual rating model
The "Private Individuals" rating model applies to German customers whose main source of income is "private income", e.g. employment income, capital income, pensions and income from real estate. Individuals with high property lease income are excluded as they are considered as part of the "Commercial Real Estate" portfolio and assessed using the appropriate rating system.

In November 2021 a redevelopment of the model has been implemented following the ECB authorization. The new model complies with Group Methodological Standards and new regulatory requirements. Main changes include: the update of customer segmentation, development of new socio-demographic, product-financial and behavioural internal score modules (replacing the current product scorecard model structure), development of new integration function of the three modules plus an external (credit bureau) module, introduction of automatic monthly re-rating process and re-calibration of the model as well as consideration of a new Margin of Conservatism (MoC) concept according to the Group Methodological Standards.
This rating model calculates the model PD on client level and comprises several scores, called Application Scores and Monitoring Scores. The Application Scores are composed of modules covering product-specific information, a socio-demographic module based on client information and external information. The Monitoring Score is composed of a behavioural module and external information. According to new rating model, a client either receives an Application Score, a Monitoring Score or, during a transition period, a weighted combination of the two. The application phase starts with the assignment of an Application Score appropriate for the requested product. After six months, it starts to phase in the Monitoring Score.

A recalibration for Private Individuals PD model to support the inclusion of the Definition of Default in the risk quantification phase was applied with the go- live of the new model in November 2021.
With reference to the LGD model refer to the description in the paragraph "Local German portfolios LGD model".

Local Model, Bank Austria

Small Business rating model
The rating model is applicable to small business clients up to €3 million annual turnover or to clients using cash-based accounting. It includes both client's types: with full accounting balance sheet and cash-based accounting.
The general design of the model consists in a Socio Demographic module, a Balance sheet module, for customers with full accounting, and dependent if the customers is new or existing either an External module or a Behaviour Scoring component.
The External application module is applied principally if no behaviour score can be calculated, so for completely new clients or clients with a credit history less than 6 months on book. If the customer's transaction is older than 6 months, the behaviour module is calculated automatically on a monthly basis.
The up to three modules (socio-demographic, balance sheet and external or behaviour) are combined using different weights depending on the modules used to evaluate the riskiness of the client in order to obtain a combined PD, which, once mapped to the master scale, determines the "calculated rating". The final "valid rating" is obtained by modifying the calculated rating on the basis of any available negative information or of "warning signals" in general.
Small Business rating model is calibrated on the UCBA AG's data sample (time series starting from 2007) and the model is based on logistic-regression concept.

Credit risk

The model was last redeveloped in 2019, recalibrated in 2020 and is live since July 2021.
A recalibration of the PD Small Business model has been performed with the extension of the time series up to 2022 and it is implemented since November 2024.
Regarding to the LGD/EAD model see as described in paragraphs “Local Austrian portfolios LGD model” and “Local Austrian portfolios EAD model”.

Private Individuals rating model
The Private Individuals rating model is applicable to all individuals other than self-employed professionals and freelancers.
The BA Private Individuals’ rating comprises of statistically derived models for application and behaviour modules.
The whole system was estimated through logistic regressions.
For the Application module an external source, CRIF, is incorporated, enhancing the information of a client. Moreover Socio-Demographic Information as well as behaviour components are used to define the final customer-PD. An application scoring is done in case if the customer applies for a new loan. if the customer’s transaction is older than 6 months, the behaviour module is calculated automatically on a monthly basis. Depending on the product mix of the client different calibration segments are applied.

The model was last redeveloped in 2019, recalibrated in 2020 and is live since July 2021.
A recalibration of the PD Private Individuals model has been performed with the extension of the time series up to 2022 and it is implemented since November 2024.
Regarding to the LGD/EAD model see as described in paragraphs “Local Austrian portfolios LGD model” and “Local Austrian portfolios EAD model”.

Local Models Central and Eastern European Countries (CEE)
With reference to Retail local models of CEE legal entities see paragraph “Local Models Central and Eastern European Countries”.

Asset Backed Commercial Paper (Securitisation)
With respect to UCB GmbH Internal Assessment Approach (IAA) rating model for securitisations, reference is made to the dedicated chapter “Securitisations exposures”.

Credit risk

Template EU CR6 - IRB approach - Credit risk exposures by exposure class and PD range - AIRB

(€ million)

A-IRB	PD RANGE	ON-BALANCE SHEET EXPOSURES	OFF-BALANCE SHEET EXPOSURES PRE-CCF	EXPOSURE WEIGHTED AVERAGE CCF (%)	EXPOSURE POST CCF AND POST CRM	EXPOSURE WEIGHTED AVERAGE PD (%)	NUMBER OF OBLIGORS	EXPOSURE WEIGHTED AVERAGE LGD (%)	EXPOSURE WEIGHTED AVERAGE MATURITY (YEARS)	RISK WEIGHTED EXPOSURE AMOUNT AFTER SUPPORTING FACTORS	DENSITY OF RISK WEIGHTED EXPOSURE AMOUNT	EXPECTED LOSS AMOUNT	VALUE ADJUSTMENTS AND PROVISIONS
	a	b	c	d	e	f	g	h	i	j	k	l	m
Central governments or central banks	0.00 to <0.15	22,660	1,191	37.71%	22,304	0.03%	40	20.50%	3.49	1,267	5.68%	1	(0)
	0.00 to <0.10	22,585	1,191	37.71%	22,187	0.03%	36	20.44%	3.49	1,232	5.55%	1	(0)
	0.10 to <0.15	75	0	34.31%	116	0.12%	4	31.84%	3.93	36	30.74%	0	(0)
	0.15 to <0.25	523	198	444.81%	200	0.24%	6	35.71%	2.42	78	38.86%	0	(0)
	0.25 to <0.50	52	0	-	0	0.38%	2	30.58%	1.76	0	38.79%	0	(0)
	0.50 to <0.75	32	1	-	0	0.63%	2	38.27%	1.68	0	61.92%	0	(0)
	0.75 to <2.50	380	234	63.04%	43	1.45%	13	37.38%	2.24	39	90.70%	0	(0)
	0.75 to <1.75	90	1	19.48%	30	1.21%	7	34.71%	1.17	20	66.23%	0	(0)
	1.75 to <2.50	290	234	63.15%	13	1.99%	6	43.39%	4.65	19	145.80%	0	(0)
	2.50 to <10.00	57	4	-	-	-	3	-	-	-	-	-	(0)
	2.50 to <5.00	57	4	-	-	-	3	-	-	-	-	-	(0)
	5.00 to <10.00	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to <100.00	837	716	52.63%	36	16.02%	16	39.19%	3.42	76	209.07%	2	(1)
	10.00 to <20.00	724	715	52.75%	34	14.00%	10	39.21%	3.53	72	209.47%	2	(1)
	20.00 to <30.00	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to <100.00	113	2	-	2	45.41%	6	38.97%	1.86	5	203.34%	0	(0)
	100.00 (Default)	353	81	0.00%	37	100.00%	13	53.34%	2.56	14	38.64%	18	(15)
	Subtotal	**24,894**	**2,425**	**76.50%**	**22,619**	**0.22%**	**95**	**20.75%**	**3.47**	**1,474**	**6.52%**	**22**	**(16)**
Institutions	0.00 to <0.15	26,427	9,128	13.62%	27,104	0.06%	448	25.38%	2.70	3,483	12.85%	4	(17)
	0.00 to <0.10	23,751	8,302	13.92%	24,764	0.06%	363	26.43%	2.69	3,161	12.76%	4	(17)
	0.10 to <0.15	2,676	826	10.54%	2,340	0.12%	85	14.27%	2.78	322	13.77%	0	(0)
	0.15 to <0.25	756	569	13.55%	847	0.20%	32	35.92%	1.60	248	29.33%	1	(1)
	0.25 to <0.50	552	890	3.56%	661	0.31%	85	18.02%	3.25	179	27.15%	0	(0)
	0.50 to <0.75	0	3	39.78%	1	0.56%	24	22.58%	1.32	0	32.55%	0	(0)
	0.75 to <2.50	143	670	1.98%	212	1.04%	122	52.20%	2.24	168	79.48%	1	(0)
	0.75 to <1.75	110	491	2.10%	164	0.80%	83	53.04%	2.25	104	63.83%	0	(0)
	1.75 to <2.50	33	179	1.65%	48	1.86%	39	49.35%	2.20	64	132.74%	0	(0)
	2.50 to <10.00	117	662	0.76%	196	4.22%	66	50.33%	0.90	333	169.88%	4	(2)
	2.50 to <5.00	95	641	0.41%	186	4.11%	49	51.83%	0.90	326	174.71%	4	(2)
	5.00 to <10.00	22	20	11.79%	10	6.35%	17	21.38%	1.00	7	76.87%	0	(0)
	10.00 to <100.00	1	14	0.02%	3	16.48%	39	66.89%	1.80	10	333.36%	0	(0)
	10.00 to <20.00	1	14	0.02%	3	15.96%	22	67.29%	1.82	10	335.07%	0	(0)
	20.00 to <30.00	0	0	-	0	21.94%	2	37.77%	1.00	0	203.00%	0	(0)
	30.00 to <100.00	0	0	36.90%	0	43.03%	15	49.02%	1.17	0	256.02%	0	(0)
	100.00 (Default)	2	0	-	2	100.00%	16	104.49%	1.01	3	225.56%	1	(1)
	Subtotal	**27,998**	**11,936**	**11.49%**	**29,026**	**0.11%**	**832**	**25.90%**	**2.67**	**4,426**	**15.25%**	**12**	**(22)**

Credit risk

continued: Template EU CR6 - IRB approach - Credit risk exposures by exposure class and PD range - AIRB

(€ million)

A-IRB	PD RANGE	ON-BALANCE SHEET EXPOSURES	OFF-BALANCE SHEET EXPOSURES PRE-CCF	EXPOSURE WEIGHTED AVERAGE CCF (%)	EXPOSURE POST CCF AND POST CRM	EXPOSURE WEIGHTED AVERAGE PD (%)	NUMBER OF OBLIGORS	EXPOSURE WEIGHTED AVERAGE LGD (%)	EXPOSURE WEIGHTED AVERAGE MATURITY (YEARS)	RISK WEIGHTED EXPOSURE AMOUNT AFTER SUPPORTING FACTORS	DENSITY OF RISK WEIGHTED EXPOSURE AMOUNT	EXPECTED LOSS AMOUNT	VALUE ADJUSTMENTS AND PROVISIONS
	a	b	c	d	e	f	g	h	i	j	k	l	m
Corporates - SME	0.00 to <0.15	2,536	2,971	32.14%	3,611	0.08%	3,793	17.07%	2.51	263	7.28%	1	(2)
	0.00 to <0.10	1,424	1,486	41.88%	2,103	0.06%	1,713	17.06%	2.42	119	5.68%	0	(1)
	0.10 to <0.15	1,112	1,485	22.39%	1,508	0.12%	2,080	17.07%	2.63	143	9.50%	0	(1)
	0.15 to <0.25	2,956	3,087	15.35%	3,560	0.20%	3,985	15.38%	2.50	375	10.55%	1	(6)
	0.25 to <0.50	8,609	4,734	19.68%	9,951	0.37%	7,324	15.84%	2.41	1,514	15.21%	6	(21)
	0.50 to <0.75	4,023	2,816	19.95%	4,467	0.62%	4,738	18.56%	2.41	955	21.37%	5	(14)
	0.75 to <2.50	11,326	6,833	24.17%	11,756	1.37%	13,537	24.28%	2.27	4,436	37.74%	41	(93)
	0.75 to <1.75	8,507	5,200	24.20%	8,991	1.15%	9,987	22.73%	2.29	3,004	33.41%	24	(59)
	1.75 to <2.50	2,820	1,633	24.07%	2,765	2.11%	3,550	29.35%	2.18	1,432	51.80%	17	(35)
	2.50 to <10.00	7,247	3,175	25.70%	6,957	4.63%	9,193	31.23%	2.16	4,601	66.14%	101	(193)
	2.50 to <5.00	4,734	2,286	23.96%	4,587	3.52%	5,609	30.84%	2.13	2,789	60.80%	50	(90)
	5.00 to <10.00	2,513	890	30.17%	2,369	6.78%	3,584	32.00%	2.22	1,812	76.48%	51	(103)
	10.00 to <100.00	1,867	549	42.08%	1,928	19.93%	3,844	27.72%	2.23	1,836	95.25%	105	(187)
	10.00 to <20.00	1,303	368	39.24%	1,320	14.48%	2,565	28.20%	2.15	1,207	91.48%	53	(104)
	20.00 to <30.00	268	74	41.16%	270	24.81%	379	25.94%	2.47	266	98.59%	17	(30)
	30.00 to <100.00	296	107	52.43%	338	37.30%	900	27.26%	2.34	363	107.34%	35	(54)
	100.00 (Default)	2,147	420	22.48%	2,079	100.00%	2,192	54.08%	2.11	1,421	68.37%	981	(1,182)
	Subtotal	**40,713**	**24,585**	**23.25%**	**44,308**	**6.82%**	**48,606**	**23.14%**	**2.33**	**15,401**	**34.76%**	**1,241**	**(1,699)**
Corporates - Specialised lending	0.00 to <0.15	2,260	775	32.54%	2,342	0.10%	88	20.49%	3.27	333	14.20%	1	(1)
	0.00 to <0.10	1,019	315	28.07%	946	0.07%	32	19.12%	3.83	123	13.02%	0	(0)
	0.10 to <0.15	1,240	460	35.60%	1,396	0.12%	56	21.42%	2.90	209	15.00%	0	(1)
	0.15 to <0.25	3,483	1,020	33.19%	3,594	0.19%	201	23.96%	3.33	910	25.33%	2	(5)
	0.25 to <0.50	3,501	912	31.80%	3,497	0.36%	219	23.56%	3.39	1,027	29.37%	3	(18)
	0.50 to <0.75	833	470	30.28%	915	0.61%	75	23.81%	3.48	344	37.62%	1	(3)
	0.75 to <2.50	1,950	1,366	30.87%	2,028	1.52%	137	23.97%	3.26	1,049	51.74%	7	(101)
	0.75 to <1.75	1,377	1,291	29.39%	1,586	1.34%	102	23.36%	3.36	770	48.55%	5	(85)
	1.75 to <2.50	573	75	56.16%	441	2.20%	35	26.14%	2.92	279	63.20%	2	(16)
	2.50 to <10.00	439	224	52.04%	466	4.18%	60	31.31%	3.10	401	85.97%	6	(22)
	2.50 to <5.00	313	221	51.42%	400	3.71%	42	28.90%	3.14	285	71.23%	4	(15)
	5.00 to <10.00	126	3	97.94%	66	6.99%	18	45.88%	2.81	116	175.32%	2	(8)
	10.00 to <100.00	59	-	-	16	22.13%	9	49.20%	2.39	38	239.16%	2	(1)
	10.00 to <20.00	11	-	-	11	16.54%	8	34.35%	2.10	14	127.00%	1	(1)
	20.00 to <30.00	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to <100.00	48	-	-	5	34.36%	1	81.66%	3.03	24	484.35%	1	-
	100.00 (Default)	194	0	-	113	100.00%	10	61.68%	3.40	51	45.37%	66	(54)
	Subtotal	**12,719**	**4,769**	**32.75%**	**12,971**	**1.50%**	**799**	**23.84%**	**3.33**	**4,153**	**32.02%**	**88**	**(206)**

Credit risk

continued: Template EU CR6 - IRB approach - Credit risk exposures by exposure class and PD range - AIRB

(€ million)

A-IRB	PD RANGE	ON-BALANCE SHEET EXPOSURES	OFF-BALANCE SHEET EXPOSURES PRE-CCF	EXPOSURE WEIGHTED AVERAGE CCF (%)	EXPOSURE POST CCF AND POST CRM	EXPOSURE WEIGHTED AVERAGE PD (%)	NUMBER OF OBLIGORS	EXPOSURE WEIGHTED AVERAGE LGD (%)	EXPOSURE WEIGHTED AVERAGE MATURITY (YEARS)	RISK WEIGHTED EXPOSURE AMOUNT AFTER SUPPORTING FACTORS	DENSITY OF RISK WEIGHTED EXPOSURE AMOUNT	EXPECTED LOSS AMOUNT	VALUE ADJUSTMENTS AND PROVISIONS
	a	b	c	d	e	f	g	h	i	j	k	l	m
Corporates - Other	0.00 to <0.15	35,113	111,462	22.30%	59,883	0.08%	6,128	36.03%	2.14	11,126	18.58%	16	(34)
	0.00 to <0.10	24,008	84,789	22.18%	42,712	0.06%	3,638	36.45%	2.14	7,078	16.57%	9	(20)
	0.10 to <0.15	11,105	26,673	22.67%	17,171	0.12%	2,490	35.00%	2.14	4,048	23.58%	7	(14)
	0.15 to <0.25	13,834	26,989	20.39%	19,532	0.19%	4,585	31.44%	2.25	5,596	28.65%	12	(42)
	0.25 to <0.50	20,071	37,068	22.26%	27,102	0.34%	8,968	26.73%	2.34	9,221	34.02%	25	(187)
	0.50 to <0.75	9,477	10,811	21.63%	11,005	0.62%	5,283	25.14%	2.28	4,713	42.82%	17	(61)
	0.75 to <2.50	19,690	19,055	24.13%	22,634	1.39%	11,920	27.34%	2.29	14,137	62.46%	88	(346)
	0.75 to <1.75	15,098	14,567	25.06%	17,577	1.18%	8,702	26.35%	2.34	10,118	57.56%	55	(170)
	1.75 to <2.50	4,592	4,488	21.11%	5,056	2.11%	3,218	30.75%	2.11	4,019	79.48%	33	(176)
	2.50 to <10.00	9,027	8,328	23.27%	9,810	4.38%	11,261	32.63%	2.00	10,283	104.82%	142	(277)
	2.50 to <5.00	6,502	6,067	22.06%	7,120	3.45%	6,913	32.21%	1.98	6,839	96.06%	79	(174)
	5.00 to <10.00	2,525	2,261	26.53%	2,690	6.86%	4,348	33.72%	2.05	3,444	128.00%	63	(103)
	10.00 to <100.00	1,839	1,134	23.00%	1,638	20.14%	7,484	32.31%	2.02	2,640	161.17%	106	(175)
	10.00 to <20.00	1,384	878	22.59%	1,207	14.56%	1,963	32.42%	2.03	1,892	156.74%	55	(91)
	20.00 to <30.00	143	57	24.26%	121	24.40%	1,010	32.05%	2.19	217	179.68%	9	(16)
	30.00 to <100.00	311	199	24.49%	311	40.17%	4,511	32.00%	1.90	532	171.20%	41	(68)
	100.00 (Default)	3,572	2,126	20.45%	3,724	100.00%	2,312	50.71%	1.78	1,624	43.61%	1,750	(1,947)
	Subtotal	**112,622**	**216,973**	**22.20%**	**155,329**	**3.25%**	**57,941**	**31.89%**	**2.20**	**59,340**	**38.20%**	**2,156**	**(3,069)**
Retail - of which Secured by immovable property SMEs	0.00 to <0.15	219	77	64.69%	274	0.07%	1,676	19.41%		8	3.08%	0	(1)
	0.00 to <0.10	141	61	66.25%	186	0.05%	1,023	19.29%		4	2.39%	0	(1)
	0.10 to <0.15	78	16	58.80%	89	0.13%	653	19.66%		4	4.52%	0	(0)
	0.15 to <0.25	166	24	53.43%	181	0.20%	1,338	18.44%		11	6.11%	0	(0)
	0.25 to <0.50	352	63	53.04%	386	0.38%	2,709	17.30%		35	8.96%	0	(1)
	0.50 to <0.75	320	47	55.74%	352	0.62%	2,092	16.22%		42	12.00%	0	(1)
	0.75 to <2.50	1,483	150	60.09%	1,590	1.51%	7,573	17.12%		358	22.49%	4	(13)
	0.75 to <1.75	983	104	57.73%	1,052	1.20%	5,275	17.23%		208	19.81%	2	(8)
	1.75 to <2.50	500	47	65.32%	538	2.10%	2,298	16.90%		149	27.74%	2	(6)
	2.50 to <10.00	814	77	74.93%	886	4.44%	3,798	19.72%		435	49.08%	8	(25)
	2.50 to <5.00	579	61	72.38%	631	3.38%	2,532	19.41%		270	42.78%	4	(13)
	5.00 to <10.00	234	16	84.75%	255	7.06%	1,266	20.48%		165	64.67%	4	(13)
	10.00 to <100.00	340	14	140.54%	354	26.53%	2,298	24.28%		375	105.86%	24	(53)
	10.00 to <20.00	171	9	81.35%	180	15.08%	987	21.68%		166	92.47%	6	(17)
	20.00 to <30.00	56	1	735.06%	57	24.45%	366	26.05%		70	122.45%	4	(9)
	30.00 to <100.00	113	4	67.22%	117	45.19%	945	27.42%		138	118.32%	15	(26)
	100.00 (Default)	185	5	98.26%	189	100.00%	1,026	54.67%		98	51.65%	91	(56)
	Subtotal	**3,879**	**459**	**64.55%**	**4,213**	**8.32%**	**22,510**	**20.10%**		**1,361**	**32.31%**	**128**	**(150)**

Credit risk

continued: Template EU CR6 - IRB approach - Credit risk exposures by exposure class and PD range - AIRB

(€ million)

A-IRB	PD RANGE	ON-BALANCE SHEET EXPOSURES	OFF-BALANCE SHEET EXPOSURES PRE-CCF	EXPOSURE WEIGHTED AVERAGE CCF (%)	EXPOSURE POST CCF AND POST CRM	EXPOSURE WEIGHTED AVERAGE PD (%)	NUMBER OF OBLIGORS	EXPOSURE WEIGHTED AVERAGE LGD (%)	EXPOSURE WEIGHTED AVERAGE MATURITY (YEARS)	RISK WEIGHTED EXPOSURE AMOUNT AFTER SUPPORTING FACTORS	DENSITY OF RISK WEIGHTED EXPOSURE AMOUNT	EXPECTED LOSS AMOUNT	VALUE ADJUSTMENTS AND PROVISIONS
	a	b	c	d	e	f	g	h	i	j	k	l	m
Retail - of which Secured by immovable property non SMEs	0.00 to <0.15	17,854	232	46.12%	17,903	0.08%	163,712	18.43%		687	3.84%	3	(15)
	0.00 to <0.10	11,735	174	44.55%	11,801	0.05%	99,950	17.54%		319	2.71%	1	(8)
	0.10 to <0.15	6,119	58	50.86%	6,101	0.12%	63,762	20.15%		368	6.03%	2	(7)
	0.15 to <0.25	9,895	76	46.78%	9,843	0.20%	101,681	19.74%		823	8.37%	4	(13)
	0.25 to <0.50	17,561	111	50.03%	17,312	0.36%	171,232	20.72%		2,333	13.47%	13	(37)
	0.50 to <0.75	10,543	61	46.58%	10,265	0.61%	120,605	21.44%		2,102	20.48%	14	(31)
	0.75 to <2.50	15,771	212	53.54%	15,215	1.38%	164,807	22.81%		5,594	36.77%	48	(141)
	0.75 to <1.75	11,989	148	50.07%	11,466	1.17%	136,426	22.29%		3,726	32.50%	30	(88)
	1.75 to <2.50	3,782	64	61.54%	3,749	1.99%	28,381	24.41%		1,868	49.83%	18	(53)
	2.50 to <10.00	3,950	55	46.26%	3,856	4.94%	48,104	23.72%		3,104	80.50%	46	(140)
	2.50 to <5.00	2,331	46	38.89%	2,284	3.49%	26,734	23.03%		1,505	65.89%	18	(58)
	5.00 to <10.00	1,619	9	84.36%	1,572	7.05%	21,370	24.73%		1,599	101.74%	28	(82)
	10.00 to <100.00	2,122	11	64.11%	2,049	25.25%	26,896	26.16%		3,037	148.24%	136	(259)
	10.00 to <20.00	1,000	4	87.37%	968	14.01%	12,893	25.39%		1,323	136.73%	34	(85)
	20.00 to <30.00	379	5	58.88%	366	24.34%	5,077	26.07%		584	159.34%	23	(49)
	30.00 to <100.00	743	2	30.77%	715	40.94%	8,926	27.27%		1,131	158.13%	79	(125)
	100.00 (Default)	993	4	107.59%	986	100.00%	12,640	43.11%		913	92.65%	348	(235)
	Subtotal	**78,689**	**762**	**49.46%**	**77,429**	**2.66%**	**809,677**	**21.15%**		**18,594**	**24.01%**	**611**	**(870)**
Retail - Qualifying revolving	0.00 to <0.15	97	3,419	65.73%	2,344	0.05%	557,094	88.22%		70	2.99%	1	(1)
	0.00 to <0.10	66	2,964	67.25%	2,060	0.04%	478,430	91.70%		57	2.75%	1	(1)
	0.10 to <0.15	31	455	55.80%	285	0.12%	78,664	63.00%		14	4.74%	0	(0)
	0.15 to <0.25	50	551	50.11%	326	0.20%	115,072	55.55%		20	6.15%	0	(1)
	0.25 to <0.50	105	1,181	42.83%	611	0.38%	249,034	51.22%		59	9.72%	1	(2)
	0.50 to <0.75	87	1,359	39.78%	628	0.60%	272,962	50.43%		87	13.82%	2	(2)
	0.75 to <2.50	226	639	39.97%	483	1.27%	218,309	50.38%		118	24.36%	3	(5)
	0.75 to <1.75	184	584	38.03%	406	1.12%	191,382	50.18%		90	22.17%	2	(4)
	1.75 to <2.50	42	56	60.17%	76	2.08%	26,927	51.44%		27	36.01%	1	(2)
	2.50 to <10.00	84	71	76.59%	138	4.59%	69,321	54.92%		88	63.86%	3	(7)
	2.50 to <5.00	51	54	72.71%	91	3.35%	44,207	56.89%		50	54.53%	2	(3)
	5.00 to <10.00	32	16	89.54%	47	6.99%	25,114	51.13%		39	81.78%	2	(4)
	10.00 to <100.00	35	12	104.16%	48	24.78%	44,447	56.77%		71	147.10%	6	(10)
	10.00 to <20.00	18	7	115.89%	27	14.02%	28,660	64.99%		42	155.34%	3	(4)
	20.00 to <30.00	7	2	108.04%	9	24.24%	4,869	47.15%		12	139.67%	1	(2)
	30.00 to <100.00	10	3	77.19%	13	48.01%	10,918	45.84%		17	134.61%	3	(4)
	100.00 (Default)	136	6	85.13%	141	100.00%	29,132	84.37%		208	147.86%	102	(95)
	Subtotal	**820**	**7,238**	**53.84%**	**4,720**	**3.67%**	**1,555,371**	**70.86%**		**721**	**15.28%**	**119**	**(124)**

Credit risk

continued: Template EU CR6 - IRB approach - Credit risk exposures by exposure class and PD range - AIRB

(€ million)

A-IRB	PD RANGE	ON-BALANCE SHEET EXPOSURES	OFF-BALANCE SHEET EXPOSURES PRE-CCF	EXPOSURE WEIGHTED AVERAGE CCF (%)	EXPOSURE POST CCF AND POST CRM	EXPOSURE WEIGHTED AVERAGE PD (%)	NUMBER OF OBLIGORS	EXPOSURE WEIGHTED AVERAGE LGD (%)	EXPOSURE WEIGHTED AVERAGE MATURITY (YEARS)	RISK WEIGHTED EXPOSURE AMOUNT AFTER SUPPORTING FACTORS	DENSITY OF RISK WEIGHTED EXPOSURE AMOUNT	EXPECTED LOSS AMOUNT	VALUE ADJUSTMENTS AND PROVISIONS
	a	b	c	d	e	f	g	h	i	j	k	l	m
Retail - of which Other SME	0.00 to <0.15	1,109	2,263	7.52%	750	0.09%	30,974	35.96%		49	6.58%	0	(2)
	0.00 to <0.10	670	1,487	7.22%	451	0.06%	18,298	35.14%		23	5.09%	0	(1)
	0.10 to <0.15	439	776	8.09%	299	0.12%	12,676	37.18%		26	8.82%	0	(1)
	0.15 to <0.25	853	1,168	8.87%	601	0.19%	24,250	38.38%		74	12.34%	0	(2)
	0.25 to <0.50	1,513	1,681	11.34%	1,030	0.37%	45,881	36.97%		185	17.96%	1	(6)
	0.50 to <0.75	1,072	887	12.02%	751	0.62%	28,735	37.76%		186	24.74%	2	(6)
	0.75 to <2.50	3,142	1,884	12.85%	2,227	1.44%	78,325	38.74%		797	35.77%	12	(32)
	0.75 to <1.75	2,258	1,408	12.26%	1,590	1.17%	55,705	38.85%		537	33.81%	7	(19)
	1.75 to <2.50	884	476	14.60%	637	2.10%	22,620	38.47%		259	40.66%	5	(14)
	2.50 to <10.00	2,137	874	11.97%	1,491	4.93%	49,452	42.76%		763	51.17%	31	(70)
	2.50 to <5.00	1,271	597	11.91%	896	3.53%	29,008	42.77%		442	49.37%	14	(32)
	5.00 to <10.00	866	278	12.11%	595	7.03%	20,444	42.75%		320	53.87%	18	(38)
	10.00 to <100.00	1,108	242	12.22%	695	24.86%	41,054	42.62%		526	75.68%	73	(115)
	10.00 to <20.00	538	130	13.60%	362	13.95%	13,687	42.96%		241	66.61%	22	(41)
	20.00 to <30.00	211	40	9.47%	129	24.55%	6,943	42.99%		109	84.00%	14	(24)
	30.00 to <100.00	358	72	11.24%	204	44.42%	20,424	41.77%		176	86.49%	38	(50)
	100.00 (Default)	781	77	7.06%	535	100.00%	19,247	76.67%		235	43.89%	392	(428)
	Subtotal	**11,714**	**9,078**	**10.50%**	**8,081**	**10.20%**	**317,918**	**41.73%**		**2,815**	**34.83%**	**513**	**(662)**
Retail - of which Other non SME	0.00 to <0.15	2,588	1,564	37.70%	3,177	0.07%	614,972	35.09%		226	7.10%	1	(7)
	0.00 to <0.10	1,946	1,089	37.27%	2,349	0.05%	482,010	33.69%		126	5.36%	0	(5)
	0.10 to <0.15	642	475	38.67%	827	0.13%	132,962	39.04%		100	12.06%	0	(1)
	0.15 to <0.25	1,093	436	47.66%	1,289	0.20%	161,050	39.32%		217	16.84%	1	(2)
	0.25 to <0.50	2,586	617	49.50%	2,870	0.37%	246,399	38.16%		699	24.34%	4	(7)
	0.50 to <0.75	2,276	359	51.69%	2,440	0.62%	162,896	37.62%		787	32.28%	6	(8)
	0.75 to <2.50	8,518	892	53.76%	8,920	1.50%	588,973	37.82%		4,105	46.02%	50	(52)
	0.75 to <1.75	5,513	723	52.80%	5,836	1.19%	391,843	39.41%		2,626	44.99%	27	(30)
	1.75 to <2.50	3,004	169	57.86%	3,084	2.09%	197,130	34.82%		1,480	47.98%	22	(22)
	2.50 to <10.00	4,145	268	72.46%	4,290	4.52%	312,157	41.96%		2,778	64.77%	81	(83)
	2.50 to <5.00	2,941	194	68.43%	3,039	3.54%	216,555	42.07%		1,926	63.39%	46	(43)
	5.00 to <10.00	1,204	74	82.95%	1,251	6.88%	95,602	41.67%		852	68.14%	36	(39)
	10.00 to <100.00	1,217	58	102.33%	1,266	26.59%	232,140	41.52%		1,226	96.82%	142	(146)
	10.00 to <20.00	576	32	92.44%	600	13.67%	161,813	40.77%		491	81.73%	34	(36)
	20.00 to <30.00	218	9	112.24%	226	24.54%	22,986	41.51%		238	105.55%	23	(24)
	30.00 to <100.00	423	17	115.14%	440	45.28%	47,341	42.54%		497	112.94%	85	(86)
	100.00 (Default)	526	17	10.42%	518	100.00%	48,043	63.99%		415	80.24%	298	(280)
	Subtotal	**22,948**	**4,211**	**48.05%**	**24,768**	**4.90%**	**2,366,630**	**39.02%**		**10,454**	**42.21%**	**583**	**(584)**
Total (all exposures classes)31.12.2024		**336,996**	**282,434**	**23.39%**	**383,463**	**3.38%**	**5,180,379**	**28.49%**	**1.68**	**118,740**	**30.97%**	**5,473**	**(7,403)**
Total (all exposures classes)30.06.2024		**348,587**	**283,116**	**22.88%**	**392,828**	**3.35%**	**4,401,576**	**28.64%**	**1.70**	**123,153**	**31.35%**	**5,650**	**(7,600)**

With reference to the AIRB portfolio evolution as at 31 December 2024, compared to 30 June 2024, refer to the comment reported below the following template “FIRB”.

Credit risk

Template EU CR6 - IRB approach - Credit risk exposures by exposure class and PD range - FIRB

(€ million)

F-IRB	PD RANGE	ON-BALANCE SHEET EXPOSURES	OFF-BALANCE SHEET EXPOSURES PRE-CCF	EXPOSURE WEIGHTED AVERAGE CCF (%)	EXPOSURE POST CCF AND POST CRM	EXPOSURE WEIGHTED AVERAGE PD (%)	NUMBER OF OBLIGORS	EXPOSURE WEIGHTED AVERAGE LGD (%)	EXPOSURE WEIGHTED AVERAGE MATURITY (YEARS)	RISK WEIGHTED EXPOSURE AMOUNT AFTER SUPPORTING FACTORS	DENSITY OF RISK WEIGHTED EXPOSURE AMOUNT	EXPECTED LOSS AMOUNT	VALUE ADJUSTMENTS AND PROVISIONS
	a	b	c	d	e	f	g	h	i	j	k	l	m
Central governments or central banks	0.00 to <0.15	-	0	-	0	0.02%	1	-	2.50	-	-	-	-
	0.00 to <0.10	-	0	-	0	0.02%	1	-	2.50	-	-	-	-
	0.10 to <0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to <0.25	415	-	-	415	0.24%	2	45.00%	2.50	207	49.98%	0	(0)
	0.25 to <0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <1.75	-	-	-	-	-	-	-	-	-	-	-	-
	1.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to <5.00	-	-	-	-	-	-	-	-	-	-	-	-
	5.00 to <10.00	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to <20.00	-	-	-	-	-	-	-	-	-	-	-	-
	20.00 to <30.00	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	**415**	**0**	**-**	**415**	**0.24%**	**3**	**45.00%**	**2.50**	**207**	**49.98%**	**0**	**(0)**
Institutions	0.00 to <0.15	2,067	1,572	13.55%	2,439	0.08%	116	42.11%	2.50	800	32.79%	1	(0)
	0.00 to <0.10	1,783	1,515	14.06%	2,147	0.07%	101	42.36%	2.50	714	33.27%	1	(0)
	0.10 to <0.15	284	58	-	292	0.11%	15	40.30%	2.50	85	29.26%	0	(0)
	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to <0.50	310	12	15.51%	249	0.31%	14	33.61%	2.50	110	44.14%	0	(1)
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <2.50	261	125	17.66%	287	1.42%	23	39.18%	2.50	264	92.13%	2	(2)
	0.75 to <1.75	106	31	44.26%	116	0.79%	12	44.70%	2.50	103	88.45%	0	(1)
	1.75 to <2.50	156	95	8.99%	171	1.85%	11	35.43%	2.50	161	94.64%	1	(1)
	2.50 to <10.00	16	160	-	47	4.44%	11	41.14%	2.50	73	154.50%	1	(0)
	2.50 to <5.00	16	160	-	47	4.44%	11	41.14%	2.50	73	154.50%	1	(0)
	5.00 to <10.00	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to <100.00	0	0	-	0	13.57%	4	45.00%	2.50	0	231.02%	0	(0)
	10.00 to <20.00	0	0	-	0	13.57%	4	45.00%	2.50	0	231.02%	0	(0)
	20.00 to <30.00	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	**2,653**	**1,870**	**12.68%**	**3,022**	**0.29%**	**168**	**41.12%**	**2.50**	**1,246**	**41.25%**	**4**	**(3)**

Credit risk

continued: Template EU CR6 - IRB approach - Credit risk exposures by exposure class and PD range - FIRB

(€ million)

F-IRB	PD RANGE	ON-BALANCE SHEET EXPOSURES	OFF-BALANCE SHEET EXPOSURES PRE-CCF	EXPOSURE WEIGHTED AVERAGE CCF (%)	EXPOSURE POST CCF AND POST CRM	EXPOSURE WEIGHTED AVERAGE PD (%)	NUMBER OF OBLIGORS	EXPOSURE WEIGHTED AVERAGE LGD (%)	EXPOSURE WEIGHTED AVERAGE MATURITY (YEARS)	RISK WEIGHTED EXPOSURE AMOUNT AFTER SUPPORTING FACTORS	DENSITY OF RISK WEIGHTED EXPOSURE AMOUNT	EXPECTED LOSS AMOUNT	VALUE ADJUSTMENTS AND PROVISIONS
	a	b	c	d	e	f	g	h	i	j	k	l	m
Corporates - SME	0.00 to <0.15	28	57	1.26%	32	0.10%	142	42.04%	2.50	6	19.45%	0	(0)
	0.00 to <0.10	7	39	-	9	0.06%	89	38.79%	2.50	1	11.88%	0	(0)
	0.10 to <0.15	20	18	4.06%	24	0.12%	53	43.22%	2.50	5	22.19%	0	(0)
	0.15 to <0.25	31	89	1.66%	32	0.21%	94	42.21%	2.50	10	30.65%	0	(0)
	0.25 to <0.50	264	429	11.66%	298	0.38%	446	42.30%	2.50	128	42.93%	0	(2)
	0.50 to <0.75	238	310	13.95%	234	0.68%	369	42.02%	2.50	128	54.81%	1	(2)
	0.75 to <2.50	1,377	827	13.12%	1,162	1.57%	1,492	41.67%	2.50	840	72.25%	8	(17)
	0.75 to <1.75	968	603	12.52%	830	1.26%	1,058	42.02%	2.50	578	69.72%	5	(9)
	1.75 to <2.50	409	224	14.74%	333	2.33%	434	40.81%	2.50	261	78.57%	3	(8)
	2.50 to <10.00	964	425	17.88%	758	4.39%	1,060	41.10%	2.50	712	93.97%	14	(42)
	2.50 to <5.00	720	296	20.22%	567	3.66%	724	41.09%	2.50	503	88.79%	9	(24)
	5.00 to <10.00	244	128	12.49%	191	6.53%	336	41.13%	2.50	209	109.32%	5	(19)
	10.00 to <100.00	70	19	4.17%	48	12.92%	121	41.34%	2.50	64	135.63%	3	(8)
	10.00 to <20.00	64	14	5.38%	45	11.95%	97	41.21%	2.50	60	133.88%	2	(6)
	20.00 to <30.00	6	2	1.31%	3	28.00%	21	43.40%	2.50	5	162.76%	0	(2)
	30.00 to <100.00	0	3	0.04%	0	31.62%	3	45.00%	2.50	0	170.19%	0	(0)
	100.00 (Default)	147	41	0.16%	117	100.00%	284	43.02%	2.50	-	-	50	(101)
	Subtotal	**3,120**	**2,196**	**12.78%**	**2,681**	**6.62%**	**4,008**	**41.68%**	**2.50**	**1,889**	**70.45%**	**76**	**(174)**
Corporates - Specialised lending	0.00 to <0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.00 to <0.10	-	-	-	-	-	-	-	-	-	-	-	-
	0.10 to <0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to <0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <1.75	-	-	-	-	-	-	-	-	-	-	-	-
	1.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to <5.00	-	-	-	-	-	-	-	-	-	-	-	-
	5.00 to <10.00	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to <20.00	-	-	-	-	-	-	-	-	-	-	-	-
	20.00 to <30.00	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Credit risk

continued: Template EU CR6 - IRB approach - Credit risk exposures by exposure class and PD range - FIRB

(€ million)

F-IRB	PD RANGE	ON-BALANCE SHEET EXPOSURES	OFF-BALANCE SHEET EXPOSURES PRE-CCF	EXPOSURE WEIGHTED AVERAGE CCF (%)	EXPOSURE POST CCF AND POST CRM	EXPOSURE WEIGHTED AVERAGE PD (%)	NUMBER OF OBLIGORS	EXPOSURE WEIGHTED AVERAGE LGD (%)	EXPOSURE WEIGHTED AVERAGE MATURITY (YEARS)	RISK WEIGHTED EXPOSURE AMOUNT AFTER SUPPORTING FACTORS	DENSITY OF RISK WEIGHTED EXPOSURE AMOUNT	EXPECTED LOSS AMOUNT	VALUE ADJUSTMENTS AND PROVISIONS
	a	b	c	d	e	f	g	h	i	j	k	l	m
Corporates - Other	0.00 to <0.15	875	2,304	14.26%	1,266	0.09%	254	44.74%	2.50	380	30.03%	1	(1)
	0.00 to <0.10	454	1,128	7.58%	619	0.06%	171	44.83%	2.50	141	22.78%	0	(0)
	0.10 to <0.15	421	1,176	20.67%	647	0.13%	83	44.65%	2.50	239	36.96%	0	(1)
	0.15 to <0.25	148	621	20.92%	274	0.22%	115	42.88%	2.50	126	45.98%	0	(1)
	0.25 to <0.50	698	1,163	8.86%	828	0.36%	200	43.91%	2.50	509	61.45%	1	(8)
	0.50 to <0.75	328	420	3.47%	367	0.62%	84	42.76%	2.50	292	79.42%	1	(6)
	0.75 to <2.50	1,147	1,178	7.83%	1,246	1.51%	336	42.22%	2.50	1,345	108.00%	8	(20)
	0.75 to <1.75	867	1,016	6.47%	936	1.26%	256	41.79%	2.50	959	102.48%	5	(14)
	1.75 to <2.50	280	162	16.38%	309	2.27%	80	43.52%	2.50	386	124.70%	3	(6)
	2.50 to <10.00	501	819	1.83%	549	5.60%	205	43.03%	2.50	877	159.71%	13	(41)
	2.50 to <5.00	189	144	2.26%	192	3.46%	106	42.18%	2.50	263	136.97%	3	(9)
	5.00 to <10.00	312	675	1.74%	357	6.75%	99	43.48%	2.50	613	171.96%	11	(32)
	10.00 to <100.00	28	183	1.53%	37	27.79%	29	41.33%	2.50	94	253.08%	5	(9)
	10.00 to <20.00	5	18	-	7	12.98%	15	41.17%	2.50	14	213.88%	0	(1)
	20.00 to <30.00	4	27	-	4	27.56%	5	44.99%	2.50	11	263.38%	1	(1)
	30.00 to <100.00	19	138	2.03%	26	31.61%	9	40.78%	2.50	69	261.44%	4	(6)
	100.00 (Default)	304	43	0.15%	305	100.00%	37	44.24%	2.50	-	-	135	(280)
	Subtotal	**4,028**	**6,731**	**10.20%**	**4,871**	**7.64%**	**1,260**	**43.45%**	**2.50**	**3,622**	**74.36%**	**164**	**(366)**
Total (all exposures classes)31.12.2024		**10,216**	**10,797**	**11.32%**	**10,988**	**5.09%**	**5,439**		**2.50**	**6,965**	**63.38%**	**244**	**(544)**
Total (all exposures classes)30.06.2024		**12,728**	**12,426**	**9.53%**	**13,511**	**5.35%**	**6,771**		**2.50**	**8,732**	**64.63%**	**317**	**(627)**

Note:
The templates “CR6” show above refer to the Credit risk, excluding the Counterparty risk (which is reported in the “CCR4” tables in the next paragraph “Counterparty Risk exposure”).

The overall Group credit risk AIRB portfolio over the reporting period (June 2024 - December 2024) records the following evolution:
- The performing portfolio shows an exposure decrease of -€9,369 million explained primarily by the following asset classes:
  - “Corporates - Other” (-€7,920 million) mainly driven by active portfolio management initiatives and business dynamics concentrated in Germany and Italy;
  - “Retail - Secured by immovable property non-SME” (€-1,328 million) mainly in Italy due to Private Individuals mortgages portfolio reduction;
  - “Central governments and central banks” (-1,313 million) mainly due to lower exposures in Central Europe and Italy;
- The average risk density of the performing portfolio shows a decrease (-53 basis points). Trend explained principally by “Corporates - Other” asset classes, impacted mostly by active portfolio management activities;
- The overall Group defaulted portfolio remained stable in the observed period.

Credit risk

Template EU CR6-A - Scope of the use of IRB and SA approaches

(€ million)

	EXPOSURE CLASSES	EXPOSURE VALUE AS DEFINED IN ARTICLE 166 CRR FOR EXPOSRUES SUBJECT TO IRB APPROACH	TOTAL EXPOSURE VALUE FOR EXPOSURES SUBJECT TO THE STANDARDISED APPROACH AND TO THE IRB APPROACH	PERCENTAGE OF TOTAL EXPOSURE VALUE SUBJECT TO THE PERMANENT PARTIAL USE OF THE SA (%)	PERCENTAGE OF TOTAL EXPOSUREVALUE SUBJECT TO A ROLL-OUT PLAN (%)	PERCENTAGE OF TOTAL EXPOSURE VALUE SUBJECT TO IRB APPROACH (%)
		a	b	c	d	e
1	Central governments or central banks	26,305	179,967	83.63%	1.75%	14.63%
1.1	*of which Regional governments or local authorities*		*20,400*	*99.87%*	*0.13%*	-
1.2	*of which Public sector entities*		*8,234*	*99.30%*	*0.67%*	*0.03%*
2	Institutions	34,565	41,114	5.77%	8.95%	85.28%
3	Corporates	245,163	254,651	1.80%	4.58%	93.62%
3.1	*of which Corporates - Specialised lending, excluding slotting approach*		*15,113*	*0.06%*	*4.05%*	*95.89%*
3.2	*of which Corporates - Specialised lending under slotting approach*		*4,779*	-	*7.37%*	*92.63%*
4	Retail	126,034	125,281	0.41%	4.64%	94.96%
4.1	*of which Retail - Secured by immovable property SMEs*		*4,538*	*0.32%*	*14.18%*	*85.50%*
4.2	*of which Retail - Secured by immovable property non-SMEs*		*81,508*	*0.31%*	*3.83%*	*95.86%*
4.3	*of which Retail - Qualifying revolving*		*1,568*	*0.03%*	*7.20%*	*92.77%*
4.4	*of which Retail - Other SMEs*		*12,717*	*1.57%*	*2.41%*	*96.03%*
4.5	*of which Retail - Other non-SMEs*		*24,950*	*0.17%*	*6.53%*	*93.30%*
5	Equity	698	3,800	9.98%	59.95%	30.07%
6	Other non-credit obligation assets	6,184	24,797	51.09%	0.10%	48.81%
7	**Total as at 31.12.2024**	**438,948**	**629,611**	**27.16%**	**4.22%**	**68.61%**
	Total as at 31.12.2023	**456,530**	**644,425**	**26.79%**	**4.51%**	**68.70%**

Credit risk

Template EU CR9 - IRB approach - Back-testing of PD per exposure class (fixed PD scale) - AIRB

EXPOSURE CLASS	PD RANGE	NUMBER OF OBLIGORS AT THE END OF THE PREVIOUS YEAR	OF WHICH: NUMBER OF OBLIGORS WHICH DEFAULTED DURING THE YEAR	OBSERVED AVERAGE DEFAULT RATE (%)	EXPOSURES WEIGHTED AVERAGE PD (%)	AVERAGE PD (%)	AVERAGE HISTORICAL ANNUAL DEFAULT RATE (%)
a	b	c	d	e	f	g	h
Central governments or central banks	0.00 to <0.15	37	-	-	0.03%	0.03%	-
	0.00 to <0.10	35	-	-	0.03%	0.02%	-
	0.10 to <0.15	2	-	-	0.14%	0.13%	-
	0.15 to <0.25	5	-	-	0.24%	0.23%	-
	0.25 to <0.50	6	-	-	0.38%	0.40%	-
	0.50 to <0.75	2	-	-	0.70%	0.70%	-
	0.75 to <2.50	9	-	-	1.22%	1.56%	6.67%
	0.75 to <1.75	5	-	-	1.21%	1.19%	6.67%
	1.75 to <2.50	4	-	-	1.99%	2.02%	-
	2.50 to <10.00	8	-	-	3.42%	3.45%	1.54%
	2.50 to <5.00	8	-	-	3.42%	3.45%	2.50%
	5.00 to <10.00	-	-	-	-	-	-
	10.00 to <100.00	22	2	9.09%	36.01%	36.16%	10.03%
	10.00 to <20.00	7	1	14.29%	12.97%	12.79%	12.86%
	20.00 to <30.00	-	-	-	-	-	20.00%
	30.00 to <100.00	15	1	6.67%	46.43%	47.06%	5.33%
	100.00 (Default)	9	-	-	100.00%	100.00%	-
Institutions	0.00 to <0.15	441	-	-	0.07%	0.07%	0.06%
	0.00 to <0.10	353	-	-	0.06%	0.06%	0.09%
	0.10 to <0.15	88	-	-	0.12%	0.12%	-
	0.15 to <0.25	18	1	5.56%	0.20%	0.21%	1.11%
	0.25 to <0.50	84	-	-	0.31%	0.33%	-
	0.50 to <0.75	24	-	-	0.65%	0.62%	-
	0.75 to <2.50	115	-	-	1.22%	1.30%	0.47%
	0.75 to <1.75	81	-	-	0.83%	0.99%	0.68%
	1.75 to <2.50	34	-	-	1.86%	2.05%	-
	2.50 to <10.00	86	1	1.16%	3.86%	4.14%	0.23%
	2.50 to <5.00	70	1	1.43%	3.81%	3.51%	0.29%
	5.00 to <10.00	16	-	-	7.74%	6.91%	-
	10.00 to <100.00	42	5	11.90%	16.01%	29.48%	3.05%
	10.00 to <20.00	26	-	-	13.59%	14.25%	-
	20.00 to <30.00	3	1	33.33%	26.25%	28.48%	6.67%
	30.00 to <100.00	13	4	30.77%	49.76%	60.17%	7.40%
	100.00 (Default)	14	-	-	100.00%	100.00%	-
Corporates - SME	0.00 to <0.15	3,954	5	0.13%	0.08%	0.09%	0.11%
	0.00 to <0.10	1,994	3	0.15%	0.06%	0.06%	0.09%
	0.10 to <0.15	1,960	2	0.10%	0.12%	0.13%	0.12%
	0.15 to <0.25	4,182	7	0.17%	0.20%	0.20%	0.22%
	0.25 to <0.50	8,697	14	0.16%	0.37%	0.37%	0.26%
	0.50 to <0.75	5,256	14	0.27%	0.61%	0.61%	0.44%
	0.75 to <2.50	15,272	181	1.19%	1.39%	1.41%	1.05%
	0.75 to <1.75	11,138	96	0.86%	1.18%	1.16%	0.87%
	1.75 to <2.50	4,134	85	2.06%	2.09%	2.08%	1.57%
	2.50 to <10.00	10,134	378	3.73%	4.60%	5.00%	2.80%
	2.50 to <5.00	5,838	164	2.81%	3.55%	3.54%	2.25%
	5.00 to <10.00	4,296	214	4.98%	6.73%	6.98%	3.71%
	10.00 to <100.00	4,123	376	9.12%	20.99%	21.82%	7.63%
	10.00 to <20.00	2,814	194	6.89%	14.31%	15.20%	6.39%
	20.00 to <30.00	509	72	14.15%	23.61%	24.14%	10.89%
	30.00 to <100.00	800	110	13.75%	45.78%	43.63%	10.86%
	100.00 (Default)	2,038	-	-	100.00%	100.00%	-

Credit risk

continued: Template EU CR9 - IRB approach - Back-testing of PD per exposure class (fixed PD scale) - AIRB

EXPOSURE CLASS	PD RANGE	NUMBER OF OBLIGORS AT THE END OF THE PREVIOUS YEAR	NUMBER OF OBLIGORS AT THE END OF THE PREVIOUS YEAR - OF WHICH: NUMBER OF OBLIGORS WHICH DEFAULTED DURING THE YEAR	OBSERVED AVERAGE DEFAULT RATE (%)	EXPOSURES WEIGHTED AVERAGE PD (%)	AVERAGE PD (%)	AVERAGE HISTORICAL ANNUAL DEFAULT RATE (%)
a	b	c	d	e	f	g	h
Corporates - Specialised lending	0.00 to <0.15	72	-	-	0.10%	0.10%	-
	0.00 to <0.10	34	-	-	0.07%	0.07%	-
	0.10 to <0.15	38	-	-	0.12%	0.13%	-
	0.15 to <0.25	152	-	-	0.19%	0.20%	0.41%
	0.25 to <0.50	209	-	-	0.36%	0.36%	0.10%
	0.50 to <0.75	76	-	-	0.63%	0.62%	-
	0.75 to <2.50	142	-	-	1.31%	1.41%	0.18%
	0.75 to <1.75	108	-	-	1.16%	1.18%	0.23%
	1.75 to <2.50	34	-	-	2.05%	2.12%	-
	2.50 to <10.00	59	-	-	3.88%	4.21%	0.62%
	2.50 to <5.00	46	-	-	3.25%	3.43%	-
	5.00 to <10.00	13	-	-	7.32%	6.95%	2.35%
	10.00 to <100.00	12	1	8.33%	15.62%	15.00%	1.67%
	10.00 to <20.00	9	1	11.11%	12.10%	12.86%	2.22%
	20.00 to <30.00	3	-	-	20.87%	21.42%	-
	30.00 to <100.00	-	-	-	-	-	-
	100.00 (Default)	12	-	-	100.00%	100.00%	-
Corporates - Other	0.00 to <0.15	6,985	6	0.09%	0.08%	0.09%	0.10%
	0.00 to <0.10	4,315	5	0.12%	0.06%	0.06%	0.07%
	0.10 to <0.15	2,670	1	0.04%	0.12%	0.13%	0.15%
	0.15 to <0.25	4,857	1	0.02%	0.20%	0.20%	0.12%
	0.25 to <0.50	9,282	30	0.32%	0.36%	0.36%	0.30%
	0.50 to <0.75	4,990	35	0.70%	0.65%	0.62%	0.57%
	0.75 to <2.50	11,656	106	0.91%	1.38%	1.38%	0.96%
	0.75 to <1.75	8,784	74	0.84%	1.14%	1.14%	0.87%
	1.75 to <2.50	2,872	32	1.11%	2.11%	2.09%	1.22%
	2.50 to <10.00	10,713	209	1.95%	4.57%	4.72%	1.18%
	2.50 to <5.00	6,490	97	1.49%	3.47%	3.52%	0.91%
	5.00 to <10.00	4,223	112	2.65%	6.98%	6.56%	1.49%
	10.00 to <100.00	7,955	561	7.05%	20.23%	30.71%	5.40%
	10.00 to <20.00	1,907	128	6.71%	14.23%	14.98%	3.09%
	20.00 to <30.00	3,702	153	4.13%	24.50%	27.43%	5.95%
	30.00 to <100.00	2,346	280	11.94%	39.38%	48.69%	7.70%
	100.00 (Default)	2,230	-	-	100.00%	100.00%	-
Retail - secured by immovable property SME	0.00 to <0.15	1,765	-	-	0.07%	0.08%	0.14%
	0.00 to <0.10	1,162	-	-	0.05%	0.06%	-
	0.10 to <0.15	603	-	-	0.12%	0.12%	0.19%
	0.15 to <0.25	1,337	-	-	0.20%	0.20%	0.16%
	0.25 to <0.50	2,773	6	0.22%	0.37%	0.37%	0.36%
	0.50 to <0.75	2,312	8	0.35%	0.62%	0.62%	0.53%
	0.75 to <2.50	7,813	38	0.49%	1.49%	1.45%	0.82%
	0.75 to <1.75	5,490	23	0.42%	1.21%	1.19%	0.67%
	1.75 to <2.50	2,323	15	0.65%	2.09%	2.08%	1.25%
	2.50 to <10.00	3,500	84	2.40%	4.46%	4.59%	2.18%
	2.50 to <5.00	2,344	43	1.83%	3.40%	3.43%	1.58%
	5.00 to <10.00	1,156	41	3.55%	6.84%	6.95%	3.37%
	10.00 to <100.00	2,027	206	10.16%	27.92%	30.44%	11.01%
	10.00 to <20.00	795	64	8.05%	15.01%	14.74%	7.10%
	20.00 to <30.00	284	42	14.79%	24.18%	24.21%	14.45%
	30.00 to <100.00	948	100	10.55%	44.65%	45.48%	15.14%
	100.00 (Default)	1,089	-	-	100.00%	100.00%	-

Credit risk

continued: Template EU CR9 - IRB approach - Back-testing of PD per exposure class (fixed PD scale) - AIRB

EXPOSURE CLASS	PD RANGE	NUMBER OF OBLIGORS AT THE END OF THE PREVIOUS YEAR	OF WHICH: NUMBER OF OBLIGORS WHICH DEFAULTED DURING THE YEAR	OBSERVED AVERAGE DEFAULT RATE (%)	EXPOSURES WEIGHTED AVERAGE PD (%)	AVERAGE PD (%)	AVERAGE HISTORICAL ANNUAL DEFAULT RATE (%)
a	b	c	d	e	f	g	h
Retail - secured by immovable property non SME	0.00 to <0.15	142,615	60	0.04%	0.08%	0.08%	0.06%
	0.00 to <0.10	90,935	33	0.04%	0.05%	0.06%	0.02%
	0.10 to <0.15	51,680	27	0.05%	0.13%	0.12%	0.08%
	0.15 to <0.25	113,697	64	0.06%	0.20%	0.20%	0.10%
	0.25 to <0.50	172,452	185	0.11%	0.37%	0.37%	0.17%
	0.50 to <0.75	90,348	123	0.14%	0.61%	0.61%	0.26%
	0.75 to <2.50	216,966	685	0.32%	1.36%	1.28%	0.49%
	0.75 to <1.75	178,595	501	0.28%	1.10%	1.10%	0.41%
	1.75 to <2.50	38,371	184	0.48%	2.15%	2.12%	0.86%
	2.50 to <10.00	51,743	864	1.67%	4.88%	5.03%	2.25%
	2.50 to <5.00	29,498	361	1.22%	3.50%	3.52%	1.71%
	5.00 to <10.00	22,245	503	2.26%	7.04%	7.04%	3.20%
	10.00 to <100.00	29,869	3,164	10.59%	25.96%	25.23%	14.99%
	10.00 to <20.00	13,839	776	5.61%	13.89%	13.93%	7.89%
	20.00 to <30.00	5,062	583	11.52%	24.38%	24.32%	16.49%
	30.00 to <100.00	10,968	1,805	16.46%	40.15%	39.89%	21.10%
	100.00 (Default)	15,150	-	-	100.00%	100.00%	-
Retail - Qualifying revolving	0.00 to <0.15	525,491	133	0.03%	0.06%	0.06%	0.04%
	0.00 to <0.10	437,647	73	0.02%	0.05%	0.05%	0.02%
	0.10 to <0.15	87,844	60	0.07%	0.12%	0.12%	0.12%
	0.15 to <0.25	124,394	171	0.14%	0.20%	0.20%	0.13%
	0.25 to <0.50	249,839	412	0.16%	0.38%	0.38%	0.20%
	0.50 to <0.75	285,311	411	0.14%	0.60%	0.61%	0.26%
	0.75 to <2.50	233,891	2,212	0.95%	1.27%	1.19%	0.95%
	0.75 to <1.75	201,642	1,508	0.75%	1.11%	1.05%	0.77%
	1.75 to <2.50	32,249	704	2.18%	2.09%	2.07%	1.78%
	2.50 to <10.00	88,686	2,968	3.35%	4.63%	4.73%	3.58%
	2.50 to <5.00	56,716	1,939	3.42%	3.38%	3.22%	3.13%
	5.00 to <10.00	31,970	1,029	3.22%	7.05%	7.42%	4.60%
	10.00 to <100.00	39,644	3,767	9.50%	23.83%	22.10%	10.31%
	10.00 to <20.00	27,837	2,054	7.38%	13.73%	14.05%	8.90%
	20.00 to <30.00	4,526	613	13.54%	24.22%	24.40%	20.29%
	30.00 to <100.00	7,281	1,100	15.11%	47.78%	51.45%	9.51%
	100.00 (Default)	29,812	-	-	100.00%	100.00%	-
Retail - other SME	0.00 to <0.15	34,244	12	0.04%	0.08%	0.08%	0.23%
	0.00 to <0.10	21,690	7	0.03%	0.06%	0.06%	0.03%
	0.10 to <0.15	12,554	5	0.04%	0.12%	0.12%	0.29%
	0.15 to <0.25	24,059	23	0.10%	0.20%	0.20%	0.12%
	0.25 to <0.50	45,245	72	0.16%	0.37%	0.37%	0.19%
	0.50 to <0.75	29,155	110	0.38%	0.62%	0.62%	0.32%
	0.75 to <2.50	78,153	744	0.95%	1.43%	1.43%	0.81%
	0.75 to <1.75	56,174	437	0.78%	1.18%	1.17%	0.68%
	1.75 to <2.50	21,979	307	1.40%	2.09%	2.11%	1.18%
	2.50 to <10.00	48,308	1,778	3.68%	4.91%	4.90%	2.49%
	2.50 to <5.00	29,476	794	2.69%	3.54%	3.54%	1.88%
	5.00 to <10.00	18,832	984	5.23%	7.05%	7.04%	3.45%
	10.00 to <100.00	36,526	6,460	17.69%	26.02%	28.55%	13.64%
	10.00 to <20.00	12,286	1,233	10.04%	14.15%	14.18%	7.67%
	20.00 to <30.00	12,778	2,638	20.64%	24.50%	26.75%	17.12%
	30.00 to <100.00	11,462	2,589	22.59%	46.54%	45.95%	21.90%
	100.00 (Default)	17,327	-	-	100.00%	100.00%	-

Credit risk

continued: Template EU CR9 - IRB approach - Back-testing of PD per exposure class (fixed PD scale) - AIRB

EXPOSURE CLASS	PD RANGE	NUMBER OF OBLIGORS AT THE END OF THE PREVIOUS YEAR	OF WHICH: NUMBER OF OBLIGORS WHICH DEFAULTED DURING THE YEAR	OBSERVED AVERAGE DEFAULT RATE (%)	EXPOSURES WEIGHTED AVERAGE PD (%)	AVERAGE PD (%)	AVERAGE HISTORICAL ANNUAL DEFAULT RATE (%)
a	b	c	d	e	f	g	h
Retail - other non SME	0.00 to <0.15	534,112	154	0.03%	0.07%	0.06%	0.06%
	0.00 to <0.10	450,216	93	0.02%	0.05%	0.05%	0.05%
	0.10 to <0.15	83,896	61	0.07%	0.12%	0.13%	0.09%
	0.15 to <0.25	171,843	149	0.09%	0.20%	0.18%	0.11%
	0.25 to <0.50	260,922	431	0.17%	0.37%	0.36%	0.20%
	0.50 to <0.75	149,922	439	0.29%	0.62%	0.62%	0.30%
	0.75 to <2.50	508,379	3,564	0.70%	1.49%	1.44%	0.63%
	0.75 to <1.75	366,493	2,125	0.58%	1.20%	1.19%	0.52%
	1.75 to <2.50	141,886	1,439	1.01%	2.14%	2.10%	0.90%
	2.50 to <10.00	392,251	7,980	2.03%	4.56%	4.57%	1.73%
	2.50 to <5.00	281,904	3,868	1.37%	3.62%	3.64%	1.28%
	5.00 to <10.00	110,347	4,112	3.73%	6.93%	6.95%	2.71%
	10.00 to <100.00	215,419	18,776	8.72%	25.49%	23.31%	8.12%
	10.00 to <20.00	140,674	4,923	3.50%	13.76%	15.82%	4.18%
	20.00 to <30.00	28,136	3,059	10.87%	24.39%	24.99%	12.13%
	30.00 to <100.00	46,609	10,794	23.16%	44.95%	44.88%	19.70%
	100.00 (Default)	52,001	-	-	100.00%	100.00%	-

Note:
The number of obligors at the end of the previous year (column c) is related to the original exposures pre-conversion factor assigned to each obligor grade or pool without taking into account the effect of CRM techniques, while the average PD (in to column f) is weighted by exposure value after CRM.

Credit risk

Template EU CR9 - IRB approach - Back-testing of PD per exposure class (fixed PD scale) - FIRB

EXPOSURE CLASS	PD RANGE	NUMBER OF OBLIGORS AT THE END OF THE PREVIOUS YEAR	OF WHICH: NUMBER OF OBLIGORS WHICH DEFAULTED DURING THE YEAR	OBSERVED AVERAGE DEFAULT RATE (%)	EXPOSURES WEIGHTED AVERAGE PD (%)	AVERAGE PD (%)	AVERAGE HISTORICAL ANNUAL DEFAULT RATE (%)
a	b	c	d	e	f	g	h
Central governments or central banks	0.00 to <0.15	1	-	-	0.02%	-	-
	0.00 to <0.10	1	-	-	0.02%	-	-
	0.10 to <0.15	-	-	-	-	-	-
	0.15 to <0.25	2	-	-	0.24%	0.23%	-
	0.25 to <0.50	-	-	-	-	-	-
	0.50 to <0.75	-	-	-	-	-	-
	0.75 to <2.50	-	-	-	-	-	-
	0.75 to <1.75	-	-	-	-	-	-
	1.75 to <2.50	-	-	-	-	-	-
	2.50 to <10.00	-	-	-	-	-	-
	2.50 to <5.00	-	-	-	-	-	-
	5.00 to <10.00	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-
	10.00 to <20.00	-	-	-	-	-	-
	20.00 to <30.00	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-
Institutions	0.00 to <0.15	108	-	-	0.09%	0.07%	0.49%
	0.00 to <0.10	90	-	-	0.08%	0.07%	0.42%
	0.10 to <0.15	18	-	-	0.12%	0.11%	0.87%
	0.15 to <0.25	-	-	-	-	-	-
	0.25 to <0.50	13	-	-	0.31%	0.31%	-
	0.50 to <0.75	-	-	-	-	-	-
	0.75 to <2.50	15	-	-	0.91%	1.25%	-
	0.75 to <1.75	9	-	-	0.79%	0.78%	-
	1.75 to <2.50	6	-	-	1.85%	1.95%	-
	2.50 to <10.00	13	-	-	3.21%	3.84%	-
	2.50 to <5.00	13	-	-	3.21%	3.84%	-
	5.00 to <10.00	-	-	-	-	-	-
	10.00 to <100.00	6	-	-	13.57%	21.76%	-
	10.00 to <20.00	4	-	-	13.57%	14.06%	-
	20.00 to <30.00	-	-	-	-	-	-
	30.00 to <100.00	2	-	-	-	37.15%	-
	100.00 (Default)	-	-	-	-	-	-
Corporates - SME	0.00 to <0.15	195	-	-	0.12%	0.09%	-
	0.00 to <0.10	107	-	-	0.08%	0.06%	-
	0.10 to <0.15	88	-	-	0.12%	0.13%	-
	0.15 to <0.25	166	-	-	0.20%	0.20%	-
	0.25 to <0.50	512	1	0.20%	0.38%	0.39%	0.17%
	0.50 to <0.75	408	3	0.74%	0.65%	0.64%	0.30%
	0.75 to <2.50	1,655	17	1.03%	1.62%	1.53%	0.63%
	0.75 to <1.75	1,176	11	0.94%	1.29%	1.26%	0.51%
	1.75 to <2.50	479	6	1.25%	2.29%	2.20%	0.88%
	2.50 to <10.00	1,343	46	3.43%	4.39%	4.61%	1.89%
	2.50 to <5.00	924	20	2.16%	3.69%	3.59%	1.38%
	5.00 to <10.00	419	26	6.21%	6.60%	6.86%	3.04%
	10.00 to <100.00	246	28	11.38%	18.76%	24.30%	6.20%
	10.00 to <20.00	128	15	11.72%	13.76%	13.91%	6.96%
	20.00 to <30.00	20	4	20.00%	25.34%	27.18%	11.75%
	30.00 to <100.00	98	9	9.18%	38.13%	37.27%	4.62%
	100.00 (Default)	326	-	-	100.00%	100.00%	-

Credit risk

continued: Template EU CR9 - IRB approach - Back-testing of PD per exposure class (fixed PD scale) - FIRB

EXPOSURE CLASS	PD RANGE	NUMBER OF OBLIGORS AT THE END OF THE PREVIOUS YEAR	OF WHICH: NUMBER OF OBLIGORS WHICH DEFAULTED DURING THE YEAR	OBSERVED AVERAGE DEFAULT RATE (%)	EXPOSURES WEIGHTED AVERAGE PD (%)	AVERAGE PD (%)	AVERAGE HISTORICAL ANNUAL DEFAULT RATE (%)
a	b	c	d	e	f	g	h
Corporates - Specialised lending	0.00 to <0.15	1	-	-	0.14%	0.13%	-
	0.00 to <0.10	-	-	-	-	-	-
	0.10 to <0.15	1	-	-	0.14%	0.13%	-
	0.15 to <0.25	6	-	-	0.19%	0.21%	-
	0.25 to <0.50	9	-	-	0.34%	0.38%	-
	0.50 to <0.75	5	-	-	0.58%	0.61%	-
	0.75 to <2.50	19	-	-	1.62%	1.64%	-
	0.75 to <1.75	12	-	-	1.38%	1.33%	-
	1.75 to <2.50	7	-	-	2.21%	2.19%	-
	2.50 to <10.00	19	-	-	4.03%	3.92%	-
	2.50 to <5.00	15	-	-	3.20%	3.07%	-
	5.00 to <10.00	4	-	-	6.89%	7.11%	-
	10.00 to <100.00	2	-	-	18.51%	20.00%	-
	10.00 to <20.00	2	-	-	18.51%	20.00%	-
	20.00 to <30.00	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-
Corporates - Other	0.00 to <0.15	313	-	-	0.09%	0.08%	0.06%
	0.00 to <0.10	201	-	-	0.05%	0.06%	-
	0.10 to <0.15	112	-	-	0.13%	0.12%	0.16%
	0.15 to <0.25	123	-	-	0.21%	0.20%	-
	0.25 to <0.50	265	-	-	0.35%	0.36%	0.17%
	0.50 to <0.75	123	3	2.44%	0.62%	0.63%	0.73%
	0.75 to <2.50	426	1	0.23%	1.40%	1.47%	0.51%
	0.75 to <1.75	326	1	0.31%	1.20%	1.26%	0.54%
	1.75 to <2.50	100	-	-	2.19%	2.16%	0.47%
	2.50 to <10.00	199	5	2.51%	5.14%	4.92%	1.45%
	2.50 to <5.00	110	3	2.73%	3.74%	3.60%	1.29%
	5.00 to <10.00	89	2	2.25%	5.47%	6.54%	1.76%
	10.00 to <100.00	265	5	1.89%	33.20%	34.72%	0.85%
	10.00 to <20.00	19	2	10.53%	14.56%	13.43%	4.91%
	20.00 to <30.00	4	-	-	27.66%	25.82%	10.00%
	30.00 to <100.00	242	3	1.24%	34.30%	36.54%	0.48%
	100.00 (Default)	103	-	-	100.00%	100.00%	-

Note:
The number of obligors at the end of the previous year (column c) is related to the original exposures pre-conversion factor assigned to each obligor grade or pool without taking into account the effect of CRM techniques, while the average PD (in to column f) is weighted by exposure value after CRM.

Expected loss versus actual loss comparison

Within this section it is described the comparison between the expected loss calculated at beginning of the year ("Expected Loss") and the actual losses ("Provisions") incurred at year-end, on the Group's main credit portfolios.

To properly assess the result of the comparison, it should be noted that the variables mentioned above, although in principle comparable, derive from different calculation methods.

The expected loss used in this comparison, is the forecast of credit losses due to default of the counterparties with a horizon of one year, calculated on the portfolio of exposures treated under the advanced IRB approach which were classified as performing at the beginning of the period. It is calculated using the internal parameter estimates for capital requirements calculation as result of the product of PD, LGD and EAD on performing loans on 31 December of the previous year, compared to the reference analysis date. Particularly, the internal PD parameter, used for expected loss comparison, is calibrated "through-the-cycle" to take in account the expansion and recession phases of an entire economic cycle. Furthermore, the LGD parameter refers to a time horizon that covers the entire life of the loan.

The actual loss is defined as the amount of provisions incurred in the year and referred to the exposures treated under IRB approach as described above, which were classified as defaulted during the period and charged to the income statement in the reference year of the analysis. The provisions charged to income statement, calculated in accordance with IFRS international accounting principle, represent the actual losses incurred in the impairment loan portfolio and are based on the present value of expected cash flows; basic elements for the assessment are represented by the identification of estimated collections, timing of payments and the interest rate used. Recovery times are estimated based on the repayment schedule agreed with the borrower or included in a business plan or in forecasts based on historical recovery experience observed for similar classes of loans, considering the type of loan, the geographical location, the type of guarantees and collaterals and any other factor considered relevant.

Credit risk

Considering the differences described above, the following is a comparison of the expected loss related to calendar years 2021, 2022 and 2023 with actual losses recorded in the same financial years for major Group regulatory portfolios. The scope of the analysis includes exposures treated with Advanced IRB approach (except derivatives positions and securitisation) of UniCredit S.p.A, UniCredit Bank GmbH, UniCredit Bank Austria AG, UniCredit Bank Czech Republic & Slovakia and UniCredit BulBank.

(€ million)

ASSET CLASS	Expected loss (Dic 2021)	Actual loss (Dic 2022)	Delta %	Expected loss (Dic 2022)	Actual loss (Dic 2023)	Delta %	Expected loss (Dic 2023)	Actual loss (Dic 2024)	Delta %
Corporate	**961.4**	**698.0**	**-27.4%**	**893.0**	**773.1**	**-13.4%**	**703.9**	**1,044.2**	**48.3%**
o/w Large Corporates	*549.0*	*438.7*	*-20.1%*	*502.6*	*451.2*	*-10.2%*	*407.7*	*722.2*	*77.1%*
Italy	285.3	156.5	-45.2%	237.1	78.3	-67.0%	181.2	240.7	32.9%
Germany	184.9	159.0	-14.0%	180.3	255.2	41.5%	149.3	277.8	86.1%
Other LEs[1]	78.8	123.2	56.3%	85.1	117.7	38.3%	77.3	203.7	163.6%
Retail	**725.3**	**249.2**	**-65.6%**	**726.6**	**323.9**	**-55.4%**	**794.6**	**321.7**	**-59.5%**
o/w Individual Mortagages	*296.7*	*39.0*	*-86.9%*	*292.3*	*70.3*	*-75.9%*	*289.1*	*52.9*	*-81.7%*
Italy	250.7	20.8	-91.7%	243.2	52.3	-78.5%	217.2	27.1	-87.5%
Germany	22.5	4.1	-81.8%	25.1	5.8	-77.0%	24.9	17.4	-30.2%
Other LEs	23.5	14.1	-40.2%	24.0	12.2	-49.3%	47.0	8.5	-82.0%
Other[2]	**22.4**	**0.6**	**-97.2%**	**14.9**	**1.4**	**-90.8%**	**20.5**	**0.2**	**-99.0%**
TOTAL	**1,709.1**	**947.8**	**-44.5%**	**1,634.4**	**1,098.4**	**-32.8%**	**1,519.1**	**1,366.0**	**-10.1%**

Notes:
1. Other LEs including Austria, Bulgaria and Czech Republic.
2. Administrations and central banks, Supervised institutions, Others.

The overall Actual Losses occurred during the year of 2024 were lower the Expected Losses looking at the Group level. The trend decreasing the outcome observed in the previous year and it is explained mainly by Retail portfolio, partially offset by Corporate segment.
In the “Corporate” segment the overall Actual Losses were higher than the Expected Losses in all regions mainly driven by single name defaults in large corporate.
In the “Retail” segment the overall Actual Losses were below the Expected Losses, visible in all regions (i.e., Italy, Germany, and Other legal entities) and primarily explained by the following reasons:
- Lower default rate compared to the estimated Regulatory PD at the beginning of the period;
- Regulatory PD and LGD calculated “through the cycle” and therefore not fully reflecting the specific conditions occurred during the year.

Credit risk

RWEAs flow statements - IRB method

In the fourth quarter of 2024, credit risk weighted assets under IRB approach decreased by -€4,441 million versus the third quarter of 2024 driven primarily by the following phenomena:

- “Asset size” records a decrease of -€4,368 million mostly thanks to benefits coming from active portfolio management initiatives including new Securitisations in Italy and Central Europe completed in the observed quarter;
- “Asset quality” shows an increase of €160 million. Trend is driven by risk parameters evolution concentrated mostly in Germany and Austria, only partially offset by the reduction due to Net Flows to Default;
- “Foreign exchange movements” records a decrease of €235 million driven dominantly by USD appreciation.

From a year-to-end perspective credit risk weighted assets under IRB approach recorded a decrease of -€8,104 million versus the fourth of 2023 driven primarily by the following phenomena:

- “Asset size” records a decrease of -€8,661 million mostly thanks to benefits coming from active portfolio management initiatives, including new Securitisations completed during the year;
- “Asset quality” shows an increase of €2,240 million. Trend is explained by risk parameters evolution across all geographies of the Group and Internal Models recalibrations in Italy, partially offset by the reduction due to Net Flows to Default;
- “Model Updates” shows a decrease of -€292 million due to review of LGD and EAD models in Czech Republic.

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

(€ million)

		QUARTER CLOSING AS AT 31.12.2024	CUMULATIVE YTD AS AT 31.12.2024
		RWEA	RWEA
DESCRIPTION		a	
1	**RWEA as at the end of the previous reporting period**	**139,322**	**142,985**
2	Asset size (+/-)	(4,368)	(8,661)
3	Asset quality (+/-)	160	2,240
4	Model updates (+/-)	0	(292)
5	Methodology and policy (+/-)	-	-
6	Acquisitions and disposals (+/-)	-	-
7	Foreign exchange movements (+/-)	235	120
8	Other (+/-)	(468)	(1,510)
9	**RWEA as at the end of the current reporting period**	**134,882**	**134,882**

Credit risk

Use of risk mitigation techniques (CRM)

Template EU CR7 - IRB approach - Effect on the RWEAs of credit derivatives used as CRM techniques

(€ million)

	EXPOSURE CLASSES	PRE-CREDIT DERIVATIVES RISK WEIGHTED EXPOSURE AMOUNT	ACTUAL RISK WEIGHTED EXPOSURE AMOUNT
		a	b
1	**Exposures under F-IRB**	**8,020**	**8,020**
2	Central governments or central banks	207	207
3	Institutions	1,246	1,246
4	Corporates	6,566	6,566
4.1	*of which Corporates - SMEs*	*1,889*	*1,889*
4.2	*of which Corporates - Specialised lending*	*1,055*	*1,055*
5	**Exposures under A-IRB**	**121,177**	**121,177**
6	Central governments or central banks	1,476	1,476
7	Institutions	4,427	4,427
8	Corporates	81,329	81,329
8.1	*of which Corporates - SMEs*	*15,401*	*15,401*
8.2	*of which Corporates - Specialised lending*	*6,576*	*6,576*
9	Retail	33,945	33,945
9.1	*of which Retail - Secured by immovable property SMEs*	*1,361*	*1,361*
9.2	*of which Retail - Secured by immovable property non-SMEs*	*18,594*	*18,594*
9.3	*of which Retail - Qualifying revolving*	*721*	*721*
9.4	*of which Retail - Other SMEs*	*2,815*	*2,815*
9.5	*of which Retail - Other non-SMEs*	*10,454*	*10,454*
10	**Total as at 31.12.2024 (including F-IRB exposures and A-IRB exposures)**	**129,197**	**129,197**
	Total as at 30.06.2024 (including F-IRB exposures and A-IRB exposures)	**135,600**	**135,600**

Template EU CR7-A - IRB approach - Disclosure of the extent of the use of CRM techniques - AIRB

(€ million)

A-IRB		TOTAL EXPOSURE VALUE	CREDIT RISK MITIGATION TECHNIQUES - FUNDED CREDIT PROTECTION (FCP) - PART OF EXPOSURES COVERED BY FINANCIAL COLLATERALS (%)	PART OF EXPOSURES COVERED BY OTHER ELIGIBLE COLLATERALS (%)	PART OF EXPOSURES COVERED BY IMMOVABLE PROPERTY COLLATERALS (%)	PART OF EXPOSURES COVERED BY RECEIVABLES (%)	PART OF EXPOSURES COVERED BY OTHER PHYSICAL COLLATERAL (%)
		a	b	c	d	e	f
1	Central governments or central banks	22,621	0.00%	-	-	-	-
2	Institutions	30,167	1.59%	0.07%	0.02%	0.05%	-
3	Corporates	215,840	2.34%	21.27%	20.78%	0.28%	0.21%
3.1	*of which Corporates - SMEs*	*44,308*	*2.18%*	*42.76%*	*42.43%*	*0.21%*	*0.12%*
3.2	*of which Corporates - Specialised lending*	*16,193*	*0.68%*	*14.26%*	*13.92%*	-	*0.34%*
3.3	*of which Corporates - Other*	*155,340*	*2.56%*	*15.87%*	*15.32%*	*0.32%*	*0.22%*
4	Retail	119,211	0.89%	62.99%	62.98%	0.01%	0.01%
4.1	*of which Retail - Secured by immovable property SMEs*	*4,213*	*0.66%*	*89.56%*	*89.54%*	*0.02%*	-
4.2	*of which Retail - Secured by immovable property non-SMEs*	*77,429*	*0.14%*	*92.09%*	*92.09%*	*0.00%*	-
4.3	*of which Retail - Qualifying revolving*	*4,720*	-	-	-	-	-
4.4	*of which Retail - Other SMEs*	*8,081*	*2.47%*	*0.05%*	-	*0.05%*	*0.00%*
4.5	*of which Retail - Other non-SMEs*	*24,768*	*2.94%*	*0.05%*	-	*0.02%*	*0.03%*
5	**Total as at 31.12.2024**	**387,839**	**1.70%**	**31.20%**	**30.93%**	**0.16%**	**0.12%**
	Total as at 30.06.2024	**398,925**	**1.69%**	**31.00%**	**30.74%**	**0.16%**	**0.10%**

Credit risk

continued: Template EU CR7-A - IRB approach - Disclosure of the extent of the use of CRM techniques - AIRB

(€ million)

A-IRB		CREDIT RISK MITIGATION TECHNIQUES - FUNDED CREDIT PROTECTION (FCP) - PART OF EXPOSURES COVERED BY OTHER FUNDED CREDIT PROTECTION (%)	PART OF EXPOSURES COVERED BY CASH ON DEPOSIT (%)	PART OF EXPOSURES COVERED BY LIFE INSURANCE POLICIES (%)	PART OF EXPOSURES COVERED BY INSTRUMENTS HELD BY A THIRD PARTY (%)	UNFUNDED CREDIT PROTECTION (UFCP) - PART OF EXPOSURES COVERED BY GUARANTEES (%)	PART OF EXPOSURES COVERED BY CREDIT DERIVATIVES (%)	CREDIT RISK MITIGATION METHODS IN THE CALCULATION OF RWEAS - RWEA WITHOUT SUBSTITUTION EFFECTS (REDUCTION EFFECTS ONLY)	RWEA WITH SUBSTITUTION EFFECTS (BOTH REDUCTION AND SUBSTITUTION EFFECTS)
		g	h	i	j	k	l	m	n
1	Central governments or central banks	-	-	-	-	-	-	1,407	1,476
2	Institutions	-	-	-	-	0.15%	-	4,319	4,427
3	Corporates	0.13%	0.02%	0.08%	0.03%	4.91%	-	81,522	81,329
3.1	*of which Corporates - SMEs*	*0.14%*	*0.01%*	*0.11%*	*0.03%*	*10.54%*	*-*	*15,450*	*15,401*
3.2	*of which Corporates - Specialised lending*	*0.06%*	*0.04%*	*-*	*0.02%*	*-*	*-*	*6,603*	*6,576*
3.3	*of which Corporates - Other*	*0.14%*	*0.02%*	*0.08%*	*0.04%*	*3.81%*	*-*	*59,469*	*59,351*
4	Retail	0.55%	0.00%	0.54%	0.01%	5.96%	-	33,955	33,945
4.1	*of which Retail - Secured by immovable property SMEs*	*1.64%*	*-*	*1.64%*	*0.00%*	*0.13%*	*-*	*1,362*	*1,361*
4.2	*of which Retail - Secured by immovable property non-SMEs*	*0.54%*	*0.00%*	*0.53%*	*0.01%*	*0.01%*	*-*	*18,595*	*18,594*
4.3	*of which Retail - Qualifying revolving*	*-*	*-*	*-*	*-*	*-*	*-*	*721*	*721*
4.4	*of which Retail - Other SMEs*	*0.32%*	*0.00%*	*0.30%*	*0.01%*	*85.80%*	*-*	*2,820*	*2,815*
4.5	*of which Retail - Other non-SMEs*	*0.57%*	*0.01%*	*0.56%*	*0.01%*	*0.61%*	*-*	*10,457*	*10,454*
5	**Total as at 31.12.2024**	**0.24%**	**0.01%**	**0.21%**	**0.02%**	**4.57%**	**-**	**121,204**	**121,177**
	Total as at 30.06.2024	**0.28%**	**0.01%**	**0.25%**	**0.03%**	**4.48%**	**-**	**125,967**	**125,954**

Template EU CR7-A - IRB approach - Disclosure of the extent of the use of CRM techniques - FIRB

(€ million)

F-IRB		TOTAL EXPOSURE VALUE	CREDIT RISK MITIGATION TECHNIQUES - FUNDED CREDIT PROTECTION (FCP) - PART OF EXPOSURES COVERED BY FINANCIAL COLLATERALS (%)	PART OF EXPOSURES COVERED BY OTHER ELIGIBLE COLLATERALS (%)	PART OF EXPOSURES COVERED BY IMMOVABLE PROPERTY COLLATERALS (%)	PART OF EXPOSURES COVERED BY RECEIVABLES (%)	PART OF EXPOSURES COVERED BY OTHER PHYSICAL COLLATERAL (%)
		a	b	c	d	e	f
1	Central governments and central banks	415	0.03%	-	-	-	-
2	Institutions	3,022	0.03%	13.78%	-	13.78%	-
3	Corporates	8,910	2.26%	7.57%	7.23%	0.12%	0.23%
3.1	*of which Corporates - SMEs*	*2,681*	*3.72%*	*15.98%*	*15.48%*	*0.07%*	*0.44%*
3.2	*of which Corporates - Specialised lending*	*1,359*	*0.07%*	*-*	*-*	*-*	*-*
3.3	*of which Corporates - Other*	*4,871*	*2.07%*	*5.05%*	*4.70%*	*0.18%*	*0.17%*
4	**Total as at 31.12.2024**	**12,347**	**1.64%**	**8.84%**	**5.22%**	**3.46%**	**0.16%**
	Total as at 30.06.2024	**14,779**	**1.55%**	**8.99%**	**5.95%**	**2.95%**	**0.09%**

Credit risk

continued: Template EU CR7-A - IRB approach - Disclosure of the extent of the use of CRM techniques - FIRB

(€ million)

F-IRB		CREDIT RISK MITIGATION TECHNIQUES						CREDIT RISK MITIGATION METHODS IN THE CALCULATION OF RWEAS	
		FUNDED CREDIT PROTECTION (FCP)				UNFUNDED CREDIT PROTECTION (UFCP)			
		PART OF EXPOSURES COVERED BY OTHER FUNDED CREDIT PROTECTION (%)	PART OF EXPOSURES COVERED BY CASH ON DEPOSIT (%)	PART OF EXPOSURES COVERED BY LIFE INSURANCE POLICIES (%)	PART OF EXPOSURES COVERED BY INSTRUMENTS HELD BY A THIRD PARTY (%)	PART OF EXPOSURES COVERED BY GUARANTEES (%)	PART OF EXPOSURES COVERED BY CREDIT DERIVATIVES (%)	RWEA WITHOUT SUBSTITUTION EFFECTS (REDUCTION EFFECTS ONLY)	RWEA WITH SUBSTITUTION EFFECTS (BOTH REDUCTION AND SUBSTITUTION EFFECTS)
		g	h	i	j	k	l	m	n
1	Central governments and central banks	-	-	-	-	-	-	207	207
2	Institutions	-	-	-	-	2.88%	-	1,226	1,246
3	Corporates	-	-	-	-	13.58%	-	6,560	6,566
3.1	*of which Corporates - SMEs*	-	-	-	-	*33.31%*	-	*1,878*	*1,889*
3.2	*of which Corporates - Specialised lending*	-	-	-	-	-	-	*1,055*	*1,055*
3.3	*of which Corporates - Other*	-	-	-	-	*6.50%*	-	*3,627*	*3,622*
4	**Total as at 31.12.2024**	**-**	**-**	**-**	**-**	**10.50%**	**-**	**7,993**	**8,020**
	Total as at 30.06.2024	**0.00%**	**0.00%**	**-**	**-**	**9.02%**	**-**	**9,633**	**9,647**

The template EU CR7 illustrates the effect of credit derivatives on IRB approach capital requirements' calculation, comparing RWEA before and after Credit Derivatives mitigation. At Group level the impact of such effect is zero, therefore the delta of RWEA is not detectable in the table.
The templates EU CR7-A (AIRB and FIRB) show the IRB portfolio composition highlighting the percentage of exposure covered by RWEA eligible collateral and disclosed by exposures class. Column "n" shows the effects of the different types of credit protection on RWEA calculation in correspondence with the asset class of the protection provider; instead, in column "m" RWEA are disclosed in the original asset class of the guaranteed entity. Delta between the two columns is not significant.

Template EU CR3 - CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

(€ million)

DESCRIPTION		UNSECURED CARRYING AMOUNT	SECURED CARRYING AMOUNT			
				OF WHICH SECURED BY COLLATERAL	OF WHICH SECURED BY FINANCIAL GUARANTEES	
						OF WHICH SECURED BY CREDIT DERIVATIVES
		a	b	c	d	e
1	Loans and advances	236,537	270,803	218,755	52,048	101
2	Debt securities	170,987	123	8	115	
3	**Total as at 31.12.2024**	**407,524**	**270,926**	**218,764**	**52,162**	**101**
4	*of which non-performing exposures*	*2,523*	*3,638*	*2,130*	*1,508*	-
EU-5	*of which defaulted*	*2,523*	*3,638*			
	Total as at 30.06.2024	**408,193**	**290,218**	**233,792**	**56,427**	**-**
	of which non-performing exposures	*2,368*	*3,934*	*2,109*	*1,825*	-
	of which defaulted	*2,368*	*3,934*			

The secured and unsecured carrying amount corresponds to the net amount of the credit exposure belonging to the following accounting portfolios:
- Cash balances at banks and central banks and other demand deposits;
- Financial assets at amortised cost;
- Financial assets at fair value through other comprehensive income;
- Financial assets at fair value through profit or loss - designated at fair value;
- Financial assets at fair value through profit or loss - mandatorily at fair value.

The secured carrying amount decrease is mainly due to the reduction of reverse repos with other financial corporations and central banks.
The exposure granted by credit derivatives is related to a new synthetic securitisation originated by UniCredit Bank Czech Republic and Slovakia, A.S.

Credit risk

Counterparty risk exposure

Counterparty Credit Risk (CCR) is defined as the risk that the counterparty of a transaction may default before the settlement of the transaction cash flows.

The CCR is a particular case of general credit risk (e.g., loans). Unlike a firm's exposure to credit risk through a loan, where the exposure to credit risk is unilateral and only the lending bank faces the risk of loss, CCR creates a bilateral risk of loss: the market value of the transaction can be positive or negative to either counterparty of the transaction. The market value is uncertain and can vary over time with the movement of underlying market factors.

Counterparty Credit Risk exposure is estimated considering the effect of a period of stress (Stressed Expected Positive Exposure) and the collateral management practices.

The financial products falling into the scope of CCR are:

- over the counter derivative instruments (contracts not traded on an exchange);
- security financing transaction (repurchase transactions, securities or commodities lending or borrowing transactions based on securities or commodities and margin lending transactions based on securities or commodities);
- long settlement transactions, where the counterparty to the transaction has a contractual obligation to deliver a security, a commodity, or a foreign currency amount against cash, other financial instruments, or commodities, or vice versa, at a settlement or delivery date (that is later than the earliest of the market standard for the particular transaction);
- exchange traded derivatives.

Counterparty credit risk governance principles

In order to design a framework of methodology, policies and processes for the management of Counterparty Credit Risk that is conceptually sound, implemented with integrity and consistent with Supervisory Authorities instructions, the following general principles have been defined:

- CCR is a particular type of credit risk and as such the processes and policies governing CCR activities have to follow the same logic as the ones of credit activities, to ensure a comprehensive view on counterparty exposure;
- CCR management must consider the risk limits and comply with the Global Rules issued by Group Risk Management and must fit into Group legal entities limit systems and processes;
- the oversight of CCR will be assured by dedicated risk functions in the Group legal entities and the Parent Company, together with the senior management, relevant Committees and Board of Directors;
- a robust process to ensure the capture and analysis of both Specific and General Wrong Way Risks has to be set up;
- for Group legal entities under Internal Model Method (IMM), a group counterparty credit risk model for CCR measurement has to be implemented and maintained by Parent Company Methodology function. A rigorous and comprehensive stress testing program has to be set up, considering also local relevant scenarios, based on the output of the CCR measurement;
- a legal framework must be set up to grant the enforceability of risk mitigation practices, such as Netting and Collateral Agreements. Proper Legal opinion must be collected and considered in using such agreements in CCR exposure calculation.

Starting from these principles, the Parent Company has developed the Counterparty Credit Risk Governance approved by Group Financial Risk Committee. Below the key points.

Counterparty credit risk measurement methodology

UniCredit group CCR management framework is centered on the daily control of risk exposure, defined by using an approach based on the calculation of the distribution of future values of relevant exchange traded, OTC derivatives, long settlement transactions and SFT transactions at single counterparty-level.

Parent Company Risk Methodology Function has articulated into three steps the estimation of counterparty-level credit exposure distribution:

- scenario generation. Future market scenarios are simulated for a fixed set of simulation dates, using evolution models of the risk factors;
- instrument valuation. For each simulation date and for each realization of the underlying Market Risk factors, instrument valuation is performed;
- aggregation. For each simulation date and for each realization of the underlying market risk factors, instrument values are added to obtain counterparty portfolio value.

For managerial purposes the counterparty-level exposure of transactions within the Internal Model Method (IMM) is measured using the Potential Future Exposure (PFE). For transactions not included in the scope of the CCR IMM, exposures are estimated using Simplified Exposure Measures - SEMs (i.e., CCFs). The calibration of SEMs results in a prudential estimation of PFE.

The internal models that generate daily pre-settlement exposure also generate exposure measures that are used in the Risk Weighted Asset calculation, for which UniCredit S.p.A., UniCredit Bank GmbH and UniCredit Bank Austria AG received the following authorization: on April 2014 Regulatory authorization; on June 2016 Regulatory authorization to extend the internal model to security financing transactions, certain equity and commodity OTC derivatives and exchange traded derivatives; on May 2017 the further Regulatory authorization to enhance the Internal Model by removing the zero floor from interest rate scenarios.

Credit risk

In March 2019 UniCredit received the Regulatory authorization to extend for the legal entity UniCredit S.p.A. the use of the Internal model for bond lending transactions, already authorised for UniCredit Bank GmbH and UniCredit Bank Austria AG.
In March 2021, UniCredit received approval to change the internal model from a historical calibration to a calibration based on market data.

The same internal models also generate stressed simulations which are submitted into ICAAP process and provide Risk Management with counterparty, country and industry analysis and highlight potential General Wrong Way Risks in the portfolio. In the Risk Weighted Exposures calculation, no estimate of alpha is done, instead the fixed value of 1.4 is used.

Group legal entities not authorised to use the Internal Model Method (IMM) for the calculation of risk-weighted exposures use the SA-CCR (Standardised Approach - Counterparty Credit Risk) method applying either the Full SA-CCR or Simplified SA-CCR (if the conditions provided by CRR2 Regulation are met). The SA-CCR method (for which alpha factor of 1.4 provided by the Regulator is used) is also applied to transactions of UniCredit S.p.A., UniCredit Bank GmbH and UniCredit Bank Austria AG not covered by the Internal Model Method.

Counterparty credit risk framework

Limits, set by UniCredit in accordance with the risk appetite of the Bank, allows a consolidated view of exposure with each counterparty and represent a first step in portfolio counterparty risk management.
The approach is aimed at defining the Potential Future Exposure (PFE) to a counterparty over time and ensure that this does not exceed a certain value.

UniCredit adopt several processes for the control and mitigation of the CCR including:
- manage collateral;
- pre deal check;
- exposure calculation and validation;
- overdraft management;
- reporting and information to Parent Company and Local Senior management.

Furthermore, UniCredit mitigates counterparty credit risk from derivatives and other transactions exposed to CCR through the use of netting agreements, collateral exchange and use of Central Counterparties (CCP).

Netting agreements allows for the aggregation of positive and negative Mark-to-Market derivative transactions with the same counterparty to be offset, reducing the exposure. The enforcement and enforceability of these netting agreements is monitored by UniCredit's Legal Department on an on-going basis and captured in the daily exposure calculation.
Collateral agreements (if legally enforceable in the jurisdiction) might be required, depending on the creditworthiness of the counterparty and the nature of the transaction. As a rule, FX derivatives, interest rate derivatives, equity derivatives, credit derivatives, commodity derivatives, EU-emissions-allowance transactions, weather derivatives and other OTC derivative transactions must be collateralised by a collateral agreement, according to Delegated Regulation (EU) 2251/2016 (Regulatory Technical standards for risk-mitigation techniques for OTC derivative).
Such Regulation requires the exchange both of Variation Margin and Initial Margin if pre-defined thresholds of Notional amount of OTC derivatives bilaterally exchanged are breached; UniCredit is subject to Initial Margin exchange starting from the 1 September 2018 with major counterparties also affected by such Regulation.
As anticipated, UniCredit uses Central Counterparties (CCP's) to mitigate the Counterparty Credit Risk of eligible OTC derivatives. By acting as an intermediary to an OTC derivative transaction a CCP replaces the bilateral counterparty of a trade, leaving UniCredit to manage the market risk of the trade.

Collateral management

Collateral Management is a fundamental activity for mitigating CCR that is operatively carried out on a daily basis. The collateral management framework in UniCredit group encompasses three main distinct set of activities which are carried out accordingly by the respective Group legal entities and Parent Company functions:
- Risk Management: Group and Local Reporting to Senior Management with regards to Collateral pool composition, Reuse, Margin disputes; collateral framework definition;
- Risk Control: Monitoring of non-Eligible collateral and Re-use of collateral if allowed;
- Operations: daily valuation of trades in terms of SFTs and OTC Derivatives and collateral; monitoring of liquidity score of collateral; collateral substitution in case of non-eligible collateral accepted; portfolio reconciliation and dispute management, daily margin calls management.

Eligibility criteria of received collateral are defined at Group level for ensuring the on-going compliance with the binding regulations. The eligibility criteria for the acceptable collaterals, which ensures collateral agreed to be taken, exhibit characteristics such as price transparency, liquidity, enforceability, independence, and eligibility for regulatory purposes.

Credit risk

Cash and non-cash collateral collected as initial margin for non-centrally cleared OTC transactions cannot be re-hypothecated, re-pledged or re-used, and must be segregated by a Triparty Custodian or Triparty Agent, into a segregated account. The segregation must be certified by an independent legal opinion.
Group legal entities allowed to trade OTC Derivatives with Financial Counterparties can leverage on the Group Implementation of Initial Margin ISDA SIMM™ Model, designed at industry level to comply with margin requirements on non-centrally cleared derivatives and harmonise the calculation to reduce potential disputes in collateral exchanges.

The use of ISDA SIMM™ Model required dedicated processes to be in place to rule:
- ISDA SIMM™ Model Governance;
- concept of "materiality of disputes" with regards to Initial Margin exchanges, to avoid unnecessary efforts in matching low disputes on operations side;
- model maintenance;
- model back-testing;
- intragroup transactions treatment;
- non nettable third countries transactions treatment.

Stress testing
According to Parent Company's general rules, a rigorous and comprehensive stress testing is implemented that considers both Group relevant and Legal Entity specific scenarios based on the output of the CCR measurement.

The CCR Stress Testing process aims at identifying emerging vulnerabilities and analysing pre-emptive risk mitigating actions, as well as facilitating a better understanding of complex, non-directional portfolio risks such as correlations and wrong way risks, illiquidity, and non-linearity. Stress Testing therefore represents a complement to the statistical measures of risk (such as peak-, expected- and potential future exposure) employed as part of the day-to-day risk management process.

Single factor CCR stress tests allow to assess the broad effect and magnitude of the sensitivity of the exposure profile to a change in key risk-factors, thus representing a simple but effective tool for identifying portfolio vulnerabilities and concentrations to specific risk factors. The single risk factor stress testing is performed both on current exposure and future exposure.

An assessment of the risk factors relevance and scenarios definition for current and future exposure single factor stress testing is performed at least annually by Group legal entities CCR control functions supported by the Risk Methodology function.
Multi factor CCR stress tests allow to assess combined impacts, at Group legal entity and Group Portfolios, of different risk factors shocks (e.g., interest rates, foreign exchange and CDS spreads).
On a yearly basis a reverse Stress test is carried out in order to identify linkages and hypothetical scenarios which could ultimately result in the failure of the bank's business model.

Wrong Way Risk management
Wrong Way Risk arises when the risk factors driving the exposure to a counterparty are positively correlated with the credit worthiness of that same counterparty. Wrong way Risk is distinguished in Specific Wrong Way Risk (SWWR) and General Wrong Way Risk (GWWR).

SWWR arises when the exposure on a transaction is positively correlated with the counterparty's creditworthiness for a reason that is specific to the counterparty. Most commonly this kind of correlation is seen where there is similar material legal/economic ownership between collateral/reference entity and counterparty.
SWWR can arise by a legal or economic connection and in case of high correlation between the trade exposure and the counterparty (e.g., the underlying or the underlying issuer is a company of the same industry sector of the counterparty). The business functions must identify trades affected by economic connection and to obtain a pre-approval prior to entering into the transaction. SWWR transactions are closely monitored and controlled as part of regular risk management procedures. UniCredit has appropriate procedures in place to identify, monitor and control cases of SWWR and to apply separate capital rules to transactions where SWWR arises from a legal connection between the counterparty and a trade underlying.

GWWR arises when the likelihood of default by any counterparty is correlated with general market risk factors. In case of GWWR the credit quality of the counterparty is correlated with a risk factor which also affects the value of the transaction with the Group.
To identify possible GWWR scenarios, two complementary approaches are used: (i) quantitative (allows the identification of GWWR-relevant combinations of risk factor and counterparty) and (ii) qualitative (allows the identification of GWWR scenarios by countries/industries/product types).
Parent Company global rules aim at defining the framework for analysing, monitoring, and managing the potential impact of GWWR risk by product, region and industry and it also seeks to add additional levels of control to General Wrong Way Risk transactions.

Credit risk

Financial Institutions, Banks and Sovereign (FIBS) counterparts are subject to a centralised credit process, based on the presence of competent credit teams distributed over the main legal entities of the Group. This ensures a homogeneous approach to credit business with FIBS counterparts over all phases of the credit process. The credit process aims at the definition of a group-wide plafond, representing the maximum risk appetite of UniCredit group with regards to any economic group. The Group-wide plafond is split into Plafond categories, expressing specific risks, including CCR (pre-settlement risk plafond). Plafonds are sized based on the assessment of expected business volumes and risk considerations and are approved by the relevant competent approval body. Credit limits, univocally linked to specific plafond categories, may then be set. Such credit limits drive the ordinary operative credit management activity in the local credit systems.

With regard to Counterparty Credit Risk plafond category assigned to Group legal entities allowed to use Internal model method for counterparty credit risk (UniCredit Bank GmbH, UniCredit S.p.A., UniCredit Bank Austria AG), the credit process explicitly requires that effects of stress scenarios on existing pre-settlement exposure are assessed and duly reflected in the quantification and management of the related credit limits. Furthermore, allocation of pre-settlement credit limits is conditional to minimum requirements for master agreements, established based on the credit profile of the counterparty, the products targeted, the nature and tenor of the underlying pre-settlement limits.

Against the backdrop of the business activity conducted within the credit limits set forth coherently with the approved plafonds, total exposure is further subject to Bulk Risk limits. Such limits are set according to the creditworthiness of the Economic Group in Net Exposure at Default (NEAD) terms and are reviewed annually through a dedicated approval process. All risks (including pre-settlement but excluding clearing exposure with Central Counterparties) contribute to the determination of the measure.

Central Counterparties (CCPs) are subject to an additional, specific risk framework, encompassing explicit thresholds in terms of Additional Economic Exposure (AEE).

In particular, for each individual CCP a specific AEE is calculated, being the sum of (i) default contributions (funded and unfunded) and (ii) any further contributions callable under Capital Calls or Default Fund Replenishment Mechanisms. The former represents the amount of cash and securities posted towards a CCP as a contractual obligation deriving from the membership to the Clearing House, callable in event of a Clearing Member(s) default, where the defaulting Clearing Member(s) Initial Margin and Default Fund contributions and the CCP’s own skin-in-the-game were insufficient to satisfy the loss. Unfunded default fund contributions are contingent liabilities that UniCredit could be liable for, under clearing membership agreements based on a CCP's power of assessment, in case a CCP's pre-funded Default Fund is exhausted.

The components of the AEE are calculated, advised and subject to changes unilaterally by the CCP, according to the size of UniCredit group’s business volumes generated as Clearing Member and other Clearing Members’ clearing volumes.

The framework ensures that contributions and commitments to any given Default Waterfall Mechanism, applicable to specific CCPs, are subject to specific quantitative thresholds. In fact, quantification and monitoring the AEE is fundamental in understanding the potential economic loss in the event of a CCP distress. Considering that such amounts are largely set unilaterally by the CCP, the AEE is not managed through counterparty credit limits within the risk plafond structure, but within a specific monitoring threshold, segregated from the remaining risk types.

The AEE thresholds are defined internally by UniCredit group at CCP level. The definition of the thresholds towards each CCP is performed and approved in bulk annually in the context of the definition of the Credit Risk Strategies. Any intra-annual changes are delegated to the competent credit approval body of the Group the CCP belongs to.

The framework also features:
- an AEE Portfolio threshold, tracking aggregate AEE exposure and being set lower than the sum of the AEE thresholds approved for individual CCPs;
- a CCP Concentration Risk Metric, monitoring and setting a threshold to the risk that UniCredit group takes in a given CCP system. Such metric is calculated on default fund/service line level as the Default Fund contributed by UniCredit group to the Total Default Fund of the CCP. The CCP concentration risk is defined based on the importance of each CCP's business line for UCG and historical data.

Credit risk

Template EU CCR1 - Analysis of CCR exposure by approach

(€ million)

DESCRIPTION		a	b	c	d	e	f	g	h
		REPLACEMENT COST (RC)	POTENTIAL FUTURE EXPOSURE (PFE)	EFFECTIVE EXPECTED POSITIVE EXPOSURE (EEPE)	ALPHA USED FOR COMPUTING REGULATORY EXPOSURE VALUE	EXPOSURE VALUE PRE-CRM	EXPOSURE VALUE POST-CRM	EXPOSURE VALUE	RWEA
EU-1	EU - Original Exposure Method (for derivatives)	0	169		1.4	237	237	237	237
EU-2	EU - Simplified SA-CCR (for derivatives)	-	0		1.4	-	0	0	0
1	SA-CCR (for derivatives)	943	1,206		1.4	4,081	2,962	2,962	1,362
2	IMM (for derivatives and SFTs)			16,308	1.4	36,500	23,871	23,710	5,245
2a	*of which securities financing transactions netting sets*			*4,558*		*11,547*	*6,381*	*6,381*	*973*
2b	*of which derivatives and long settlement transactions netting sets*			*11,750*		*24,953*	*17,490*	*17,329*	*4,273*
2c	*of which from contractual cross-product netting sets*			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					11,045	10,875	10,875	45
5	VaR for SFTs					-	-	-	-
6	**Total as at 31.12.2024**					**51,863**	**37,946**	**37,784**	**6,889**
	Total as at 30.06.2024					**57,849**	**41,103**	**40,946**	**6,387**

Note:
The EU CCR1 template above doesn't include the Central Clearing Counterparts exposure (CCPs) that are reported in the following EU CCR8 template.

Template EU CCR2 - Transactions subject to own funds requirements for CVA risk

(€ million)

DESCRIPTION		a	b
		EXPOSURE VALUE	RWEA
1	Total transactions subject to the Advanced method	2,253	716
2	(i) VaR component (including the 3× multiplier)		120
3	(ii) stressed VaR component (including the 3× multiplier)		596
4	Transactions subject to the Standardised method	1,050	292
EU-4	Transactions subject to the Alternative approach (based on the Original Exposure method)	-	-
5	**Total transactions subject to own funds requirements for CVA risk as at 31.12.2024**	**3,303**	**1,008**
	Total transactions subject to own funds requirements for CVA risk as at 30.06.2024	**2,939**	**1,039**

Template EU CCR3 - Standardised approach – CCR exposures by regulatory exposure class and risk weights

(€ million)

EXPOSURE CLASSES		RISK WEIGHT					
		a	b	c	d	e	f
		0%	2%	4%	10%	20%	50%
1	Central governments or central banks	2,359	-	-	-	-	-
2	Regional government or local authorities	493	-	-	-	22	-
3	Public sector entities	284	-	-	-	0	0
4	Multilateral development banks	771	-	-	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	-	3,283	-	-	125	0
7	Corporates	-	3,697	-	-	115	31
8	Retail	-	-	-	-	-	-
9	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	0	2
10	Other items	-	-	-	-	-	-
11	**Total exposure value as at 31.12.2024**	**3,908**	**6,980**	**-**	**-**	**262**	**34**
	Total exposure value as at 30.06.2024	**3,592**	**6,840**	**-**	**-**	**266**	**46**

Credit risk

continued: Template EU CCR3 - Standardised approach - CCR exposures by regulatory exposure class and risk weights

(€ million)

	EXPOSURE CLASSES	RISK WEIGHT g 70%	h 75%	i 100%	j 150%	k OTHERS	l TOTAL EXPOSURE VALUE
1	Central governments or central banks	-	-	-	-	11	2,371
2	Regional government or local authorities	-	-	-	-	-	515
3	Public sector entities	-	-	-	-	-	285
4	Multilateral development banks	-	-	-	-	-	771
5	International organisations	-	-	-	-	-	-
6	Institutions	-	-	0	-	-	3,408
7	Corporates	-	-	1,130	7	-	4,981
8	Retail	-	17	-	-	-	17
9	Exposures to institutions and corporates with a short-term credit assessment	-	-	0	0	-	2
10	Other items	-	-	0	10	0	10
11	**Total exposure value as at 31.12.2024**	**-**	**17**	**1,131**	**17**	**11**	**12,361**
	Total exposure value as at 30.06.2024	**-**	**21**	**821**	**19**	**22**	**11,627**

Template EU CCR8 - Exposures to CCPs

(€ million)

	DESCRIPTION	EXPOSURE VALUE a	RWEA b
1	**Exposures to QCCPs Total as at 31.12.2024**	**8,339**	**325**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	6,868	137
3	*(i) OTC derivatives*	*967*	*19*
4	*(ii) Exchange-traded derivatives*	*4,036*	*81*
5	*(iii) SFTs*	*1,864*	*37*
6	*(iv) Netting sets where cross-product netting has been approved*	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	923	188
10	Unfunded default fund contributions	548	-
11	**Exposures to non-QCCPs Total as at 31.12.2024**	**6**	**13**
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	6	9
13	*(i) OTC derivatives*	*6*	*9*
14	*(ii) Exchange-traded derivatives*	-	-
15	*(iii) SFTs*	-	-
16	*(iv) Netting sets where cross-product netting has been approved*	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	0	4
20	Unfunded default fund contributions	-	-
	Exposures to QCCPs Total as at 30.06.2024	**9,238**	**468**
	Exposures to non-QCCPs Total as at 30.06.2024	**15**	**27**

Credit risk

Template EU CCR4 - IRB approach - CCR exposures by exposure class and PD scale - AIRB

(€ million)

AIRB	PD SCALE	a EXPOSURE POST CCF AND POST CRM	b EXPOSURE WEIGHTED AVERAGE PD (%)	c NUMBER OF OBLIGORS	d EXPOSURE WEIGHTED AVERAGE LGD (%)	e EXPOSURE WEIGHTED AVERAGE MATURITY (YEARS)	f RWEA	g DENSITY OF RISK WEIGHTED EXPOSURE AMOUNTS
Central governments or central banks	0.00 to <0.15	9,035	0.02%	6	19.28%	0.04	1	0.01%
	0.00 to <0.10	9,035	0.02%	6	19.28%	0.04	1	0.01%
	0.10 to <0.15	-	-	-	-	-	-	-
	0.15 to <0.25	-	-	-	-	-	-	-
	0.25 to <0.50	-	-	-	-	-	-	-
	0.50 to <0.75	1	0.71%	1	35.83%	1.00	0	52.40%
	0.75 to <2.50	-	-	-	-	-	-	-
	0.75 to <1.75	-	-	-	-	-	-	-
	1.75 to <2.50	-	-	-	-	-	-	-
	2.50 to <10.00	-	-	-	-	-	-	-
	2.50 to <5.00	-	-	-	-	-	-	-
	5.00 to <10.00	-	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-	-
	10.00 to <20.00	-	-	-	-	-	-	-
	20.00 to <30.00	-	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-
	Subtotal	**9,036**	**0.02%**	**7**	**19.28%**	**0.04**	**2**	**0.02%**
Institutions	0.00 to <0.15	6,909	0.07%	231	34.84%	0.94	1,205	17.44%
	0.00 to <0.10	6,646	0.06%	192	33.77%	0.93	1,114	16.76%
	0.10 to <0.15	263	0.12%	39	61.98%	1.26	91	34.66%
	0.15 to <0.25	43	0.17%	4	7.32%	1.78	19	44.36%
	0.25 to <0.50	31	0.31%	17	43.68%	3.05	22	70.01%
	0.50 to <0.75	-	-	-	-	-	-	-
	0.75 to <2.50	53	0.97%	28	52.05%	3.47	69	130.09%
	0.75 to <1.75	44	0.79%	18	53.42%	3.66	57	131.13%
	1.75 to <2.50	9	1.85%	10	45.58%	2.57	12	125.14%
	2.50 to <10.00	4	4.09%	13	43.89%	2.07	8	180.88%
	2.50 to <5.00	4	3.94%	11	45.08%	2.01	7	185.68%
	5.00 to <10.00	0	7.19%	2	18.42%	3.41	0	79.03%
	10.00 to <100.00	0	13.57%	1	-	1.00	-	-
	10.00 to <20.00	0	13.57%	1	-	1.00	-	-
	20.00 to <30.00	-	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-
	Subtotal	**7,041**	**0.08%**	**294**	**34.84%**	**0.97**	**1,323**	**18.78%**
Corporates - SME	0.00 to <0.15	35	0.09%	289	34.24%	2.06	4	12.07%
	0.00 to <0.10	18	0.06%	133	35.11%	2.16	2	10.45%
	0.10 to <0.15	16	0.13%	156	33.24%	1.94	2	13.92%
	0.15 to <0.25	35	0.21%	437	29.24%	1.92	6	16.71%
	0.25 to <0.50	105	0.37%	1,007	33.79%	2.02	30	28.43%
	0.50 to <0.75	40	0.62%	686	33.54%	2.46	15	37.02%
	0.75 to <2.50	105	1.43%	1,997	35.88%	2.73	67	63.78%
	0.75 to <1.75	82	1.23%	1,466	34.15%	2.82	49	59.74%
	1.75 to <2.50	23	2.16%	531	42.07%	2.41	18	78.21%
	2.50 to <10.00	84	5.11%	1,226	40.39%	2.19	75	89.66%
	2.50 to <5.00	48	3.51%	827	38.50%	2.48	38	78.64%
	5.00 to <10.00	36	7.29%	399	42.96%	1.79	37	104.62%
	10.00 to <100.00	14	19.01%	209	29.11%	2.60	14	100.57%
	10.00 to <20.00	12	16.97%	145	27.35%	2.50	11	94.46%
	20.00 to <30.00	2	22.75%	25	38.16%	2.66	2	123.40%
	30.00 to <100.00	1	40.34%	39	36.30%	3.91	1	142.14%
	100.00 (Default)	4	100.00%	134	34.32%	2.95	4	104.85%
	Subtotal	**422**	**3.10%**	**5,985**	**35.10%**	**2.29**	**215**	**51.02%**

Credit risk

continued: Template EU CCR4 - IRB approach - CCR exposures by exposure class and PD scale - AIRB

(€ million)

AIRB	PD SCALE	a EXPOSURE POST CCF AND POST CRM	b EXPOSURE WEIGHTED AVERAGE PD (%)	c NUMBER OF OBLIGORS	d EXPOSURE WEIGHTED AVERAGE LGD (%)	e EXPOSURE WEIGHTED AVERAGE MATURITY (YEARS)	f RWEA	g DENSITY OF RISK WEIGHTED EXPOSURE AMOUNTS
Corporates - Specialised lending	0.00 to <0.15	34	0.10%	39	20.55%	3.28	4	12.20%
	0.00 to <0.10	16	0.07%	11	19.39%	4.11	2	11.74%
	0.10 to <0.15	18	0.12%	28	21.55%	2.57	2	12.59%
	0.15 to <0.25	77	0.20%	93	22.75%	3.33	20	26.33%
	0.25 to <0.50	104	0.36%	157	21.04%	3.56	29	28.16%
	0.50 to <0.75	84	0.63%	51	22.27%	4.38	35	41.18%
	0.75 to <2.50	38	1.37%	57	21.08%	3.52	16	41.61%
	0.75 to <1.75	37	1.37%	52	21.07%	3.52	16	41.60%
	1.75 to <2.50	0	2.33%	5	24.28%	2.39	0	47.87%
	2.50 to <10.00	8	4.26%	13	24.10%	2.92	5	69.52%
	2.50 to <5.00	8	4.22%	11	23.76%	2.90	5	67.59%
	5.00 to <10.00	0	7.25%	2	50.33%	4.04	0	218.40%
	10.00 to <100.00	0	18.51%	1	33.03%	1.00	0	109.46%
	10.00 to <20.00	0	18.51%	1	33.03%	1.00	0	109.46%
	20.00 to <30.00	-	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-	-
	100.00 (Default)	1	100.00%	5	53.33%	4.19	1	60.44%
	Subtotal	**345**	**0.80%**	**416**	**21.82%**	**3.66**	**110**	**31.82%**
Corporates - Other	0.00 to <0.15	12,074	0.06%	714	42.95%	1.57	2,130	17.64%
	0.00 to <0.10	11,131	0.05%	435	43.28%	1.56	1,888	16.96%
	0.10 to <0.15	943	0.12%	279	39.10%	1.69	242	25.62%
	0.15 to <0.25	739	0.18%	467	39.48%	1.61	231	31.28%
	0.25 to <0.50	1,029	0.34%	874	37.48%	1.88	466	45.27%
	0.50 to <0.75	277	0.64%	567	36.09%	1.84	175	62.97%
	0.75 to <2.50	442	1.44%	1,277	35.39%	1.92	349	78.83%
	0.75 to <1.75	327	1.21%	943	33.88%	1.93	233	71.33%
	1.75 to <2.50	116	2.11%	334	39.65%	1.91	116	100.00%
	2.50 to <10.00	230	3.87%	597	39.22%	1.45	270	117.38%
	2.50 to <5.00	186	3.27%	435	38.01%	1.47	201	108.17%
	5.00 to <10.00	44	6.40%	162	44.35%	1.39	69	156.45%
	10.00 to <100.00	26	16.53%	84	32.12%	1.92	41	158.99%
	10.00 to <20.00	20	12.64%	60	30.61%	1.83	29	143.52%
	20.00 to <30.00	2	25.72%	11	38.63%	2.50	6	225.29%
	30.00 to <100.00	3	35.63%	13	37.19%	1.98	6	210.61%
	100.00 (Default)	25	100.00%	83	45.96%	1.43	6	22.74%
	Subtotal	**14,842**	**0.39%**	**4,663**	**41.97%**	**1.61**	**3,666**	**24.70%**
Retail - of which Secured by immovable property SMEs	0.00 to <0.15	0	0.05%	2	11.26%		0	1.25%
	0.00 to <0.10	0	0.05%	2	11.26%		0	1.25%
	0.10 to <0.15	-	-	-	-		-	-
	0.15 to <0.25	-	-	-	-		-	-
	0.25 to <0.50	0	0.30%	2	10.52%		0	5.66%
	0.50 to <0.75	-	-	-	-		-	-
	0.75 to <2.50	0	1.13%	2	13.13%		0	14.41%
	0.75 to <1.75	0	1.13%	2	13.13%		0	14.41%
	1.75 to <2.50	-	-	-	-		-	-
	2.50 to <10.00	0	3.07%	1	2.69%		0	7.19%
	2.50 to <5.00	0	3.07%	1	2.69%		0	7.19%
	5.00 to <10.00	-	-	-	-		-	-
	10.00 to <100.00	0	11.63%	1	1.12%		0	5.76%
	10.00 to <20.00	0	11.63%	1	1.12%		0	5.76%
	20.00 to <30.00	-	-	-	-		-	-
	30.00 to <100.00	-	-	-	-		-	-
	100.00 (Default)	-	-	-	-		-	-
	Subtotal	**0**	**1.03%**	**8**	**10.34%**		**0**	**4.62%**

Credit risk

continued: Template EU CCR4 - IRB approach - CCR exposures by exposure class and PD scale - AIRB

(€ million)

AIRB	PD SCALE	a EXPOSURE POST CCF AND POST CRM	b EXPOSURE WEIGHTED AVERAGE PD (%)	c NUMBER OF OBLIGORS	d EXPOSURE WEIGHTED AVERAGE LGD (%)	e EXPOSURE WEIGHTED AVERAGE MATURITY (YEARS)	f RWEA	g DENSITY OF RISK WEIGHTED EXPOSURE AMOUNTS
Retail - of which Secured by immovable property non SMEs	0.00 to <0.15	0	0.05%	6	4.76%		0	0.68%
	0.00 to <0.10	0	0.05%	6	4.76%		0	0.68%
	0.10 to <0.15	-	-	-	-		-	-
	0.15 to <0.25	-	-	-	-		-	-
	0.25 to <0.50	0	0.31%	5	7.92%		0	4.39%
	0.50 to <0.75	0	0.63%	1	56.48%		0	56.19%
	0.75 to <2.50	0	1.09%	5	8.91%		0	11.61%
	0.75 to <1.75	0	0.85%	3	9.56%		0	11.04%
	1.75 to <2.50	0	1.95%	2	6.62%		0	13.60%
	2.50 to <10.00	0	4.05%	3	12.26%		0	43.19%
	2.50 to <5.00	0	3.39%	2	3.44%		0	11.11%
	5.00 to <10.00	0	5.36%	1	29.60%		0	106.22%
	10.00 to <100.00	-	-	-	-		-	-
	10.00 to <20.00	-	-	-	-		-	-
	20.00 to <30.00	-	-	-	-		-	-
	30.00 to <100.00	-	-	-	-		-	-
	100.00 (Default)	0	100.00%	1	-		-	-
	Subtotal	**0**	**4.82%**	**21**	**16.80%**		**0**	**14.80%**
Retail - Qualifying revolving	0.00 to <0.15	-	-	-	-		-	-
	0.00 to <0.10	-	-	-	-		-	-
	0.10 to <0.15	-	-	-	-		-	-
	0.15 to <0.25	-	-	-	-		-	-
	0.25 to <0.50	-	-	-	-		-	-
	0.50 to <0.75	-	-	-	-		-	-
	0.75 to <2.50	-	-	-	-		-	-
	0.75 to <1.75	-	-	-	-		-	-
	1.75 to <2.50	-	-	-	-		-	-
	2.50 to <10.00	-	-	-	-		-	-
	2.50 to <5.00	-	-	-	-		-	-
	5.00 to <10.00	-	-	-	-		-	-
	10.00 to <100.00	-	-	-	-		-	-
	10.00 to <20.00	-	-	-	-		-	-
	20.00 to <30.00	-	-	-	-		-	-
	30.00 to <100.00	-	-	-	-		-	-
	100.00 (Default)	-	-	-	-		-	-
	Subtotal	**-**	**-**	**-**	**-**		**-**	**-**
Retail - of which Other SME	0.00 to <0.15	2	0.08%	238	52.77%		0	9.16%
	0.00 to <0.10	1	0.07%	152	52.68%		0	7.61%
	0.10 to <0.15	1	0.12%	86	52.96%		0	12.31%
	0.15 to <0.25	1	0.20%	117	44.64%		0	15.49%
	0.25 to <0.50	2	0.36%	215	55.15%		0	26.12%
	0.50 to <0.75	1	0.62%	125	44.75%		0	30.75%
	0.75 to <2.50	3	1.49%	263	44.20%		1	40.84%
	0.75 to <1.75	2	1.09%	194	48.58%		1	41.14%
	1.75 to <2.50	2	1.98%	69	38.87%		1	40.47%
	2.50 to <10.00	6	7.94%	108	11.97%		1	14.56%
	2.50 to <5.00	1	3.63%	63	63.08%		1	73.26%
	5.00 to <10.00	5	8.55%	45	4.68%		0	6.18%
	10.00 to <100.00	2	12.26%	33	29.50%		1	45.24%
	10.00 to <20.00	2	10.83%	20	27.98%		1	41.56%
	20.00 to <30.00	0	23.58%	4	63.79%		0	123.65%
	30.00 to <100.00	0	48.16%	9	56.56%		0	112.73%
	100.00 (Default)	0	100.00%	15	73.43%		0	87.16%
	Subtotal	**18**	**4.87%**	**1,114**	**33.39%**		**4**	**24.88%**

Credit risk

continued: Template EU CCR4 - IRB approach - CCR exposures by exposure class and PD scale - AIRB

(€ million)

		a	b	c	d	e	f	g
AIRB	PD SCALE	EXPOSURE POST CCF AND POST CRM	EXPOSURE WEIGHTED AVERAGE PD (%)	NUMBER OF OBLIGORS	EXPOSURE WEIGHTED AVERAGE LGD (%)	EXPOSURE WEIGHTED AVERAGE MATURITY (YEARS)	RWEA	DENSITY OF RISK WEIGHTED EXPOSURE AMOUNTS
Retail - of which Other non SME	0.00 to <0.15	29	0.05%	92	22.78%		1	3.14%
	0.00 to <0.10	26	0.04%	76	23.02%		1	2.85%
	0.10 to <0.15	3	0.13%	16	20.24%		0	6.17%
	0.15 to <0.25	2	0.21%	13	38.17%		0	17.07%
	0.25 to <0.50	12	0.39%	32	25.53%		2	15.92%
	0.50 to <0.75	4	0.65%	19	31.98%		1	28.49%
	0.75 to <2.50	13	1.67%	64	42.18%		7	54.46%
	0.75 to <1.75	6	1.14%	42	37.42%		3	42.78%
	1.75 to <2.50	7	2.13%	22	46.33%		4	64.67%
	2.50 to <10.00	5	5.57%	20	34.99%		3	52.78%
	2.50 to <5.00	3	2.84%	12	51.56%		2	76.03%
	5.00 to <10.00	2	8.97%	8	14.42%		1	23.91%
	10.00 to <100.00	0	45.46%	4	27.58%		0	77.32%
	10.00 to <20.00	0	11.63%	1	186.59%		0	338.46%
	20.00 to <30.00	-	-	-	-		-	-
	30.00 to <100.00	0	45.46%	3	27.57%		0	77.29%
	100.00 (Default)	3	100.00%	1	28.65%		-	-
	Subtotal	**68**	**5.09%**	**245**	**28.99%**		**14**	**20.62%**
Total (all CCR relevant exposure classes) AIRB as at 31.12.2024		**31,771**	**0.27%**	**12,753**	**33.86%**	**1.05**	**5,334**	**16.79%**
Total (all CCR relevant exposure classes) AIRB as at 30.06.2024		**35,341**	**0.19%**	**12,396**	**23.95%**	**0.90**	**5,074**	**14.36%**

With reference to the AIRB portfolio evolution as at 31 December 2024, compared to 30 June 2024, refer to the comment reported below the following template “FIRB”.

Credit risk

Template EU CCR4 - IRB approach - CCR exposures by exposure class and PD scale - FIRB

(€ million)

		a	b	c	d	e	f	g
FIRB	PD SCALE	EXPOSURE POST CCF AND POST CRM	EXPOSURE WEIGHTED AVERAGE PD (%)	NUMBER OF OBLIGORS	EXPOSURE WEIGHTED AVERAGE LGD (%)	EXPOSURE WEIGHTED AVERAGE MATURITY (YEARS)	RWEA	DENSITY OF RISK WEIGHTED EXPOSURE AMOUNTS
Central governments or central banks	0.00 to <0.15	-	-	-	-	-	-	-
	0.00 to <0.10	-	-	-	-	-	-	-
	0.10 to <0.15	-	-	-	-	-	-	-
	0.15 to <0.25	-	-	-	-	-	-	-
	0.25 to <0.50	-	-	-	-	-	-	-
	0.50 to <0.75	-	-	-	-	-	-	-
	0.75 to <2.50	-	-	-	-	-	-	-
	0.75 to <1.75	-	-	-	-	-	-	-
	1.75 to <2.50	-	-	-	-	-	-	-
	2.50 to <10.00	-	-	-	-	-	-	-
	2.50 to <5.00	-	-	-	-	-	-	-
	5.00 to <10.00	-	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-	-
	10.00 to <20.00	-	-	-	-	-	-	-
	20.00 to <30.00	-	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Institutions	0.00 to <0.15	225	0.06%	17	14.70%	2.42	63	28.06%
	0.00 to <0.10	224	0.06%	15	14.55%	2.41	63	28.02%
	0.10 to <0.15	1	0.12%	2	45.00%	2.50	0	35.56%
	0.15 to <0.25	-	-	-	-	-	-	-
	0.25 to <0.50	2	0.31%	3	45.00%	1.96	1	42.95%
	0.50 to <0.75	-	-	-	-	-	-	-
	0.75 to <2.50	2	1.23%	4	45.00%	2.50	2	102.32%
	0.75 to <1.75	1	0.79%	3	45.00%	2.50	1	89.04%
	1.75 to <2.50	1	1.85%	1	45.00%	2.50	1	120.88%
	2.50 to <10.00	-	-	-	-	-	-	-
	2.50 to <5.00	-	-	-	-	-	-	-
	5.00 to <10.00	-	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-	-
	10.00 to <20.00	-	-	-	-	-	-	-
	20.00 to <30.00	-	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-
	Subtotal	**229**	**0.07%**	**24**	**15.19%**	**2.41**	**66**	**28.79%**
Corporates - SME	0.00 to <0.15	0	0.14%	6	45.00%	2.50	0	24.25%
	0.00 to <0.10	-	-	-	-	-	-	-
	0.10 to <0.15	0	0.14%	6	45.00%	2.50	0	24.25%
	0.15 to <0.25	0	0.24%	3	45.00%	2.50	0	34.37%
	0.25 to <0.50	5	0.44%	16	45.00%	2.50	2	49.38%
	0.50 to <0.75	3	0.59%	10	45.00%	2.50	2	52.56%
	0.75 to <2.50	3	1.27%	42	45.00%	2.50	2	70.49%
	0.75 to <1.75	3	1.11%	32	45.00%	2.50	2	68.37%
	1.75 to <2.50	0	2.36%	10	45.00%	2.50	0	84.51%
	2.50 to <10.00	1	5.02%	22	45.00%	2.50	1	102.98%
	2.50 to <5.00	1	3.66%	15	45.00%	2.50	0	91.60%
	5.00 to <10.00	1	5.80%	7	45.00%	2.50	1	109.51%
	10.00 to <100.00	0	16.13%	5	45.00%	2.50	0	149.76%
	10.00 to <20.00	0	16.13%	5	45.00%	2.50	0	149.76%
	20.00 to <30.00	-	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-	-
	100.00 (Default)	0	100.00%	2	45.00%	2.50	-	-
	Subtotal	**14**	**1.51%**	**106**	**45.00%**	**2.50**	**8**	**60.05%**

Credit risk

continued: Template EU CCR4 - IRB approach - CCR exposures by exposure class and PD scale - FIRB

(€ million)

		a	b	c	d	e	f	g
FIRB	PD SCALE	EXPOSURE POST CCF AND POST CRM	EXPOSURE WEIGHTED AVERAGE PD (%)	NUMBER OF OBLIGORS	EXPOSURE WEIGHTED AVERAGE LGD (%)	EXPOSURE WEIGHTED AVERAGE MATURITY (YEARS)	RWEA	DENSITY OF RISK WEIGHTED EXPOSURE AMOUNTS
Corporates - Specialised lending	0.00 to <0.15	-	-	-	-	-	-	-
	0.00 to <0.10	-	-	-	-	-	-	-
	0.10 to <0.15	-	-	-	-	-	-	-
	0.15 to <0.25	-	-	-	-	-	-	-
	0.25 to <0.50	-	-	-	-	-	-	-
	0.50 to <0.75	-	-	-	-	-	-	-
	0.75 to <2.50	-	-	-	-	-	-	-
	0.75 to <1.75	-	-	-	-	-	-	-
	1.75 to <2.50	-	-	-	-	-	-	-
	2.50 to <10.00	-	-	-	-	-	-	-
	2.50 to <5.00	-	-	-	-	-	-	-
	5.00 to <10.00	-	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-	-
	10.00 to <20.00	-	-	-	-	-	-	-
	20.00 to <30.00	-	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Corporates - Other	0.00 to <0.15	125	0.07%	15	4.06%	2.50	44	34.99%
	0.00 to <0.10	123	0.07%	8	3.37%	2.50	43	34.96%
	0.10 to <0.15	2	0.14%	7	45.00%	2.50	1	36.92%
	0.15 to <0.25	1	0.22%	4	45.00%	2.50	0	47.98%
	0.25 to <0.50	3	0.35%	23	45.00%	2.50	2	61.75%
	0.50 to <0.75	2	0.71%	3	45.00%	2.50	2	84.29%
	0.75 to <2.50	2	1.29%	18	45.00%	2.50	3	105.02%
	0.75 to <1.75	2	1.15%	14	45.00%	2.50	2	101.52%
	1.75 to <2.50	0	1.94%	4	45.00%	2.50	1	121.23%
	2.50 to <10.00	110	5.05%	16	45.00%	2.50	174	158.85%
	2.50 to <5.00	2	3.16%	8	45.00%	2.50	2	137.06%
	5.00 to <10.00	108	5.08%	8	45.00%	2.50	172	159.17%
	10.00 to <100.00	-	-	-	-	-	-	-
	10.00 to <20.00	-	-	-	-	-	-	-
	20.00 to <30.00	-	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-
	Subtotal	**243**	**2.34%**	**79**	**23.93%**	**2.50**	**224**	**92.27%**
Total (all CCR relevant exposure classes) FIRB as at 31.12.2024		**486**	**1.25%**	**209**	**30.14%**	**2.46**	**299**	**61.49%**
Total (all CCR relevant exposure classes) FIRB as at 30.06.2024		**806**	**1.22%**	**362**	**26.54%**	**1.65**	**374**	**46.36%**

The evolution of the overall Group counterparty credit risk AIRB portfolio over the reporting period (June 2024 - December 2024) records decrease of -€3,579 million. Trend is explained principally by the asset classes “Central governments and central banks” (-€4,835 million) and “Institutions” (-€1,203 million) driven by securities financing transactions in Central Europe (Czech Republic) and Germany, only partially offset by the asset class “Corporates - Other” (€2,229 million) due to derivatives portfolio in Germany.

Credit risk

RWEAs flow statements - IMM method

Counterparty credit risk weighted assets under IMM approach decreased by -€57million in the fourth quarter of 2024 compared with the third quarter of 2024. The trend is explained principally by the following items:

- “Asset size” shows a decrease of €-121 million mostly in Italy due to lower derivatives and SFTs exposure;
- “Credit Quality of Counterparties” records an increase of €23 million mainly related to the risk parameters evolution in Germany;
- “Foreign exchange movements” recorded an increase of €47 million driven dominantly by USD appreciation.

From a year-to-date perspective, Counterparty credit risk weighted assets under IMM approach decreased by -€141 million compared with the fourth quarter of 2023. The trend is principally explained by the following items:

- “Asset size” shows an increase of €105 million, reflecting mostly SFTs and derivatives exposures evolution in Germany and Austria, partially compensated by Italy;
- “Credit Quality of Counterparties” records a decrease of -€31 million related to risk parameters evolution, concentrated principally in Germany;
- “Model Updates (IMM only)” shows a decrease of -€240 million driven by internal IMM model parameters update in Germany, Italy, and Austria.

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

(€ million)

		QUARTER CLOSING AS AT 31.12.2024	CUMULATIVE YTD AS AT 31.12.2024
		RWEA	RWEA
DESCRIPTION		a	
1	**RWEA as at the end of the previous reporting period**	**5,302**	**5,386**
2	Asset size	(121)	105
3	Credit quality of counterparties	23	(31)
4	Model updates (IMM only)	-	(240)
5	Methodology and policy (IMM only)	-	-
6	Acquisitions and disposals	-	-
7	Foreign exchange movements	47	54
8	Other	(6)	(28)
9	**RWEA as at the end of the current reporting period**	**5,245**	**5,245**

Credit risk

Template EU CCR5 - Composition of collateral for CCR exposures

(€ million)

		a	b	c	d	e	f	g	h
		COLLATERAL USED IN DERIVATIVE TRANSACTIONS				COLLATERAL USED IN SFTs			
		FAIR VALUE OF COLLATERAL RECEIVED		FAIR VALUE OF POSTED COLLATERAL		FAIR VALUE OF COLLATERAL RECEIVED		FAIR VALUE OF POSTED COLLATERAL	
COLLATERAL TYPE		SEGREGATED	UNSEGREGATED	SEGREGATED	UNSEGREGATED	SEGREGATED	UNSEGREGATED	SEGREGATED	UNSEGREGATED
1	Cash - domestic currency	4	6,333	798	10,569	-	1,954	362	750
2	Cash - other currencies	24	659	2	2,050	-	18	-	46
3	Domestic sovereign debt	328	2	-	-	386	28,329	-	47,387
4	Other sovereign debt	2,151	462	1,430	1,684	112	10,684	2	31,973
5	Government agency debt	51	-	-	-	-	2,701	57	3,399
6	Corporate bonds	-	-	18	-	-	2,509	-	556
7	Equity securities	-	24	-	-	23	1,712	-	6,320
8	Other collateral	20	25	1,239	19	-	20,406	14	18,666
9	**Total as at 31.12.2024**	**2,577**	**7,506**	**3,487**	**14,322**	**521**	**68,313**	**435**	**109,099**
	Total as at 30.06.2024	**920**	**7,630**	**4,220**	**12,888**	**100**	**87,813**	**1,477**	**106,280**

The collateral received in derivatives transactions has increased compared to June 2024 (+18%). The increase is driven by the segregated component in UniCredit S.p.A. and it is due to the increase of collateral received from Financial Institutions.
With regards to collateral posted in derivatives transactions, a slight increase has been observed in December 2024 (+4%) driven by UniCredit S.p.A. unsegregated component, mainly toward Central Clearing Counterparties (CCP).
For what concerns Security Financing Transactions, a decrease of received collateral (-22%) and a slight increase of posted collateral (+2%) have been observed in December 2024.
The decrease of the received collateral in Security Financing Transactions is all related to unsegregated part and caused by decreased volumes in terms of transactions in UniCredit Bank GmbH and UniCredit S.p.A. mainly toward Central Clearing Counterparties (CCP) and in UniCredit Bank Czech Republic and Slovakia a.s. with sovereign counterparties.

Template EU CCR6 - Credit derivatives exposures

(€ million)

		31.12.2024		30.06.2024	
		a	b	a	b
DESCRIPTION		PROTECTION BOUGHT	PROTECTION SOLD	PROTECTION BOUGHT	PROTECTION SOLD
Notionals					
1	Single-name credit default swaps	2,122	801	457	593
2	Index credit default swaps	1,881	992	1,307	220
3	Total return swaps	-	1,401	-	145
4	Credit options	-	-	-	-
5	Other credit derivatives	-	-	-	-
6	**Total notionals**	**4,003**	**3,194**	**1,764**	**958**
Fair values					
7	Positive fair value (asset)	26	143	0	14
8	Negative fair value (liability)	(48)	(5)	(32)	(10)

Compared to the volumes at 30 June 2024, there is an increase of the notional, with simultaneous growth of positive and negative fair value, observed on the portfolio of the subsidiary UniCredit Bank GmbH, holding the majority of positions in credit derivatives at 30 June and 31 December 2024.

Market risk

Exposure and use of internal models

Risk measures

Link between market risk metrics and balance sheet items

The table below shows the linkages between items in the Balance sheet of the Group's consolidated position that are subject to market risk and the most relevant metrics used for monitoring purpose. HFT Assets and Liabilities are mainly monitored through VaR/SVaR/IRC. In addition, granular market limits for most relevant sensitivities/exposures are defined and regularly monitored. Other Assets and Liabilities, though managed with different risk metrics (sensitivity to Interest Rates, Credit spread, FX, Equity, etc. further to parameters which are typical of the Banking book such as NII and Economic Value analysis), are in some cases (namely FVtPL and FVtOCI items) managed and monitored through VaR. Furthermore, even when not specified below, interest rate risk of Banking book is anyway covered under Interest Rate Risk of Banking book Framework.

Link between market risk metrics and balance sheet items

(€ million)

	END OF DECEMBER 2024				SENSITIVITY
MARKET RISK RELEVANT ASSETS	BOOK VALUE	VaR PERIMETER[(1)]	OTHER RISK MEASURES[(2)]		
10. Cash and cash balances	41,442	-	41,442	-	FX[(4)] IR
20. Financial assets at fair value through profit or loss:	61,677	-	8,740	-	FX EQ CS IR
a) financial assets held for trading	55,083	52,937	2,146	(3)	FX EQ CS IR
b) financial assets designated at fair value	247	-	247	-	FX EQ CS IR
c) other financial assets mandatorily at fair value	6,347	-	6,347	-	FX EQ CS IR
30. Financial assets at fair value through other comprehensive income	78,019	-	78,019	-	FX EQ CS IR
40. Financial assets at amortised cost:	563,166	-	563,166	-	FX CS IR
a) loans and advances to banks	66,540	-	66,540	-	FX CS IR
b) loans and advances to customers	496,626	-	496,626	-	FX CS IR
50. Hedging derivatives	1,351	-	1,351	-	FX IR
60. Changes in fair value of portfolio hedged items (+/-)	(1,702)	-	(1,702)	-	N.R.
70. Equity investments	4,393	-	4,393	-	N.R.
90. Property, plant and equipment	8,794	-	8,794	-	N.R.
100. Intangible assets	2,229	-	2,229	-	N.R.
110. Tax assets	10,273	-	10,273	-	N.R.
120. Non-current assets and disposal groups classified as held for sale	394	-	394	-	N.R.
130. Other assets	13,968	-	13,968	-	N.R.
Total assets	**784,004**	**52,937**	**731,067**		
MARKET RISK RELEVANT LIABILITIES					
10. Financial liabilities at amortised cost:	659,598	-	659,598	-	FX
a) deposits from banks	67,919	-	67,919	-	FX
b) deposits from customers	500,970	-	500,970	-	FX
c) debt securities in issue	90,709	-	90,709	-	FX
20. Financial liabilities held for trading	31,349	29,653	1,696	(3)	FX EQ CS IR
30. Financial liabilities designated at fair value	13,746	-	13,746	-	FX EQ CS IR
40. Hedging derivatives	1,112	-	1,112	-	FX IR
50. Value adjustment of hedged financial liabilities (+/-)	(9,247)	-	(9,247)	-	N.R.
60. Tax liabilities	1,708	-	1,708	-	N.R.
70. Liabilities associated with assets classified as held for sale	-	-	-	-	N.R.
80. Other liabilities	14,687	-	14,687	-	N.R.
90. Provision for employee severance pay	294	-	294	-	FX CS IR
100. Provisions for risks and charges	7,916	-	7,916	-	FX CS IR[(5)]
Total liabilities	**721,163**	**29,653**	**691,510**		

Notes:
1. VaR Perimeter: main risk metric is VaR.
2. Other risk measure: main risk metrics are sensitivity to different risk factors.
3. Financial assets/liabilities held for trading classified as Banking book (MtM).
4. Fx risk arising from Cash Positions is included in VaR computation in agreement with approved IMA scope.
5. Pensions and other post-retirement benefit obligations only.
N.R.: not relevant.

Market risk

RWEAs

The present section includes the templates related to market risk RWEAs under I-mod (templates MR2-A, MR2-B and MR3) reporting the values (maximum, minimum, average and at the end of December 2024) resulting from approved models used for computing the regulatory capital charge at the Group level.

Template EU MR2-A - Market risk under the Internal Model Approach (IMA)

(€ million)

		a	b
DESCRIPTION		RWEAs	OWN FUNDS REQUIREMENTS
1	**VaR (higher of values a and b)**	**618**	**49**
(a)	*Previous day's VaR*		*17*
(b)	*Average of the daily VaR during the preceding 60 business days x multiplication factor*		*49*
2	**SVaR (higher of values a and b)**	**2,101**	**168**
(a)	*Latest SVaR*		*56*
(b)	*Average of the SVaR during the preceding 60 business days x multiplication factor*		*168*
3	**IRC (higher of values a and b)**	**601**	**48**
(a)	*Most recent IRC value*		*34*
(b)	*Average of the IRC number over the preceding 12 weeks*		*48*
4	**Comprehensive risk measure (higher of values a, b and c)**	**-**	**-**
(a)	*Most recent risk number for the correlation trading portfolio*		-
(b)	*Average of the risk number for the correlation trading portfolio over the preceding 12 weeks*		-
(c)	8% of the own funds requirement in the SA on the most recent risk number for the correlation trading portfolio		-
5	**Other**	**-**	**-**
6	**Total as at 31.12.2024**	**3,319**	**266**
	Total as at 30.06.2024	**2,782**	**223**

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 30.09.2024**	**1,316**	**2,664**	**524**	**-**	**-**	**4,504**	**360**
1a	*Regulatory adjustment*	*(1,066)*	*(1,698)*	*(219)*	-	-	*(2,983)*	*(239)*
1b	*RWEAs as at 30.09.2024 (end of the day)*	*250*	*966*	*304*	-	-	*1,521*	*122*
2	Movement in risk levels	(40)	(271)	116	-	-	(195)	(16)
3	Model updates/changes	-	-	-	-	-	-	-
4	Methodology and policy	-	-	-	-	-	-	-
5	Acquisitions and disposals	-	-	-	-	-	-	-
6	Foreign exchange movements	-	-	-	-	-	-	-
7	Other	-	-	-	-	-	-	-
8a	*RWEAs as at 31.12.2024 (end of the day)*	*210*	*695*	*420*	-	-	*1,325*	*106*
8b	*Regulatory adjustment*	*407*	*1,406*	*180*	-	-	*1,993*	*159*
8	**RWEAs as at 31.12.2024**	**618**	**2,101**	**601**	**-**	**-**	**3,319**	**266**

Note:
The amount reported in row 2 and 3 explains the change in the RWEAs shows in row 1b and 8a.

Market risk

Template EU MR3 - IMA values for trading portfolios

(€ million)

DESCRIPTION		JULY-DECEMBER 2024	JANUARY-JUNE 2024
VaR (10 DAY 99%)			
1	Maximum value	65	29
2	Average value	26	20
3	Minimum value	10	13
4	Period end	17	19
SVaR (10 DAY 99%)			
5	Maximum value	149	50
6	Average value	62	36
7	Minimum value	40	23
8	Period end	56	37
IRC (99.9%)			
9	Maximum value	105	113
10	Average value	47	65
11	Minimum value	24	41
12	Period end	34	58
Comprehensive risk capital charge (99.9%)			
13	Maximum value	-	-
14	Average value	-	-
15	Minimum value	-	-
16	Period end	-	-

Market risk

Exposures to interest rate risk on positions not held in the trading book

General aspects, interest rate risk management processes and measurement methods

a) Interest rate risk refers to the current or future risk to the bank's capital and earnings arising from unfavorable movements in interest rates that affect the bank's positions. As interest rates change, the present value and timing of future cash flows change and this, in turn, changes the underlying value of a bank's assets, liabilities and off-balance sheet items and therefore its economic value. Changes in interest rates also affect the formation of the interest margin and, consequently, the bank's profits.
Dedicated interest rate risk monitoring and management procedures are applied to all positions sensitive to changes in interest rates, excluding portfolios held for trading and Defined Benefit Obligations (DBO) portfolio for which a specific framework within the market risk management is envisaged.
The main sources of interest rate risk can be classified as follows:

- Gap risk: arises from the term structure of the banking book; this is the risk that is generated from different timings in the rate changes of the instruments. The extent of the change in the "gap" also depends on the linearity of the change in the term structure of rates, which can occur consistently across the entire rate curve (parallel risk) or differently from period to period of the curve (non-parallel risk). The gap risk also includes the repricing risk, i.e., the risk of changes in the interest margin which occurs when the rate of a financial contract resets; the same also refers to the yield curve risk, which occurs when a shift in an interest rate curve impacts the economic value of the assets and liabilities sensitive to interest rate risk;
- Basis risk: it can be divided into two types of risk:
  - "tenor" risk: derives from the mismatch between the maturity of the instrument and changes in interest rates;
  - currency risk: derives from the potential lack of compensation between interest rate sensitivities emerging from different currencies;
- Option risk: derives from positions in derivatives or from optional elements incorporated in many assets, liabilities and off-balance sheet items of the bank, where either the bank or the customer have the right to change the amount and timing of cash flows.

b) The Group Financial and Credit Risk Committee is responsible for defining the operational strategy for managing the interest rate risk of the banking book, including the strategy for managing the capital and the structural gap between assets and liabilities not sensitive to the interest rate.
The management of the interest rate risk of the banking book aims to limit the net interest income volatility due to interest rate movements in a multi-year horizon, to achieve a flow of profits and a return on capital consistent with the strategic plan. The strategy does not envisage any directional or discretionary positioning aimed at generating additional profits, unless approved by the competent bodies and monitored separately.
The only exception refers to the functions authorized to take positions on interest rates within the limits approved by the Risk Committees.
The Treasury functions manage the interest rate risk stemming from commercial transactions while maintaining the exposure within the limits set by the Risk Committees.
Limits and alert thresholds are defined for each Bank or Group Company in terms of sensitivity to the economic value or interest margin. The set of metrics is defined according to the level of complexity of the Company's business and each of the banks or companies of the Group is responsible for managing the exposure to interest rate risk within the defined limits.
At consolidated level, the Group Risk Management function is responsible for measuring interest rate risk, which reports to the Group Financial and Credit Risk Committee the interest rate risk of the banking book exposures and analysis, on a monthly basis.

The interest rate risk management strategy is established considering also the main impacts deriving from the behavioral aspects of customers, which can impact on the value of interest margins and the economic value of the banking book, such as the example of early repayments of disbursed loans ("prepayment") and the stability of on demand items.
The monitoring activity is coupled with constant Stress Testing aimed at verifying compliance with the limits under more severe stress scenarios from those expected and occurred in the market. The calibration and monitoring of stress test scenarios takes place at least annualy.
The Internal Validation functions periodically carries out an independent assessment of the correct application of the measurement methodology applied by the risk functions within the monitoring perimeter of the banking book including behavioral assumptions.
The Audt functions ensure the adequacy and compliance with regulatory and internal regulations, at least with an annual frequency.

c) The interest rate risk is monitored daily in terms of the sensitivity of the economic value, for an instantaneous and parallel shock of +1 basis point of the term structure of the interest rates. The function responsible for managing interest rate risk checks on a daily basis the use of the limits for exposure to interest rate risk following a 1 bp shock. The basis risk and the risk emerging from options are also measured daily respectively by the "IR Basis" and "IR Vega" metrics. On a monthly basis, the sensitivity of the Economic Value is monitored for more severe parallel and non-parallel shocks on the term structure of interest rates and that of the interest margin, as described in the previous paragraph.

Market risk

d) The measurement of interest rate risk includes:
- the sensitivity analysis of interest margins to changes in interest rates: a constant Balance sheet analysis (under the assumption that positions remain constant during the period), and a simulation of the impact on the interest margin for the current period, also considering the elasticity assumptions for items on demand. Furthermore, with the simulation analysis is assessed the impact on income of different shocks of the interest rate curves, including the Supervisory Outlier Test scenarios prescribed in the EBA Guidelines (EBA/GL/2022/14) and other instantaneous parallel rate scenarios. Additional scenarios are simulated to consider basis risk and other non-parallel shocks;
- the analysis of the sensitivity of the Economic Value to changes in interest rates: it includes the calculation of duration measures, sensitivity of the economic value of the Balance sheet items for the different points of the curve, as well as the impact on the economic value deriving from large changes in market rates, in accordance with the SOT scenarios required by the above EBA Guidelines.

e) The assumptions and parameters of the behavioral models used for the internal measurement systems are the same used to generate the regulatory exposures published in EU IRRBB1 template.

f) The mitigation of the interest rate risk and the hedging activities of the banking book are carried out through the use of regulated or Over the Counter (OTC) derivatives with an underlying interest rate. The optimization of the natural hedge of the assets with the bank's liabilities is managed by the Treasury function in each legal entity. The remaining interest rate risk is mainly transferred from regulatory banking book to regulatory trading book optimizing group's hedging costs and market execution. Derivative contracts hedging the interest rate risk of the banking book and not held for trading are recognised in the accounts as cash flow hedges or fair value hedges.

g) The presence and effects of behavioral options in the Balance sheet are taken into consideration through the development and application of behavioral models. The maturity profile as well as the repricing profile of non-maturity deposits takes into account the identification of the "stable" portion of the balances that is the amount of the deposit that could represent a stable source of financing despite the short contractual maturity, and the identification of the "core" part of the deposits that is the amount of the deposits which is stable and unlikely to reprice even under significant changes in the interest rates environment and/or other deposits with limited elasticity to interest rate changes. Both components are estimated through statistical models evaluating the stability of the volume and elasticity of the customer rate (i.e. the beta parameter). Hedging strategy for core deposits is proposed by Finance and approved by the Group Financial and Credit Risk Committee. Such strategy aims to optimize the NII over time within IRRBB RAF framework; a prudent stance is kept in determining the volume and duration of the hedging strategy to limit over-hedging risk.
The maturity profile, as well as the average repricing maturity of mortgages and retail loans, both take into account the optionality of the advance payment, which is assessed through the statistical estimate of the CPR (conditional early repayment rate) on the loan portfolio.

h) The scenarios used in the EU IRRBB1 template related to the change in both economic value and interest margin correspond to the scenarios of the Supervisory Outlier Test required by the EBA Guidelines (EBA/GL/2022/14).

i) The average repricing maturity assigned to non-maturity deposits is 2.8 years (the longest repricing maturity is up to 40 years for a residual part of the portfolio naturally hedging assets in some countries).

The EU IRRBB1 template below, contains the interest rate risk exposure metrics on 31 December 2024 and 30 June 2024. For the descriptions of the scenarios refer to paragraph "h)" reported above.

With reference to the changes in the sensitivity of the Economic Value in the second half of 2024 (columns a and b), they are mainly driven by the evolution of deposit's hedging strategy (replicating strategy) mostly in UniCredit S.p.A. and UCB GmbH.

With reference to the changes in the NII sensitivity in the second half of 2024 (columns c and d) they are mainly driven by the evolution of deposit's hedging strategy (replicating strategy) mostly in UniCredit S.p.A. and UCB GmbH.

Market risk

Template EU IRRBB1 - Interest rate risks on positions not held in the trading book

(€ million)

SUPERVISORY SHOCK SCENARIOS		a	b	c	d
		CHANGES OF THE ECONOMIC VALUE OF EQUITY		CHANGES OF THE NET INTEREST INCOME	
		31.12.2024	30.06.2024	31.12.2024	30.06.2024
1	Parallel up	(2,025)	(2,872)	600	499
2	Parallel down	124	684	(1,706)	(1,392)
3	Steepener	1,090	871		
4	Flattener	(1,776)	(1,761)		
5	Short rates up	(2,038)	(2,307)		
6	Short rates down	722	791		

Note:
The template above is prepared according to Regulation (EU) 631/2022 of 13 April 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 637/2021 as regards the disclosure of exposures to interest rate risk on positions not held in the trading book. SOTs methodological approach foresees application of shocks differentiated by currencies (e.g. for Parallel down scenario -200 for EUR/USD and -300 for HUF) and application of weights for the positive exposure in currency.

Sensitivity of the net interest income to the +100bps scenario

(€ milion)

SCENARIO PER CURRENCY		a	b
		CHANGES OF THE NET INTEREST INCOME	
		31.12.2024	30.06.2024
1	**Total**	**610**	**543**
2	Euro (EUR)	550	468
3	US Dollar (USD)	28	40
4	Hungarian Forint (HUF)	16	13
5	Other currencies	16	22

Economic value sensitivity for Parallel Up scenario by currency

(€ million)

ECONOMIC VALUE BANKING BOOK INTEREST RATE RISK	
CURRENCY	**SOT Parallel Up**
Euro	(1,493)
Czech Koruna	(120)
Hungarian Forint	(93)
United States Dollars	53
United Kingdom Pounds	(0)
Switzerland Francs	(19)
Japan Yen	2
Russian Ruble	(83)
Others	(272)
TOTAL	**(2,025)**

The above measures consider modelled maturity assumptions for balance sheet items with an expected profile different from the contractual one, for example mortgages, or with no specific time bucketing, such as sight items.

Market risk

Economic value sensitivity to +1bp shock by currency and bucket

(€ million)

BANKING BOOK INTEREST RATE RISK						
CURRENCY	**+1BP LESS THAN 3 MONTH**	**+1BP 3 MONTHS TO 1 YEAR**	**+1BP 1 YEAR TO 3 YEARS**	**+1BP 3 YEARS TO 10 YEARS**	**+1BP OVER 10 YEARS**	**TOTAL**
Euro	(1.4)	(2.1)	(1.6)	4.9	1.0	0.7
Czech Koruna	(0.1)	(0.1)	(0.4)	0.1	(0.0)	(0.5)
Hungarian Forint	(0.0)	(0.0)	(0.1)	(0.1)	0.0	(0.3)
United States Dollars	(0.0)	(0.0)	0.0	0.3	0.3	0.6
United Kingdom Pounds	(0.0)	0.0	0.0	(0.0)	(0.0)	(0.0)
Switzerland Francs	(0.0)	(0.0)	0.0	(0.2)	(0.1)	(0.3)
Japan Yen	(0.0)	0.0	0.0	0.0	(0.0)	0.0
Russian Ruble	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.2)
Others	(0.0)	(0.1)	(0.3)	(0.2)	0.0	(0.6)
TOTAL	**(1.6)**	**(2.4)**	**(2.5)**	**4.7**	**1.2**	**(0.5)**

The template above lists the Economic Value sensitivity for a parallel shift of +1 basis point of interest-rate curves. This sensitivity is calculated at Group level for a series of time-buckets and currencies. The highest exposure, with positive sign, is concentrated in the bucket from 3 to 10 year.

Securitisation exposures

The Group acts as originator and sponsor of securitisations as well as investor, according to the definitions provided by Basel 3 and implemented in the CRR, subsequently updated with CRR2.

The Group as originator

The Group's origination of traditional transactions consists of the sale of on-balance sheet receivables portfolios to vehicles set up as securitisation companies under Law 130/99 or similar non-Italian legislation.

The buyer finances the purchase of the receivables portfolios by issuing bonds of varying seniority and transfers its issue proceeds[25] to the Group. The yield and maturity of the bonds issued by the buyer therefore mainly depend on the cash flow expected from the assets being sold.
As a further form of guarantee to bondholders, these transactions may include special types of credit enhancement, as subordinated loans, financial guarantees, standby letters of credit, over-collateralization, etc.

The Group's objectives when carrying out these transactions are usually the following:
- to originate securities that can be used to secure refinancing transactions with Banca d'Italia and the ECB (counterbalancing capacity)
- to obtain funding through the placement of securities on the market. This also allows a diversification of the funding sources and of the investors' basis with improvement in reducing the cost of Group's funding
- to free up economic and regulatory capital by carrying out transactions that reduce capital requirements under current rules by reducing credit risk of the underlying portfolio
- to reduce the exposures toward non-performing customers
- to optimise the recoveries of exposures portfolios towards non-performing customers, referring to specific asset classes
- other purposes related for example to corporate re-organization, M&A or divestment's assets where the true sale securitisation is instrumental to the deleveraging and assets transfer or for business purposes.

The Group carries out both traditional securitisations, whereby the receivables portfolio is sold to the SPV, and synthetic securitisations which use financial guarantees to purchase protection over all or part of the underlying risk of the portfolio. The latter, on the contrary to traditional securitisations, is not sold to vehicles but remains also legally within the Group. In this case, moreover, the financial guarantees purchased as protection of such loans are also booked on the balance sheet as well as the impacts on the income statement related to them.

The amount of loans securitized[26], net of transactions in which the Group has purchased all liabilities issued by the vehicles (so-called self-securitisations), accounts for 4.94% of the Group's total loan portfolio as at 31 December 2024. Self-securitisations account for 1.72% of the loan portfolio.
For more information on both traditional and synthetic securitisations originated by Group's legal entities during the year 2024 refer to paragraph "C.1 Securitisation transactions - Developments of the period", of the Consolidated financial statement, Notes to the consolidated accounts, Part E - Information of risks and related hedging policies, Section 2 - Risks on the prudential consolidated perimeter, 2.1 Credit risk, Quantitative information.

A first Covered Bond (OBG - Obbligazioni Bancarie Garantite) Programme was launched in 2008 under the provisions of Italian Law 130/99. The underlying residential mortgage loans were transferred to an SPE set up for this purpose and included in the banking group.
Moreover, in order to create counterbalancing capacity, in 2012 UniCredit S.p.A. initiated a second Covered Bonds (OBG or Obbligazioni Bancarie Garantite) programme ("New OBG Programme"), without specific ratings and having residential mortgage loans and commercial mortgage loans as underlyings.
Under these programmes:
- UniCredit S.p.A. is issuer and also acts as transferor of suitable assets and servicer;
- UniCredit BpC Mortgage S.r.l. and UniCredit OBG S.r.l. (special purpose vehicles set up within the banking group as expressly authorised by Banca d'Italia) are guarantors of the OBG holders of the first and the second programme respectively, within the limits of the cover pools; and
- the auditing firm BDO Italia S.p.A. is Asset Monitor for both the programmes.

25 The legislation also foresees other securitisation structures in which the proceeds deriving from the issue of a single class or classes of securities (or from other alternative forms of funding, such as through the taking of deposits), are used by the vehicle for the granting of a loan to the Originator of the assets; in any case, however, the repayment of the loan is guaranteed by the proceeds of the same assets, which are returned to the vehicle. Furthermore, the legislation also foresees that the SPV can obtain the assets through the direct grant to the client, utilizing the bank, and not through the purchase of the portfolio from the bank itself.
26 It is referred to loans sold, also synthetically, but not derecognised from the balance sheet.

Securitisation exposures

The first programme, guaranteed by UniCredit BpC Mortgage S.r.l., is characterised by a Soft Bullet method[27] of reimbursement and is rated by Fitch (AA), S&P (AA-), Moody's (Aa3).
The second programme, guaranteed by UniCredit OBG S.r.l., previously characterised by a Conditional Pass-Through method[28] of reimbursement, subsequently to contractual amendments finalized in May 2022, is currently characterised by a Soft Bullet method of repayment and is rated by Moody's (Aa3). Furthermore, the program has been amended in May 2023 in order to comply with the updated regulation, including EU Directive 2162/2019, law 130/99 amended in November 2021 and the update 42 of Banca d'Italia circular 285/2013 dated 30 March 2023.
At 31 December 2024 the series of covered bonds issued under the two programmes totalled 17 and were worth €16,506 million, of which €11,250 million was repurchased by UniCredit S.p.A.
At 31 December 2024 similar covered bonds under German, Austrian (Pfandbriefe), Czech and Hungarian law amounted to €33,483 million, of which €29,916 million were backed by mortgage loans and €3,567 million by loans to the public sector.

Accounting Policies - Derecognition

According to IFRS9, the derecognition is the removal of a previously recognised financial asset from an entity's balance sheet.
An entity shall derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the contractual rights to receive the cash flows of the financial asset to a non-Group counterparty.

Rights to cash flow are considered to be transferred even if contractual rights to receive the asset's cash flow are retained but there is an obligation to pay this cash flow to one or more entities and all the following conditions are fulfilled (pass-through agreement):
- there is no obligation on the Group to pay amounts not received from the original asset;
- sale or pledge of the original asset is not allowed, unless it secures the obligation to pay cash flow;
- the Group is obliged to transfer forthwith all cash flows received and may not invest them, except for liquidity invested for the short period between the date of receipt and that of payment, provided that the interest accrued in that period is paid on.

Derecognition is also subject to verification of effective transfer (true sale) of all the risks and rewards of ownership of the financial asset. If the entity transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognise the asset (or group of assets) and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.
Conversely, if the entity substantially retains all the risks and rewards of ownership of the asset (or group of assets), the entity shall continue to recognize the transferred asset(s). In this case it is necessary to recognize a liability corresponding to the amount received under the transfer and subsequently recognize all income accruing on the asset or expense accruing on the liability.

Under traditional securitisations, the Group assesses the derecognition of the portfolio in light of the risks and rewards retained and control on the underlying loan portfolio.

In particular, the originator performs the derecognition when:
- the originator had transferred basically all the risks and rewards; or
- the originator has not transferred neither retained substantially all the risks and rewards but transferred the control.

In the assessment of risks and benefits retained, all the exposures in form of securities, guarantees and receivables which the originator owns toward the SPV, are considered applying, if the case, specific models which assess its exposure to the variability of the cash flows before and after the transfer.
On the contrary, if such conditions are not met, the underlying credit portfolio is not derecognised and a financial liability is recognised for an amount equal to the risk kept.

Furtherly, under traditional securitisations the Group might keep the first loss in the form of junior bonds or similar exposure and in some cases provides further credit enhancement as described above. This enables the Group to benefit from the portion of the sold receivables' yield in excess of the yield due to the senior and mezzanine tranches.

For such transactions, retention by the Group of the first loss risk and the corresponding yield means that most of the risk and return on the portfolio is retained. Such transactions are recognised in the accounts as financings and no profits arising out of the transfer of the assets are recognised and the sold receivables are not derecognised.

27 Soft Bullet repayment method: in case the issuer is insolvent and the OBG guarantor has insufficient funds to repay in full the OBG at the maturity date, the maturity date is automatically extended by 1 year and any unpaid and due amount shall be payable by such date. In case the OBG guarantor is not able to redeem the OBG at the extended maturity all the outstanding OBG become due and payable and the guarantor has to sale the whole underlying portfolio.
28 Conditional pass-through repayment method: in case the issuer is insolvent and the OBG guarantor has insufficient funds to repay in full the OBG at the maturity date, the OBG turns in to "pass-through" and the maturity date is extended by 38 years. During the extended period the OBG guarantor has the option to attempt a selected sale of the underlying portfolio every 6 months in order to redeem the pass-through OBG.

Securitisation exposures

Synthetic securitisations also entail retention of the receivables subject to credit default protection on the balance sheet. The swap is recognised in the accounts, as well as any other purchased interest.
In this context, credit derivatives, under which the issuer must make agreed payments to indemnify the insured for an actual loss suffered as a result of a debtor's failure to pay a debt instrument at maturity, are classified as purchased financial guarantees.
As a consequence, the credit risk mitigation effects, associated with the purchase of protection, are taken into account when assessing the underlying receivables. Any premiums paid for the purchase of protection are classified as other assets and amortized in the income statement over the life of the contract.

Credit enhancement, in addition to the most subordinated tranches of each securitisation, can also consist in subordinated loans or deferred purchase prices (DPP).

The value of these instruments, in the case of traditional securitisations, is shown as a reduction in the value of liabilities associated with assets sold but not derecognised, while in the case of synthetic securitisations, credit enhancements are recognised as financial assets and valued according to their portfolio.

For the tables showing the features both of traditional (including self-securitisations) and synthetic securitisations originated by entities belonging to the Group and effective as at 31 December 2024 refer to - Annex 3 - Securitisations - qualitative tables of the Consolidated financial statements as at 31 December 2024.

The Group as sponsor

UniCredit group has many years of experience in securitizing its assets, as well as in structuring securitisations for its customers (banks, financial firms, and businesses). In this context and with reference to trade receivables the Group acts as a sponsor of asset-backed commercial paper (ABCP) conduits.
UniCredit group has long been active in the market for the refinancing of its Clients' trade receivables, on both a recourse and a non-recourse basis, and has also acted for its Clients in structuring securitisations under the Italian securitisation legislation contained in Law 130/1999. The securitisation of trade receivables represents an important alternative way for businesses to obtain funding from the banking system. It often serves a complementary role to more traditional bank lending and is often more than competitive.
The Group set up as multi-seller customer conduits set-up for the sole purpose of financing selected core-clients of UniCredit giving them the access to the securitisation market at lower cost.
The legal and financial scheme that UniCredit group has used for securitisations of trade receivables under Law 130/1999 adheres to the standard structure under the legislation and has the following principal features: (i) stand-alone securitisation for a single client: each client has a separate securitisation conducted on a stand-alone basis, with its own specific structure and contractual documentation; (ii) receivables are assigned directly to the SPV: the client agrees to assign, on an ongoing and non-recourse basis, the receivables that satisfy particular eligibility criteria, to a second level special-purpose securitisation vehicle that has been incorporated pursuant to Law 130/1999 (each Purchase Company, PC) and which typically is available only for the particular transaction; (iii) issuance of the notes: In order to obtain the funds necessary to pay the purchase price for such receivables, the second level SPV issues a series of notes pursuant to Law 130/1999, divided into two or more tranches, with different degrees of subordination (senior and junior notes, where there are two tranches, or senior, junior and mezzanine notes, where there are more tranches); (iv) subscription of the notes: senior notes are subscribed within the conduit programme sponsored by UniCredit Bank GmbH known as "Arabella" through the issuance of ABCP while junior notes (and the mezzanine notes, where issued) are subscribed by specialist professional investors and/or by the client.
Payment of interest and redemption of the securities issued by the conduit therefore depends on cash flow from the receivables purchased (credit risk) and the ability of the conduit to roll over or replace its market funding on maturity (liquidity risk).
Due to the activity performed, including also the direct purchase of part of the outstanding commercial papers, the Group bears most of the risk and receives most of the return on conduit business and also has control of the conduits. Consequently, as required by IFRS10, the Group have consolidated the above-mentioned SPVs.

Adopting the line-by-line consolidation method, the following items are recognised in the consolidated accounts:
- assets held by consolidated vehicles in place of the loans provided to them or the liabilities subscribed by Group companies, now eliminated on consolidation;
- loans to purchase companies for non-consolidated subordinated vehicles.

With respect to non-consolidated Purchase companies, the Consolidated financial statements, while not including the assets recorded in their books, show the maximum amount of the risk borne by the Group which, with respect to purchase companies wholly financed by the consolidated conduits, corresponds to the value of the assets of these purchase companies.
At regulatory point of view the risk is measured on liquidity facility provided to each purchase companies within the ABCP Conduit Programme.

Securitisation exposures

Conduit Program

At December 2024 the Conduit Program comprises one Customer Conduit: Arabella Finance.
The Conduit program business aims to finance the clients through the purchase of their portfolio by second level vehicles (Purchase Companies) financing them by the issuance of ABCP. Following the restructuring of Conduit Program took place on 2012, UniCredit Bank GmbH grants full support facilities directly to each Purchase Company. Each Liquidity facility has to be available to cover in full the payment of the principal amount and the interests on the ABCP: the amount of this liquidity support has to be at least 102% of the underlying asset purchase commitment, covering both liquidity and credit risk. Arabella has no exposure to mark-to-market risk as investments in arbitrage products and ABS Security are not permitted.

Under a regulatory perspective, Risk Weighted Exposure Amounts quantification for Arabella is realized through the application of the Internal Assessment Approach (IAA) or of the SEC-CA, according to the regulation in force for exposures related to ABCP Conduit Programs (CRR)[29] updated by Regulation (EU) of the European Parliament and of the Council 2401/2017 on prudential requirements for credit institutions and investment firms entered.

Arabella Finance

Arabella is a multi-seller customer conduit with two separate legal entities: Arabella Finance DAC Dublin in Europe and Arabella Finance Delaware LLC in the USA.
The underlying portfolio of Arabella is constituted by Trade receivables (74%), Car Leases (13%), Car residual values (12%) and Equipment Lease (1%).
The majority of assets are concentrated in Germany (38%), Italy (32%), France (9%), Switzerland (8%), Austria and South Africa (6% each one).

As at 31 December 2024 the total portfolio is composed by 41 Pools (the same as at December 2023) and total amount is €4.7 billion. The total Committed liquidity activities amount is €5.9 billion.

The ABCP issued as at 31 December 2024 amount to €4.8 billion (from €4.6 billion as at 31 December 2023), of which €2.0 billion were purchased by UniCredit Bank GmbH and the remaining placed on the market.

The Group as investor

The Group also invests in structured credit products issued by special-purpose entities that are not consolidated pursuant to the accounting rules in force, insofar as such instruments do not bear most of the risk or receive most of the returns associated with the activity carried out by these special-purpose entities.

With regard to these activities, the Group holds within the Global ABS portfolio exposures of securitisations (both Simple, Transparent, Standardised - STS and non-STS) established by third-parties such as RMBS, CMBS, CDO, CBO/CLO and other ABS.

In line with the development of the financial markets and, specifically, the securitisation market, the Global ABS Portfolio was transformed from a separate portfolio in liquidation to strategic investment portfolio for the Group in 2011 and was integrated into the Markets Strategic Portfolio (MSP), managed with a view to generating a profit margin and creating an appreciable capital return through long-term investments in fixed-income securities.

The development of client-related operations is also an integral part of MSP activities and includes actions to strengthen the customer base and support securitisations. This portfolio is subject to monitoring and reporting by the business and risk management functions. All activities relating to the MSP are carried out in conformity with established policies and procedures, specifically credit approval procedures.

The analysis of investments in ABS focuses specifically on the following elements:

- structural analysis of all internal and external risks inherent to a similar investment, e.g. Default Risk, Dilution Risk, Residual Value Risk, Servicer Risk, Interest Rate Risk, Liquidity Risk, Commingling Risk, Legal Risk, Adequacy of performance triggers, etc. These risks may differ according to the underlying assets class;
- analysis of the underlying portfolio, including the analysis of all performance indicators significant for each underlying asset class;
- cash flows/quantitative analysis/modelling;
- credit rating and experience of the participants e.g. vendor/servicer - financial soundness, capacity and availability to service assets.

29 UniCredit Bank GmbH has continuously retained a material net economic interest in the CP Program of at least 5% pursuant to the new regulation on securitisations Regulation (EU) 2017/2402.

Securitisation exposures

Any interests acquired are financial assets classified in one of the portfolios provided for by the applicable international accounting standard, depending on the nature of the contract and the purpose for which they are acquired. These assets are therefore evaluated according to the portfolio in which they are classified, on the basis of the performance of the underlying portfolio and taking account of their tranching. These exposures are therefore measured at amortised cost less cumulated impairment in case they are classified in the portfolio “financial assets at amortised cost”, at fair value recognizing the differences in fair value through profit or loss in case these exposures are classified as “financial assets held for trading”, “financial assets designated at fair value” or “financial assets mandatorily at fair value”, at fair value recognizing the differences in fair value through other comprehensive income in case these exposures are classified as “financial assets at fair value through other comprehensive income”.

Moreover, it should be noted that as at 31 December 2024 there were 3 SPVs of third parties securitisations, Ice Creek Pool No.1 DAC, Ice Creek Pool No.5 DAC and PaDel Finance 01 DAC where the Group acts as lender or investor, and subject to consolidation. Exposures to these vehicles amount to €1,126 million of cash exposures and €78 million of credit lines.

At the end of December 2024, the Group has not provided financial support to any non-consolidated securitisation vehicle in absence of contractual obligation to do so. Moreover, the Group has not the current intention to provide such support.
The Group does not provide securitisation-related services (such as advisory, asset servicing or management services) to securitisation special purpose entities other than those which acquire exposures originated and those which are sponsored or consolidated by the Group.

Finally, it should be noted that there are no exposures in Asset Backed Securities as at 31 December 2024 related to re-securitisation exposures, i.e. transactions in which at least one of the underlying assets is in turn a securitisation position.

Securitisation exposures

The following tables show the information required by CRR2 article 449 (d), (e) and (f).

Securitisation Special Purpose Entities (SSPE) which acquire exposures originated by the institution

NAME OF THE ENTITY	TYPES OF EXPOSURES	INCLUDED IN THE INSTITUTION' REGULATORY SCOPE OF CONSOLIDATION	LEGAL ENTITY AFFILIATED WITH THE INSTITUTION THAT PROVIDES SUPPORT (*)
ARTS Consumer S.r.l.	Debt securities Loans	Yes	-
ARTS Consumer 2023 S.r.l.	Debt securities Loans	Yes	-
Capital Mortgage S.r.l. - CAP. MORTGAGE 2007 - 1	Debt securities Loans Derivative contracts	Yes	-
F-E Mortgages S.r.l. - 2005	Debt securities Loans	Yes	-
ALTEA SPV S.r.l.	Debt securities	No	-
ARTS LARGE CORPORATE S.r.l.	Debt securities	No	-
FINO 1 SECURITISATION S.r.l.	Debt securities	No	-
FINO 2 SECURITISATION S.r.l.	Debt securities	No	-
ITACA SPV S.r.l.	Debt securities Loans	No	-
KREOS SPV S.R.L.	Debt securities	No	-
OLYMPIA SPV S.r.l.	Debt securities Loans	No	-
ONIF FINANCE S.r.l.	Debt securities	No	-
Pillarstone Italy SPV S.r.l. - Premuda	Debt securities	No	-
Pillarstone Italy SPV S.r.l. - Rainbow	Debt securities	No	-
PRISMA SPV S.r.l.	Debt securities Loans	No	-
RELAIS SPV S.r.l.	Debt securities Loans	No	-
Tahiti SPV S.r.l.	Debt securities	No	-

Note:
(*) For the notion of support refer to CRR article 248.

It should be noted that the exposure type "Loans" includes the excess spread accrued but not yet settled by the Special Purpose Entity, if any.

Securitisation exposures

Securitisation Special Purpose Entities (SSPE) sponsored by the institution

NAME OF THE ENTITY	TYPES OF EXPOSURES	INCLUDED IN THE INSTITUTION' REGULATORY SCOPE OF CONSOLIDATION	LEGAL ENTITY AFFILIATED WITH THE INSTITUTION THAT PROVIDES SUPPORT (*)
Arabella Finance DAC	Debt securities (ABCP) Derivative contracts	Yes	-
Elektra Purchase No. 28 DAC	Credit line	Yes	-
Elektra Purchase No. 31 DAC	Credit line	Yes	-
Elektra Purchase No. 32 S.A. - Compartment 1	Credit line	Yes	-
Elektra Purchase No. 33 DAC	Credit line	Yes	-
Elektra Purchase No. 36 DAC	Credit line	Yes	-
Elektra Purchase No. 37 DAC	Credit line	Yes	-
Elektra Purchase No. 38 DAC	Credit line	Yes	-
Elektra Purchase No. 43 DAC	Credit line	Yes	-
Elektra Purchase No. 46 DAC	Credit line	Yes	-
Elektra Purchase No. 54 DAC	Credit line	Yes	-
Elektra Purchase No. 56 DAC	Credit line	Yes	-
Elektra Purchase No. 69 DAC	Credit line	Yes	-
Elektra Purchase No. 71 DAC	Credit line	Yes	-
Elektra Purchase No. 74 DAC	Credit line	Yes	-
Elektra Purchase No. 79 DAC	Credit line	Yes	-
Elektra Purchase No. 82 DAC	Credit line	Yes	-
Elektra Purchase No. 350 DAC	Credit line	Yes	-
Elektra Purchase No. 8 DAC	Credit line	No	-
Elektra Purchase 17 S.A. RE COMPARTMENT 14	Credit line	No	-
Elektra Purchase No. 25 DAC	Credit line	No	-
Elektra Purchase No. 29 DAC	Credit line	No	-
Elektra Purchase No. 41 DAC	Debt securities Credit line	No	-
Elektra Purchase No. 45 DAC	Credit line	No	-
Elektra Purchase No. 60 DAC	Debt securities Credit line	No	-
Elektra Purchase No. 61 DAC	Credit line	No	-
Elektra Purchase No. 62 DAC	Debt securities Credit line	No	-
Elektra Purchase No. 65 DAC	Credit line	No	-
Elektra Purchase No. 66 DAC	Debt securities Credit line	No	-
Elektra Purchase No. 68 DAC	Credit line	No	-
Elektra Purchase No. 70 DAC	Debt securities Credit line	No	-
Elektra Purchase No. 72 DAC	Debt securities Credit line	No	-
Elektra Purchase No. 73 DAC	Debt securities Credit line	No	-
Elektra Purchase No. 75 DAC	Debt securities Credit line	No	-
Elektra Purchase No. 76 DAC	Debt securities Credit line	No	-
Elektra Purchase No. 77 DAC	Credit line	No	-
Elektra Purchase No. 78 DAC	Debt securities Credit line	No	-
Elektra Purchase No. 80 DAC	Debt securities Credit line	No	-

Note:
(*) For the notion of support refer to CRR article 248.

Securitisation exposures

Legal entities affiliated with the institution and that invest in securitisations originated by the institution or in securitisation positions issued by SSPEs sponsored by the institution

NAME OF THE ENTITY	SECURITISATIONS ORIGINATED BY THE INSTITUTION IN WHICH THE ENTITY INVESTS	SECURITISATIONS SPONSORED BY THE INSTITUTION IN WHICH THE ENTITY INVESTS
UniCredit Bank GmbH	Capital Mortgage S.r.l. - CAP. MORTGAGE 2007 - 1	Arabella Finance DAC
	ITACA SPV S.r.l.	Elektra Purchase No. 28 DAC
	OLYMPIA SPV S.r.l.	Elektra Purchase No. 31 DAC
	PRISMA SPV S.r.l.	Elektra Purchase No. 32 S.A. - Compartment 1
	RELAIS SPV S.r.l.	Elektra Purchase No. 33 DAC
		Elektra Purchase No. 36 DAC
		Elektra Purchase No. 37 DAC
		Elektra Purchase No. 38 DAC
		Elektra Purchase No. 43 DAC
		Elektra Purchase No. 46 DAC
		Elektra Purchase No. 54 DAC
		Elektra Purchase No. 56 DAC
		Elektra Purchase No. 69 DAC
		Elektra Purchase No. 71 DAC
		Elektra Purchase No. 74 DAC
		Elektra Purchase No. 79 DAC
		Elektra Purchase No. 82 DAC
		Elektra Purchase No. 350 DAC
		Elektra Purchase No. 8 DAC
		Elektra Purchase 17 S.A. RE COMPARTMENT 14
		Elektra Purchase No. 25 DAC
		Elektra Purchase No. 29 DAC
		Elektra Purchase No. 41 DAC
		Elektra Purchase No. 45 DAC
		Elektra Purchase No. 60 DAC
		Elektra Purchase No. 61 DAC
		Elektra Purchase No. 62 DAC
		Elektra Purchase No. 65 DAC
		Elektra Purchase No. 66 DAC
		Elektra Purchase No. 68 DAC
		Elektra Purchase No. 70 DAC
		Elektra Purchase No. 72 DAC
		Elektra Purchase No. 73 DAC
		Elektra Purchase No. 75 DAC
		Elektra Purchase No. 76 DAC
		Elektra Purchase No. 77 DAC
		Elektra Purchase No. 78 DAC
		Elektra Purchase No. 80 DAC

Securitisation exposures

The methods of calculation of the risk weighted exposures amounts used by the bank for securitisations

According to the definition provided by CRR Regulation (and the subsequent amendments) the securitisation is “a transaction or scheme, whereby the credit risk associated with an exposure or pool of exposures is tranched, having all of the following characteristics: a) payments in the transaction or scheme are dependent upon the performance of the exposure or pool of exposures; b) the subordination of tranches determines the distribution of losses during the ongoing life of the transaction or scheme; c) the transaction or scheme does not create exposures which possess all of the characteristics listed in article 147(8) of CRR” Regulation (UE) 575/2013.

Securitisation is an important element of well-functioning financial markets. A structured securitisation is an important channel for diversifying funding sources and bank’s risk, generating regulatory capital that can be allocated to further lending to the economy.
In recent years, the securitisation market has been heavily impacted by the numerous regulations that led the banks to review all the framework for the application of healthy, prudent, and transparent rules. These rules were included in the Regulation (EU) 2017/2401 and Regulation (EU) 2017/2402 of 12 December 2017 that amend CRR Regulation.
The new securitisation framework in force since 1 January 2019 defines the criteria to identify simple, transparent, and standardised (STS) securitisations and a system of supervision to monitor the correct application of those criteria by originators, sponsors, issuers and institutional investors. Furthermore, that regulation provides for the methods of capital requirements calculation, a set of common requirements on risk retention, due diligence, and disclosure for all financial services sectors.

In the current economic context, to contribute to economic recovery in Europe through the securitisations, the European Commission has adopted various actions. Among the several measures proposed many actions have been taken with regard to the Non-Performing (NPL) and Unlikely-to-Pay (UTP) securitisations for which a dedicated prudential treatment of Senior Note has been set out.
In particular, and with reference to the qualifying traditional NPE securitisation (NPE) where the portfolio non-refundable purchase price discount is at least 50% of the total outstanding portfolio amount, the European Parliament has changed the regulation assigning a fixed risk weight for the senior tranches equal to 100% aiming to sustain the real economy.

Securitisations affect banks’ balance sheets, whether they are sellers of assets or risks, or acquire the securities issued by a third-party vehicle. In particular, the originator may, subject to certain conditions listed in the regulations, exclude securitized assets from capital requirements and, if IRB methods are available, the expected losses as well.

The regulatory capital requirement methodology has been subject to amendments in accordance with the Regulation (EU) 2017/2401 and further updates, that has introduced a new hierarchy of regulatory approaches to be adopted: SEC-IRBA, SEC-SA. SEC-ERBA and 1250%. The CRR allows the possibility to change the order of approaches application. As of now UniCredit group has notified to the competent authority to use the SEC-ERBA instead of SEC-SA for all rated securitisation positions. For the calculation of regulatory capital requirements where UniCredit is able to use an internal method approach based (IRB) the SEC-IRBA is applied otherwise for the securitisation position that have an external rating the approach to be used is SEC-ERBA. When the first two approaches are not available, UniCredit calculates its capital requirement adopting the standardised Approach SEC-SA.
SEC-IRBA and SEC-SA require the adoption of an ad hoc formula while for the SEC-ERBA the capital requirements is assigned to securitisation tranches based on their external rating provided by ECAI (External Credit Assessment Institution). The tables to be used are different for STS and no-STS securitisation.

The following risk weights are those applied to non-STS securitisation according to the SEC-ERBA.

Securitisation exposures

Template 1 - Securitisation positions

CREDIT QUALITY STEP	SENIOR TRANCHE		NON SENIOR (THIN) TRANCHE	
	TRANCHE MATURITY (M_T)		TRANCHE MATURITY (M_T)	
	1 year	5 years	1 year	5 years
1	15%	20%	15%	70%
2	15%	30%	15%	90%
3	25%	40%	30%	120%
4	30%	45%	40%	140%
5	40%	50%	60%	160%
6	50%	65%	80%	180%
7	60%	70%	120%	210%
8	75%	90%	170%	260%
9	90%	105%	220%	310%
10	120%	140%	330%	420%
11	140%	160%	470%	580%
12	160%	180%	620%	760%
13	200%	225%	750%	860%
14	250%	280%	900%	950%
15	310%	340%	1050%	1050%
16	380%	420%	1130%	1130%
17	460%	505%	1250%	1250%
All other	1250%	1250%	1250%	1250%

The following risk weights are those applied to STS securitisation according to the SEC-ERBA.

Template 2 - Securitisation positions

CREDIT QUALITY STEP	SENIOR TRANCHE		NON SENIOR (THIN) TRANCHE	
	TRANCHE MATURITY (M_T)		TRANCHE MATURITY (M_T)	
	1 year	5 years	1 year	5 years
1	10%	10%	15%	40%
2	10%	15%	15%	55%
3	15%	20%	10%	70%
4	15%	25%	25%	80%
5	20%	30%	35%	95%
6	30%	40%	60%	135%
7	35%	70%	95%	170%
8	45%	90%	150%	225%
9	55%	105%	180%	255%
10	70%	140%	270%	345%
11	120%	160%	405%	500%
12	135%	180%	535%	655%
13	170%	225%	645%	740%
14	225%	280%	810%	855%
15	280%	340%	945%	945%
16	340%	420%	1015%	1015%
17	415%	505%	1250%	1250%
All other	1250%	1250%	1250%	1250%

Securitisation exposures

Internal Assessment Approach (IAA)

UniCredit calculates a risk weight based on the internal assessment approach (IAA) for unrated securitisation positions which are related to Asset-Backed Commercial Papers (ABCP) programs.

The model output according to this approach are used for various purposes such as regulatory risk calculation, expected loss and economic capital calculation, credit decisions as well as in the monitoring process.
The model was developed by replicating the approach of the rating external agencies, which assigns a rating to the credit liquidity lines and derivatives provided by UCB GmbH in order to support the issuing of Asset-Backed Commercial Papers by the conduit.
In line with regulatory requirements, the model is differentiated according to the type of the exposure underlying the securitis
ation operation.
Currently the following IAA models are in place:

- Trade Receivables used for trade, consumer and healthcare receivables;
- Loans and Leases used for auto loans/leases, unsecured consumer and small business loans, and equipment leases;
- “Blended liquidity facilities rating” used to evaluate the risk of the programme-wide exposures.

The asset-specific sub-models consist of a quantitative module which aims to quantify the potential loss to the transaction (virtual tranching) and a qualitative module which determines a qualitative factor due to additional not-quantifiable aspects including inter alia environmental, social and governmental factors (ESG). Given the qualitative factor the virtual tranching can be adjusted upwards or downwards, respectively.

For the quantitative module the following principal methodologies are used according to the type of underlying exposure:

- “Reserve based” approach: typically used for assets with a short maturity like trade/consumer receivables. For this type of transactions, a point in time valuation is carried out in order to determine the expected loss of the underlying assets;
- “Cashflow-based” approach: typically used for medium-term asset portfolios of loans and leases. The evaluation of the assets is based on modelling of the expected cash flows to determine the loss at the end of the transaction’s life.

The “Blended liquidity facilities rating” tool derives the rating of the programme-wide facilities from the exposure-weighted average rating of the underlying transactions.
As the liquidity facilities are provided on the transaction level, the credit risk of the programme-wide facilities is fully reflected in the transaction-specific ratings, i.e. the credit risk of the programme-wide facilities cannot be larger than the one of the underlying transactions.

The model rating assignment process foresees three main actors: business unit, risk unit (responsible credit analyst - “RCA” and deputy credit analyst - DCA) and model development unit.

The rating assignment process can be summarized in the following macro steps:

- the business together with the RCA ensures that the IAA eligibility requirements are fulfilled;
- the RCA in coordination with the business unit selects the proper IAA model on the basis of the applicability criteria described in the working guideline;
- in case of new transactions the model applicability has to be confirmed by the model development unit, unless the new transaction is in any aspect identical to other existing transaction which is currently rated with the same IAA rating model;
- RCA fills the model input (supported by the working guidelines) and proposes the rating for the approval (no override is allowed). The rating is shared with business; in case the business unit raises objections to the rating result, the rating decision is escalated in line with the policies and guidelines applicable in force;
- DCA checks the model inputs for completeness and correctness. If the rating was carried out properly, the DCA approves the rating (no override is allowed). In case the rating was not carried out properly, a new rating for approval is requested. The four eyes principle is ensured since it is technically checked that the RCA and DCA are two different persons;
- business unit agrees on the final rating and enters the results to the risk engine. RCA verifies the correctness of the data entry;
- the approved rating has to be attached to the credit request.

Second level controls are performed by UCB GmbH Local Internal Validation unit in co-ordination with Group Internal Validation on holding level and are the following:

- Model validation (model design and performance);
- Process validation (usage, technical implementation, reporting & model evolution).

Securitisation exposures

The models are reviewed on a regular basis in line with the Group Internal Validation Policy. Full ongoing validation of the model in 2018 and processes in 2022 confirmed that, in general, both methodological background and processes are suitable.
Follow-up annual validation activities focusing mainly on selected model validation topics confirmed that all addressed deficiencies regarding the model were adequately remediated and resulted in an adequate assessment. Some process deficiencies addressed have been worked off. Further actions on processes will be subject to validation in 2025.

Here below the recent overall portfolio amount covers by IAA model ratings, compared with the last period available.

(€ million)

EXPOSURE TYPE	EXPOSURE AS AT 31.12.2024	EXPOSURE AS AT 31.12.2023
Letter of credit	-	-
Liquidity facility	5,923	5,768
Currency & Interest rate Swap (*)	2	12
TOTAL	**5,925**	**5,780**

Note:
(*) The exposure was calculated as the current market value plus add-on.

The IAA model falls under the Regulation (EU) 2017/2401 and it is compliant with Art. 265 CRR. The underlying methodology replicates the asset-specific rating criteria of ECAIs; the stressed factors taken into account by each model are reported below:

- Trade Receivables (Model Type - Reserve requirement test):
  - Credit Loss;
  - Dilutions;
  - Carrying costs;
  - Commingling loss;
  - Fx reserve;
  - Enforceability of receivables;
  - Eligibility of counterparties;
  - Country-related loss.
- Loans and Leases (Model Type - Cash flow model):
  - Default rate and timing;
  - Recoveries;
  - Residual value;
  - Prepayments;
  - Commingling loss;
  - Set-off loss;
  - Servicing fee;
  - Interest rate;
  - Eligibility of counterparties;
  - Country-related loss.

The above-mentioned factors are stressed in a quantitative rating for each tranche, a rating adjustment is determined by a qualitative module.

Calculation of regulatory requirement: SEC-IRBA, SEC-ERBA and SEC-SA approaches

For securitisation transactions originated by the Group (excluding self-securitisation), the Group performs on a quarterly basis the calculation of the risk weighted amount of the exposure towards securitisations transactions, according to the CRR.
If the Bank has the permission to apply the Internal Ratings Based Approach (IRB) on the underlying of the securitisation and it is able to calculate the regulatory capital requirements as if this had not been securitised ("K irb"), SEC-IRBA approach is applied.
Where the Bank cannot use SEC-IRBA, if the securitisation is externally rated the approach to be applied is SEC-ERBA otherwise SEC-SA which relies on a formula that has as input the Standardised Approach parameters used for the credit risk calculation as the portfolio had not been securitised ("K SA").

During 2024 UniCredit group has structured No.10 new securitisation transactions, executed the early termination clauses for No.1 transactions and No.1 has been closed at maturity. The securitisations transactions recognised for risk transfer that produce benefits in terms of regulatory capital are No.41 of which No.27 synthetic securitisations (No.20 originated by UniCredit S.p.A., No.1 by UniCredit Bulbank AD, No.3 by UniCredit Bank GmbH, No.2 by UniCredit Leasing S.p.A. and No.1 by UniCredit Bank Czech Republic and Slovakia, a.s. respectively) and No.14 true sale securitisations (No.13 originated by UniCredit S.p.A. and No.1 by UniCredit Leasing S.p.A.).

Securitisation exposures

The synthetic securitisations on performing portfolio are: ACT Toscana, Agribond 2, ARTS Large Corporate 2022, ARTS Large Corporate 2023-1, ARTS Large Corporate 2024, ARTS MidCap 2022, ARTS Corporate 2024, ARTS ReMo 2021, ARTS ReMo 2022, ARTS ReMo 2022-2, ARTS ReMo 2023, ARTS ReMo 2024, Bond Italia 5 BIS, Bond Italia 6 Investimenti, Bond Italia 8 Investimenti, EaSI MicroCredito, EaSI MicroCredito 2, TC Italia 2, TC Italia 2023, TC MiniBond 2023, Bulbank Synthetic 2022, Tucherpark, Arabellapark 2023, Arabellapark 2024, Morava 2024, ARTS Leasing 2023, ARTS Leasing 2024.

The True sale transactions originated by UniCredit S.p.A. on performing portfolio are: Garibaldi Tower Basket Bond S.r.l, ARTS Large Corporate, ARTS Consumer 2022 and ARTS Consumer 2023 while the transactions on non-performing portfolio are: FINO1 Securitisation S.r.l., FINO2 Securitisation S.r.l., ONIF Finance S.r.l., e Prisma S.r.l., Olympia Spv S.r.l., ITACA SPV S.r.l., ALTEA SPV S.r.l., TAHITI SPV S.r.l., KREOS SPV S.r.l. and Relais SPV S.r.l..

As at 31 December 2024 the securitisation transactions which meet the requirements foreseen by UE 2017/2402 Art. 242, point 10 and art 18 referred to simple, transparent and standardised securitisations (STS regulation) are No.7.: ARTS Consumer 2022, ARTS Consumer 2023, Bulbank Synthetic 2022 e Tucherpark, Arabellapark 2023, Arabellapark 2024 and Morava 2024.

In accordance with CRR and the amendments EU No.2017/2401 and No.2017/2402, the Group evaluates the Significant Risk Transfer (SRT) through the Mezzanine/Junior test, commensurateness test and verifying the absence of the contractual conditions that could affect the recognition of the SRT. In order to verify the commensurateness test on performing transactions, the Group has adopted an internal method that compares two indicators to demonstrate that the own fund requirement reduction obtained through the securitisation is equivalent to the risk transferred to third parties. In addition to this methodology UniCredit group applies the recommendations foreseen by EBA REPORT/2020/32 on Significant Risk Transfer in securitisation under articles 244(6) and 245(6) of the CRR. The transactions that do not meet the Significant Risk Transfer tests are excluded from the Securitisation Framework losing the regulatory capital requirements benefits. During 2024 No.1 securitisation transaction has been excluded from the Securitisation Framework.
In order to support the evidences arising from the comparison of regulatory requirements related to securitisation transactions, as stated above, Group Risk Management set up an ad hoc credit process to analyse and monitor the aforementioned transactions in order to confirm the compliance with the qualitative and quantitative requirements set by the CRR during the structuring phase (and subsequent amendments), as well as the Public Guidance on the Recognition of Significant Credit Risk Transfer issued on 24 March 2016 by the European Central Bank.

In particular, the transactions are analysed in order to verify:
- the obligation of the originator (or sponsor) to retain a portion of risk in the securitisation transaction in order to ensure the absences of interests' misalignment between the originator and the final investor;
- the absence of potential connections between the originator and the final investor that could be considered as economic support;
- the eligibility of guarantee obtained by third parties;
- the absence of contractual clauses that could affect the SRT;
- that the internal risk measures support the obtained regulatory evidences.

Securitisation portfolio is subject to a quarterly monitoring process in order to check the portfolio performance and all the regulatory credit risk parameters that can affect the achieved Significant Risk Transfer, such as: the evolution of portfolio (amortisation), the prepayment, the substitution and/or the replenishment. The size of these factors has to be constantly monitored as they can interfere with the persistence of the SRT.
For this reason, on a quarterly basis, the Group performs appropriate controls on the portfolios and on its components during all the life cycle of the transactions.

The securitisation transactions originated by the Group have been included within the Group portfolios in order to calculate the internal risk measures (for credit risk, market risk, interest rate risk and liquidity risk).
Regarding the net positions obtained based on the compensation principle application and allocated in the regulatory trading portfolio, starting from December 2011, the risk weighted exposures amount is calculated applying the prudential rules used for the banking portfolio (standardised or rating based methods). The capital requirement applied is the same and it is equal to 8% of risk-weighted exposures.
As regards the abovementioned portfolio, the Group operates a continuous monitoring of both the fair value and the economic value of securitisation portfolio. For this purpose, in relation with the structured products portfolios in which the Group invests an IPV (Independent Price Validation) process has been approved and implemented to all the legal entities belonging to UniCredit group on a monthly basis. This process was implemented with the coordination of Group Risk Management function.
The IPV process aims at defining a proper evaluation and classification of securities according to the Fair Value level hierarchy. The hierarchy is split into 3 classes based on the progressive levels of reliability of the observed market prices. The evaluation model takes into account also the mark-to-model hypothesis and proxy whereas the prices seem opaque.
With reference to the carrying value and fair value as at 31 December 2024 of the potential reclassified ABS, it shall be referred to Section A.3 - Information on transfers between portfolios of financial assets, Consolidated financial statements, Notes to the consolidated accounts, Part A - Accounting policies.

Securitisation exposures

Indication of the methods that the Group applies to securitisation activity for the management and mitigation of following risks

Liquidity risk
As regards the management of impacts generated by securitisation transactions that can affect the Group liquidity (hence the traditional securitisation and self-securitisations for which the Group acts as originator), UniCredit:
- monitors and includes the impacts of these positions on the basis of mapping rules defined by internal regulations;
- verifies the eligibility of senior positions granted by the European Central Bank included in the Counterbalancing Capacity, evaluating them based on the price provided by European Central Bank and their haircuts;
- monitors and estimates the effects on the Group liquidity caused by possible rating downgrade of the notes or of the Group (originator).

The Group can act as Swap counterparty, Account Bank and Servicer for its originated securitisations and for its OBG1 Program. For this aim the Group calculates the liquidity to be posted for the maintenance of these roles both in a base and in a stressed scenario. For the latter UniCredit simulates the rating downgrade of UniCredit group and/or of Italy in order to verify any additional liquidity.
As at 31 December 2024 UniCredit is not required to pay any amount towards the OBG1 Program, the ARTS Consumer 2022 and the ARTS Consumer 2023 securitization. In case of stress, the outflow amount depends on the rating agency.

Interest Rate risk
As far as the management of interest rate risk of securitisation transactions originated by the Group is concerned, this is done through the structuring of interest rate swaps. The Group acts as IRS counterpart in order to mitigate the interest rate risk of the securitised portfolio. The Group holds, calculates and monitors this risk as if the portfolio had not been securitised.
Concerning the management of interest rate risk of the positions for which the Group is investor or sponsor, they are usually included in the reference portfolio and managed according to standard Group procedures.

Currency risk
This risk arises when the securitized exposures are denominated in a different currency with respect to the notes issued or the received guarantee. The management of this risk is performed through Cross Currency Swaps (CCS) where one party pays variable or fixed amounts in a specified currency calculated on an established notional amount expressed in the same currency and a second party pays fixed or variable amounts calculated in another currency on the same notional amount converted. This instrument allows the hedging of long-term currency risks. Interest payments and notional amounts are exchanged to hedge against exchange rate fluctuations.

Credit risk
As far as the management of credit risk on securitisation is concerned, in addition to the qualitative and quantitative analyses for Pillar I requirements defined by the regulation in force (CRR), the Group includes the securitisation exposures in the calculation of Credit Risk Economic Capital, including the obtained results in the ICAAP contribution.
Among the credit risk mitigation actions, the Group acquires credit protection on credit portfolios through the structuring of synthetic securitisations. The guarantee received by third party can be financial (funded guarantee, a cash collateral) and/or not financial (personal guarantee). The difference between them is the deposit of cash collateral by the guarantor. In case of unfunded guarantee, the obligor undertakes the obligation to pay an amount (contractually defined) in the event of default on the portfolio without any cash deposit as collateral. In case of funded guarantee, the obligation to pay is generally collateralized by a liquidity deposit. The Group acts as protection buyer in a Credit Default Swap in order to manage the default event.

Securitisation exposures

List of the ECAIs (External Credit Assessment Institution) and ECAs (Export Credit Agency) used in the standardised, advanced approach and of the credit portfolios on which the ratings supplied by these entities are applied

Securitisations

PORTFOLIOS	ECA/ECAI
Position on securitisations with short term rating	Fitch Ratings Moody's Investor Services Standard and Poor's Rating Services
Position on securitisations different from those with short term rating	

Template EU SEC1 - Securitisation exposures in the non-trading book

(€ million)

		a	b	c	d	e	f	g
		INSTITUTION ACTS AS ORIGINATOR						
		TRADITIONAL				SYNTHETIC		
		STS		NON-STS				
	DESCRIPTION		OF WHICH SRT		OF WHICH SRT		OF WHICH SRT	SUB-TOTAL
1	**Total exposures as at 31.12.2024**	**85**	**85**	**10,611**	**682**	**22,075**	**22,060**	**32,771**
2	Retail (total)	85	85	4,152	412	5,708	5,692	9,944
3	Residential mortgage	-	-	3,262	22	4,844	4,844	8,106
4	Credit card	-	-	-	-	-	-	-
5	Other retail exposures	85	85	890	390	863	848	1,838
6	Re-securitisation	-	-	-	-	-	-	-
7	Wholesale (total)	-	-	6,460	271	16,367	16,367	22,827
8	Loans to corporates	-	-	6,458	269	14,120	14,120	20,578
9	Commercial mortgage	-	-	-	-	-	-	-
10	Lease and receivables	-	-	1	1	2,248	2,248	2,249
11	Other wholesale	-	-	-	-	-	-	-
12	Re-securitisation	-	-	-	-	-	-	-
	Total exposures as at 30.06.2024	**106**	**106**	**13,339**	**833**	**13,676**	**13,659**	**27,120**

continued: Template EU SEC1 - Securitisation exposures in the non-trading book

(€ million)

		h	i	j	k	l	m	n	o
		INSTITUTION ACTS AS SPONSOR				INSTITUTION ACTS AS INVESTOR			
		TRADITIONAL				TRADITIONAL			
	DESCRIPTION	STS	NON-STS	SYNTHETIC	SUB-TOTAL	STS	NON-STS	SYNTHETIC	SUB-TOTAL
1	**Total exposures as at 31.12.2024**	**4,993**	**1,048**	**-**	**6,041**	**15,853**	**5,520**	**-**	**21,373**
2	Retail (total)	-	100	-	100	14,048	251	-	14,299
3	Residential mortgage	-	-	-	-	1,914	216	-	2,129
4	Credit card	-	-	-	-	-	-	-	-
5	Other retail exposures	-	100	-	100	12,134	35	-	12,169
6	Re-securitisation	-	-	-	-	-	-	-	-
7	Wholesale (total)	4,993	948	-	5,941	1,805	5,269	-	7,074
8	Loans to corporates	714	-	-	714	-	4,723	-	4,723
9	Commercial mortgage	-	-	-	-	-	21	-	21
10	Lease and receivables	4,279	948	-	5,227	1,805	526	-	2,331
11	Other wholesale	-	-	-	-	-	-	-	-
12	Re-securitisation	-	-	-	-	-	-	-	-
	Total exposures as at 30.06.2024	**4,653**	**1,256**	**-**	**5,909**	**13,092**	**5,261**	**-**	**18,353**

With reference to the template SEC2 "Securitisation exposure in the trading book", Group doesn’t have securitisation positions in the trading book as at 31 December 2024, therefore the templates is not published.

Securitisation exposures

Template EU SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor

(€ million)

	DESCRIPTION	a	b	c	d	e	f	g	h	i
		EXPOSURE VALUES (BY RW BANDS/DEDUCTIONS)					EXPOSURE VALUES (BY REGULATORY APPROACH)			
		≤20% RW	>20% TO 50% RW	>50% TO 100% RW	>100% TO <1250% RW	1250% RW/ DEDUCTIONS	SEC-IRBA	SEC-ERBA (INCLUDING IAA)	SEC-SA	1250% RW/ DEDUCTIONS	SPECIFIC TREATMENT FOR SENIOR TRANCHES OF QUALIFYING NPE SECURITISATIONS(*)
1	**Total exposures as at 31.12.2024**	**27,022**	**1,315**	**386**	**32**	**114**	**20,086**	**5,938**	**2,348**	**114**	**382**
2	Traditional transactions	5,313	1,043	382	22	48	333	5,938	107	48	382
3	Securitisation	5,313	1,043	382	22	48	333	5,938	107	48	382
4	Retail	149	-	382	22	44	64	-	107	44	382
5	*Of which STS*	49	-	-	-	36	49	-	-	36	-
6	Wholesale	5,165	1,043	0	-	5	269	5,938	-	5	0
7	*Of which STS*	4,171	818	-	-	3	-	4,990	-	3	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-
9	Synthetic transactions	21,708	272	4	9	66	19,753	-	2,241	66	-
10	Securitisation	21,708	272	4	9	66	19,753	-	2,241	66	-
11	Retail	5,629	9	4	9	41	5,651	-	-	41	-
12	Wholesale	16,079	263	-	-	25	14,102	-	2,241	25	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-
	Total exposures as at 30.06.2024	**18,028**	**1,969**	**371**	**32**	**107**	**13,840**	**5,906**	**300**	**107**	**354**

continued: Template EU SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor

(€ million)

	DESCRIPTION	j	k	l	m		n	o	p	q	
		RWEA (BY REGULATORY APPROACH)					CAPITAL CHARGE AFTER CAP				
		SEC-IRBA	SEC-ERBA (INCLUDING IAA)	SEC-SA	1250% RW/ DEDUCTIONS	SPECIFIC TREATMENT FOR SENIOR TRANCHES OF QUALIFYING NPE SECURITISATIONS(*)	SEC-IRBA	SEC-ERBA (INCLUDING IAA)	SEC-SA	1250% RW/ DEDUCTIONS	SPECIFIC TREATMENT FOR SENIOR TRANCHES OF QUALIFYING NPE SECURITISATIONS(*)
1	**Total exposures as at 31.12.2024**	**2,894**	**921**	**424**	**-**	**382**	**232**	**74**	**34**	**-**	**31**
2	Traditional transactions	237	921	70	-	382	19	74	6	-	31
3	Securitisation	237	921	70	-	382	19	74	6	-	31
4	Retail	187	-	70	-	382	15	-	6	-	31
5	*Of which STS*	5	-	-	-	-	0	-	-	-	-
6	Wholesale	50	921	-	-	0	4	74	-	-	0
7	*Of which STS*	-	752	-	-	-	-	60	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-
9	Synthetic transactions	2,658	-	353	-	-	213	-	28	-	-
10	Securitisation	2,658	-	353	-	-	213	-	28	-	-
11	Retail	895	-	-	-	-	72	-	-	-	-
12	Wholesale	1,762	-	353	-	-	141	-	28	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-
	Total exposures as at 30.06.2024	**2,135**	**939**	**120**	**-**	**354**	**171**	**75**	**10**	**-**	**28**

Note:
(*) In 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 EAD, 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.

Securitisation exposures

Template EU SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor

(€ million)

		a	b	c	d	e	f	g	h	i	
		EXPOSURE VALUES (BY RW BANDS/DEDUCTIONS)					EXPOSURE VALUES (BY REGULATORY APPROACH)				
	DESCRIPTION	≤20% RW	>20% TO 50% RW	>50% TO 100% RW	>100% TO <1250% RW	1250% RW/ DEDUCTIONS	SEC-IRBA	SEC-ERBA (INCLUDING IAA)	SEC-SA	1250% RW/ DEDUCTIONS	SPECIFIC TREATMENT FOR SENIOR TRANCHES OF QUALIFYING NPE SECURITISATIONS(*)
1	**Total exposures as at 31.12.2024**	**20,362**	**462**	**97**	**234**	**11**	**-**	**16,526**	**4,547**	**11**	**81**
2	Traditional securitisation	20,362	462	97	234	11	-	16,526	4,547	11	81
3	Securitisation	20,362	462	97	234	11	-	16,526	4,547	11	81
4	Retail	13,782	453	16	38	10	-	11,803	2,485	10	-
5	*Of which STS*	13,615	433	-	-	-	-	11,563	2,485	-	-
6	Wholesale	6,581	9	81	196	1	-	4,723	2,062	1	81
7	*Of which STS*	1,805	-	-	-	-	-	394	1,411	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-
9	Synthetic securitisation	-	-	-	-	-	-	-	-	-	-
10	Securitisation	-	-	-	-	-	-	-	-	-	-
11	Retail	-	-	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-
	Total exposures as at 30.06.2024	**16,970**	**692**	**117**	**252**	**13**	**-**	**14,372**	**3,583**	**13**	**76**

continued: Template EU SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor

(€ million)

		j	k	l	m		n	o	p	q	
		RWEA (BY REGULATORY APPROACH)					CAPITAL CHARGE AFTER CAP				
	DESCRIPTION	SEC-IRBA	SEC-ERBA (INCLUDING IAA)	SEC-SA	1250% RW/ DEDUCTIONS	SPECIFIC TREATMENT FOR SENIOR TRANCHES OF QUALIFYING NPE SECURITISATIONS(*)	SEC-IRBA	SEC-ERBA (INCLUDING IAA)	SEC-SA	1250% RW/ DEDUCTIONS	SPECIFIC TREATMENT FOR SENIOR TRANCHES OF QUALIFYING NPE SECURITISATIONS(*)
1	**Total exposures as at 31.12.2024**	**-**	**2,360**	**1,527**	**-**	**81**	**-**	**189**	**122**	**-**	**7**
2	Traditional securitisation	-	2,360	1,527	-	81	-	189	122	-	7
3	Securitisation	-	2,360	1,527	-	81	-	189	122	-	7
4	Retail	-	1,469	248	-	-	-	117	20	-	-
5	*Of which STS*	-	1,370	248	-	-	-	110	20	-	-
6	Wholesale	-	891	1,279	-	81	-	71	102	-	7
7	*Of which STS*	-	39	141	-	-	-	3	11	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-
9	Synthetic securitisation	-	-	-	-	-	-	-	-	-	-
10	Securitisation	-	-	-	-	-	-	-	-	-	-
11	Retail	-	-	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-
	Total exposures as at 30.06.2024	**-**	**2,150**	**1,525**	**-**	**76**	**-**	**172**	**122**	**-**	**6**

Note:
(*) In 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 EAD, 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.

Securitisation exposures

Template EU SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments

(€ million)

		a	b	c
		EXPOSURES SECURISED BY THE INSTITUTION - INSTITUTION ACTS AS ORIGINATOR OR AS SPONSOR		
		TOTAL OUTSTANDING NOMINAL AMOUNT		TOTAL AMOUNT OF SPECIFIC CREDIT RISK ADJUSTMENTS MADE DURING THE PERIOD
DESCRIPTION			OF WHICH EXPOSURES IN DEFAULT	
1	**Total exposures as at 31.12.2024**	**84,469**	**6,797**	**(99)**
2	Retail (total)	22,047	4,359	(138)
3	Residential mortgage	15,233	1,329	(36)
4	Credit card	-	-	-
5	Other retail exposures	6,813	3,030	(102)
6	Re-securitisation	-	-	-
7	Wholesale (total)	62,423	2,438	39
8	Loans to corporates	31,072	29	3
9	Commercial mortgage	-	-	-
10	Lease and receivables	31,351	2,409	36
11	Other wholesale	-	-	-
12	Re-securitisation	-	-	-
	Total exposures as at 30.06.2024	**71,344**	**4,790**	**(1,024)**

Note:
The column "Total amount of specific credit risk adjustments made during the period" represents a flow variable, i.e. the change in credit risk adjustments during the current period. Therefore, any increase in credit risk adjustments shall be reported as a positive amount whereas any decrease in credit risk adjustments during the current period shall be reported as a negative amount.

Operational risk

Template EU OR1 - Operational risk, Own Funds requirements and risk-weighted exposure amount

(€ million)

		a	b	c	d	e
		RELEVANT INDICATOR			OWN FUNDS REQUIREMENT	RISK WEIGHTED EXPOSURE AMOUNT
	BANKING ACTIVITIES	31.12.2022	31.12.2023	31.12.2024		
1	Banking activities subject to basic indicator approach (BIA)	492	881	1,070	122	1,527
2	Banking activities subject to standardised (TSA)/alternative standardised (ASA) approaches	1,789	2,043	2,510	310	3,879
3	*Subject to TSA*	*1,789*	*2,043*	*2,510*		
4	*Subject to ASA*	-	-	-		
5	Banking activities subject to advanced measurement approaches (AMA)	16,435	21,369	22,223	2,098	26,220
	Total	**18,715**	**24,293**	**25,803**	**2,530**	**31,626**

The increase recorded as at 31 December 2024 versus 31 December 2023 is due to the following, respectively:
- UniCredit Factoring S.p.A. and EBS Finance revenues (BIA approach);
- AO UniCredit Bank (Russia) and UniCredit Serbia revenues (TSA approach);
- UniCredit S.p.A., UniCredit Bank GmbH, and UniCredit Bank Austria AG revenues (AMA approach).

Liquidity risk

Liquidity Coverage Ratio

The Liquidity Coverage Ratio (LCR), introduced by Basel 3 prudential regulation, is a short time 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, the information outlined in the present section is disclosed 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	31.12.2024	30.09.2024	30.06.2024	31.03.2024	31.12.2024	30.09.2024	30.06.2024	31.03.2024
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)**					**162,603**	**163,010**	**161,470**	**165,090**
CASH-OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	260,903	260,988	262,294	264,398	17,774	17,780	17,890	18,109
3	*Stable deposits*	*159,270*	*159,055*	*159,830*	*161,036*	*7,964*	*7,953*	*7,991*	*8,052*
4	*Less stable deposits*	*79,803*	*79,751*	*80,363*	*81,555*	*9,632*	*9,594*	*9,617*	*9,704*
5	Unsecured wholesale funding	187,036	186,915	186,324	185,591	80,423	80,039	79,235	78,506
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	*53,896*	*53,911*	*54,380*	*55,482*	*12,392*	*12,401*	*12,522*	*12,800*
7	*Non-operational deposits (all counterparties)*	*128,901*	*128,694*	*127,606*	*125,839*	*63,792*	*63,327*	*62,375*	*61,437*
8	*Unsecured debt*	*4,239*	*4,311*	*4,338*	*4,269*	*4,239*	*4,311*	*4,338*	*4,269*
9	Secured wholesale funding					5,257	5,270	5,515	5,901
10	Additional requirements	142,972	142,821	144,002	145,595	47,708	47,298	46,665	46,852
11	*Outflows related to derivative exposures and other collateral requirements*	*32,974*	*32,348*	*31,457*	*32,175*	*30,975*	*30,720*	*30,127*	*30,645*
12	*Outflows related to loss of funding on debt products*	*-*	*45*	*72*	*89*	*-*	*45*	*72*	*89*
13	*Credit and liquidity facilities*	*109,998*	*110,428*	*112,474*	*113,331*	*16,733*	*16,533*	*16,466*	*16,118*
14	Other contractual funding obligations	8,066	7,790	7,750	7,980	7,900	7,631	7,594	7,824
15	Other contingent funding obligations	211,404	211,003	211,107	211,127	7,233	7,194	7,210	7,289
16	**TOTAL CASH OUTFLOWS**					**166,295**	**165,211**	**164,109**	**164,482**
CASH-INFLOWS									
17	Secured lending (eg reverse repos)	40,640	41,442	41,568	43,923	5,946	5,698	6,166	6,606
18	Inflows from fully performing exposures	26,049	25,895	26,261	26,925	18,564	18,243	18,362	18,658
19	Other cash inflows	39,454	39,354	39,631	39,478	29,081	28,828	28,916	28,452
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**	**106,144**	**106,691**	**107,460**	**110,325**	**53,592**	**52,769**	**53,444**	**53,717**
EU-20a	***Fully exempt inflows***	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
EU-20b	***Inflows Subject to 90% Cap***	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
EU-20c	***Inflows Subject to 75% Cap***	***100,784***	***101,544***	***102,012***	***103,722***	***53,592***	***52,769***	***53,444***	***53,717***
TOTAL ADJUSTED VALUE									
EU-21	**LIQUIDITY BUFFER**					**162,603**	**163,010**	**161,470**	**165,090**
22	**TOTAL NET CASH OUTFLOWS**					**112,703**	**112,442**	**110,665**	**110,766**
23	**LIQUIDITY COVERAGE RATIO (%)**					**144%**	**145%**	**146%**	**149%**

Note:

- With reference to periods in the table above, it should be noted 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 also includes deposits exempted from the calculation of outflows and deposits where the payout has been agreed within the following 30 days.
- Amounts reported in items 5 - 8 - 10 - 12 are reported according to latest regulatory metric sent to regulator for each period. Therefore, those can present differences compare to previous publications.

Liquidity risk

Table EU LIQB - Qualitative information on LCR, which complements template EU LIQ1

Evolution of LCR results

In the fourth quarter of 2024 the LCR (calculated as the average value over the last 12 monthly indicators) has shown an almost stable trend compared to the third quarter of 2024. The trend is mainly driven by positive commercial activity in Western Europe offset by expiring own issuances in UniCredit S.p.A.

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

At the end of December 2024, liquidity buffer is still mainly composed by withdrawable reserves and other assets deposited at Central Banks and governments bonds. These two exposures represent around 67% of the buffer, while the remaining part has been mostly made of multilateral development banks assets, international organizations assets and high-quality covered 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 analyze the impact on 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 in currency > 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 basis under both normal and stressed conditions"[30].
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 entities' Treasury.

30 Principle 8 of Principles for Sound Liquidity Risk Management and Supervision published in September 2008 by the Basel Committee on Banking Supervision.

Liquidity risk

Net Stable Funding Ratio

Template EU LIQ2 - Net Stable Funding Ratio

(€ million)

		a	b	c	d	e
		UNWEIGHTED VALUE BY RESIDUAL MATURITY				
DESCRIPTION		NO MATURITY	< 6 MONTHS	6 MONTHS TO < 1YR	≥ 1YR	WEIGHTED VALUE
Available stable funding (ASF) Items						
1	Capital items and instruments	55,073	-	990	13,440	68,514
2	*Own funds*	*55,073*	*-*	*990*	*7,516*	*62,590*
3	*Other capital instruments*		*-*	*-*	*5,924*	*5,924*
4	Retail deposits		262,873	2,334	8,330	255,465
5	*Stable deposits*		*168,527*	*432*	*49*	*160,559*
6	*Less stable deposits*		*94,347*	*1,902*	*8,281*	*94,905*
7	Wholesale funding:		281,758	14,327	94,164	196,020
8	*Operational deposits*		*53,253*	*-*	*-*	*2,402*
9	*Other wholesale funding*		*228,505*	*14,327*	*94,164*	*193,618*
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	9,514	3,234	-	17,154	17,154
12	*NSFR derivative liabilities*	*9,514*				
13	*All other liabilities and capital instruments not included in the above categories*		*3,234*	*-*	*17,154*	*17,154*
14	**Total available stable funding (ASF)**					**537,152**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					12,045
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		210	96	51,656	44,167
16	Deposits held at other financial institutions for operational purposes		190	-	0	95
17	Performing loans and securities:		111,642	35,421	274,280	281,929
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		*14,078*	*1,336*	*6,071*	*6,988*
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		*18,917*	*4,751*	*18,354*	*22,708*
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		*66,381*	*23,478*	*155,326*	*227,285*
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*23,167*	*8,545*	*51,348*	*87,574*
22	*Performing residential mortgages, of which:*		*4,534*	*4,873*	*67,203*	*-*
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*2,775*	*3,111*	*47,952*	*-*
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		*7,733*	*983*	*27,326*	*24,947*
25	Interdependent assets		-	-	-	-
26	Other assets:	-	36,117	5,718	48,315	60,492
27	*Physical traded commodities*				*96*	*82*
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		*-*	*-*	*9,763*	*8,298*
29	*NSFR derivative assets*		*7,330*			*7,330*
30	*NSFR derivative liabilities before deduction of variation margin posted*		*12,456*			*623*
31	*All other assets not included in the above categories*		*16,331*	*5,718*	*38,456*	*44,164*
32	Off-balance sheet items		98,869	23,385	202,028	20,818
33	**Total RSF**					**419,551**
34	**Net Stable Funding Ratio (%)**					**128%**

Liquidity risk

Liquidity buffer and funding strategies

Liquidity buffer

The main tool through which the Group meets its liquidity needs is the Funding Plan, defined for 2024 at Group, Liquidity Reference Bank and relevant legal entity level. The Funding Plan includes the set of medium long term funding instruments to be issued in order to cover the expected funding needs deriving from the evolution of the liquidity uses and sources (including also commercial growth generated by business functions), avoiding pressure on the short-term interbank position.

Parent Company Finance function is responsible for the execution of the medium long term Group's funding strategy (including securitisation operations), coordinating the access to national and international capital markets for all the Liquidity Reference Banks exploiting local market opportunities in order to reduce the costs of funding and diversify the financing sources.

Parent Company Treasury function is responsible for the financial stability and liquidity of the Group. Its primary objective is to fulfil ordinary and extraordinary payment obligations on the short-term period, managing the liquidity risk generated by possible unbalances in the Group financial structure, as well as settlement, rate and FX risks. It accesses money markets and coordinates the treasury functions within the Parent Company international branches and Liquidity Reference Banks, also for the purpose of making refinancing transactions with the European Central Bank. Moreover, the Parent Company Treasury function acts also as the sole party in the management of the intra-group financial flows linked to net liquidity requirements/surpluses of the banks and companies in the Group.

In order to avoid that short-term liquidity crunch or other unexpected events leading to potentially serious consequences, the Group constantly maintains a liquidity reserve. This is a cushion represented by an appropriate amount of cash, or other highly liquid assets, in relation to the amount of liabilities and expected stress results. According to the updated version of the Group internal process for Contingency Liquidity Management, if necessary to restore the liquidity positions, the Group Treasury in its role of operative liquidity management function is entitled to monetise the securities belonging to the trading and the banking book, prevailing on any existing business or risk management strategies, as per article 8(3(b)) of the Delegated Act of 10 October 2014 for Liquidity Coverage Requirement for Credit Institutions.

By maintaining cash reserves in money market instruments, unexpected demand on cash does not require the immediate sale of other less liquid securities, which in most cases would not be in the business's or individual's best interest. The liquidity reserves reported in the template below ("Liquidity buffer: High Quality Liquid Assets") are aligned to the buffer of the Liquidity Coverage Ratio (EU LIQ1 template), reported as the average of the 12 latest end of month values. As displayed in the table below, UniCredit group had €162.6 billion of aggregate liquidity resources as at 31 December 2024, free of any legal, regulatory or political transferability restrictions to the Parent Company or to other legal entities of the Group. It represented around 21% of the total balance sheet assets.

Among the total liquidity reserves €108.7 billion (67% of the total liquidity resources) were in the form of unencumbered unsecured bonds recognised as High Quality Liquid Assets, of which €65.3 billion is in the form of bonds issued or guaranteed by sovereigns, quasi-sovereigns, or multinational institutions. At the end of December 2024, a large portion of the sovereign portfolio consists mainly of bonds issued by Italy, Spain, United States and Croatia. These bonds are highly liquid and therefore even in a stressed scenario the Group would be able to rapidly obtain cash either via repurchase agreements or outright sales.

In addition, within this liquidity buffer, the Group holds a portfolio of highly liquid non-sovereign bonds issued by credit worthy financial institutions, both in senior and covered format, as well as by corporates and public sector entities. This category cumulatively represents around to €43.4 billion and is eligible for financing with the European Central Bank.

Total cash stands at €53.9 billion, net of the amount to be held at the Central Banks in the form of Minimum Required Reserves (MRR).

The liquidity available at country level may be transferred to other legal entities within the Group perimeter. The intra-group transfer of liquidity is subject to a set of legal, regulatory and political restrictions (for further details, reference is made to the Section 2.4 Liquidity risk, Consolidated financial statements as at 31 December 2024, Notes to the consolidated account, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter). The constraints are minor for downstream loans within the same country; they become more stringent for downstream loans with foreign counterparties; and grow further in intensity for upstream loans with foreign counterparties.

Liquidity risk

Liquidity buffer: High Quality Liquid Assets

(€ million)

DESCRIPTION	31.12.2024 AMOUNT	31.12.2024 % ON TOTAL	30.09.2024 AMOUNT	30.09.2024 % ON TOTAL	30.06.2024 AMOUNT	30.06.2024 % ON TOTAL	31.03.2024 AMOUNT	31.03.2024 % ON TOTAL
Total Liquid Assets	**162,603**		**163,010**		**161,470**		**165,090**	
Level 1	**147,069**	**90.4%**	**148,938**	**91.4%**	**148,562**	**92.0%**	**154,248**	**93.4%**
Cash	*53,894*	*33.1%*	*59,637*	*36.6%*	*64,840*	*40.2%*	*79,033*	*47.9%*
Government Bonds	*58,258*	*35.8%*	*58,931*	*36.2%*	*57,828*	*35.8%*	*55,283*	*33.5%*
Covered Bonds	*16,197*	*10.0%*	*14,191*	*8.7%*	*12,859*	*8.0%*	*10,194*	*6.2%*
Other Bonds	*18,720*	*11.5%*	*16,180*	*9.9%*	*13,034*	*8.1%*	*9,740*	*5.9%*
Level 2A	**8,860**	**5.4%**	**9,248**	**5.7%**	**9,567**	**5.9%**	**9,277**	**5.6%**
Government Bonds	*7,020*	*4.3%*	*7,814*	*4.8%*	*8,407*	*5.2%*	*8,463*	*5.1%*
Covered Bonds	*469*	*0.3%*	*381*	*0.2%*	*352*	*0.2%*	*291*	*0.2%*
Other Bonds	*1,370*	*0.8%*	*1,053*	*0.6%*	*808*	*0.5%*	*522*	*0.3%*
Level 2B	**6,673**	**4.1%**	**4,824**	**3.0%**	**3,341**	**2.1%**	**1,564**	**0.9%**
Covered Bonds	*3*	*0.0%*	*3*	*0.0%*	*3*	*0.0%*	*3*	*0.0%*
Securitisations	*4,908*	*3.0%*	*3,290*	*2.0%*	*1,951*	*1.2%*	*580*	*0.4%*
Corporate Bonds	*1,058*	*0.7%*	*1,025*	*0.6%*	*1,014*	*0.6%*	*889*	*0.5%*
Other Bonds	*705*	*0.4%*	*506*	*0.3%*	*374*	*0.2%*	*93*	*0.1%*

Note:
With reference to the categories of High Quality Liquid Assets reported in the template above:
- the level 1 (the most liquid), such as coins and banknotes or assets guaranteed by the European Central Bank, national central banks or regional governments and local authorities;
- the level 2A, such as assets guaranteed by regional governments, local authorities or public sector bodies in the EU with a weighted risk of 20%;
- the level 2B, such as asset-backed securities, corporate debt securities, shares provided they meet certain requirements and certain securitisations which must satisfy a range of strict conditions to be accepted as a Level 2B asset.

Liquidity risk

Funding strategies

Short-term funding

In the fourth quarter of 2024 the ECB has cut by 0.25% two times its three reference rates bringing: (i) main refinancing rate to 3.15%, (ii) marginal refinancing rate to 3.40% and (iii) overnight deposit rate to 3.00%.
In the same period, UniCredit has maintained stable its portfolio of unsecured short-term liabilities. The average cost of funding for this type of funding is stable compared to the previous quarter.

During the fourth quarter of 2024, European repo markets confirmed the consolidation phase recorded during the previous quarter. In a context of stable volumes, short term rates remained stable around the level of the deposit facility - with the repo market on government bonds within ESTR +12 basis points (ITA) and ESTR +8 basis points (GER). Following from dynamics observed during end of third quarter, the overnight year end premium observed on the market rose markedly in the first half of the quarter. However, in the second half of the quarter, it gradually deflated and landed on an approximate level of ESTR+20 basis points. On longer tenors, volumes remained significant within the three months maturity with particular focus on trades with the same maturity of the maintenance period.

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.

In 2024 the Group executed medium/long-term funding for a total amount of about €18 billion of which:
- €1 billion of a Non-Cumulative Temporary Write-Down Deeply Subordinated Fixed Rate Resettable Notes - Additional Tier 1, issued by UniCredit S.p.A. (reference to Press Release of 9 September 2024);
- €1 billion of Subordinated Tier 2 bond issued by UniCredit S.p.A. (reference to Press Release of 9 January 2024);
- €10.9 billion of Senior funding (including the Senior Non Preferred transaction for which refer to Press Release of 16 January 2024, the Senior Preferred transaction for which refer to Press Release of 27 February 2024, the dual tranche Senior Non Preferred transaction for which refer to Press Release of 4 June 2024 and the Senior Preferred transaction for which refer to Press Release of 13 November 2024);
- €2.3 billion of Covered Bonds;
- €2.5 billion of bilateral funding from Agencies/Supranational Entities.

In line with the Group-wide Sustainability Bond Framework, in January 2024 UniCredit Bank Austria placed a Green Covered Bond with a total volume of €750 million (5-year maturity).

The Group has also leveraged on the ability to access markets out of different legal entities, enjoying for all of them a large degree of name recognition with local institutional investors. During 2024, the total amount issued by the banks/legal entities of the Group - other than UniCredit S.p.A. - amounts to €4.9 billion.

Liquidity risk

Deposits from customers and banks, senior bonds and own funds represent our most stable funding sources, with deposits from customers representing 77% of the liability structure by the end of 2024.

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	51,292	8%	31,109	8,543	2,614	1,516	681	1,644	5,185
of which Secured	*31,273*	*5%*	*19,471*	*6,990*	*1,255*	*1,054*	*300*	*300*	*1,903*
Depos from Customers	519,719	77%	437,496	35,461	14,797	4,486	4,438	5,893	17,148
of which Secured	*23,559*	*3%*	*21,341*	*2,026*	*102*	-	-	-	*90*
Subordinated	6,524	1%	-	-	-	-	-	50	6,474
of which Retail	-	*0%*	-	-	-	-	-	-	-
Senior Unsecured	51,730	8%	1,949	780	2,815	1,885	1,145	10,366	32,789
of which Retail	*13,629*	*2%*	*46*	*171*	*355*	*265*	*528*	*1,704*	*10,560*
CD/CP	5,158	1%	995	1,254	1,381	1,337	177	13	-
of which Retail	*14*	*0%*	*1*	-	-	-	-	*13*	-
Covered Bonds	39,408	6%	26	1,065	1,025	1,414	1,041	6,909	27,929
ABS	-	0%	-	-	-	-	-	-	-
Other	-	0%	-	-	-	-	-	-	-
TOTAL	**673,831**		**471,574**	**47,104**	**22,632**	**10,638**	**7,483**	**24,875**	**89,525**

Liabilities structure breakdown by currency

(€ million)

INSTRUMENT TYPE	OUTSTANDING	% ON TOTAL	EUR	USD	CZK	RON	BGN	OTHER
Deposits from Banks	51,292	8%	40,885	7,399	210	501	226	2,071
of which Secured	*31,273*	*5%*	*28,377*	*2,616*	-	-	*141*	*140*
Deposits from Customers	519,719	77%	450,842	16,298	18,362	10,314	8,826	15,076
of which Secured	*23,559*	*3%*	*21,641*	*99*	*1,820*	-	-	-
Subordinated	6,524	1%	2,877	3,647	-	-	-	-
of which Retail	-	*0%*	-	-	-	-	-	-
Senior Unsecured	51,730	8%	46,738	4,193	216	387	-	196
of which Retail	*13,629*	*2%*	*13,229*	*209*	*179*	*1*	-	*12*
CD/CP	5,158	1%	5,158	-	-	-	-	-
of which Retail	*14*	*0%*	*14*	-	-	-	-	-
Covered Bonds	39,408	6%	38,730	-	169	-	-	510
ABS	-	0%	-	-	-	-	-	-
Other	-	0%	-	-	-	-	-	-
TOTAL	**673,831**		**585,229**	**31,537**	**18,957**	**11,202**	**9,052**	**17,854**

Liquidity risk

Encumbered and unencumbered assets

Template EU AE1 - Encumbered and unencumbered assets

(€ million)

	DESCRIPTION	CARRYING AMOUNT OF ENCUMBERED ASSETS		FAIR VALUE OF ENCUMBERED ASSETS		CARRYING AMOUNT OF UNENCUMBERED ASSETS		FAIR VALUE OF UNENCUMBERED ASSETS	
			OF WHICH NOTIONALLY ELIGIBLE EHQLA AND HQLA		OF WHICH NOTIONALLY ELIGIBLE EHQLA AND HQLA		OF WHICH EHQLA AND HQLA		OF WHICH EHQLA AND HQLA
		010	030	040	050	060	080	090	100
010	**Assets of the reporting institution as at 31.12.2024**	**201,954**	**77,388**			**598,132**	**113,973**		
030	Equity instruments	5,813	2,997	5,736	2,954	10,477	2,110	11,173	2,539
040	Debt securities	74,142	69,755	73,585	69,226	101,466	89,399	100,708	88,869
050	*of which: covered bonds*	*2,105*	*1,549*	*2,052*	*1,514*	*7,975*	*7,582*	*7,883*	*7,496*
060	*of which: securitisations*	*2,448*	-	*2,442*	-	*15,648*	*8,472*	*15,581*	*8,458*
070	*of which: issued by general governments*	*61,434*	*60,584*	*61,018*	*60,169*	*57,678*	*56,467*	*57,545*	*56,383*
080	*of which: issued by financial corporations*	*11,800*	*8,439*	*11,609*	*8,276*	*40,048*	*29,514*	*39,495*	*29,115*
090	*of which: issued by non-financial corporations*	*743*	*246*	*732*	*244*	*3,506*	*2,398*	*3,463*	*2,343*
120	Other assets	121,303	4,319			486,588	24,954		
	Assets of the reporting institution as at 31.12.2023	**216,277**	**83,190**			**617,541**	**139,323**		

The encumbered assets mainly relate to UniCredit S.p.A., UniCredit Bank GmbH and UniCredit Bank Austria AG.
The main sources of encumbrance are the Repo activity and the Covered Bonds in issue.
As far as “Debt securities” are concerned, EHQLA and HQLA represent the major part, both in term of encumbered and unencumbered assets.
With regards to the unencumbered assets, the main item is referred to the “Other assets“ (equal to 81%). Non-EHQLA and non-HQLA amount to 95% of the overall “Other assets”.

Liquidity risk

Template EU AE2 - Collateral received and own debt securities issued

(€ million)

		FAIR VALUE OF ENCUMBERED COLLATERAL RECEIVED OR OWN DEBT SECURITIES ISSUED		UNENCUMBERED	
				FAIR VALUE OF COLLATERAL RECEIVED OR OWN DEBT SECURITIES ISSUED AVAILABLE FOR ENCUMBRANCE	
			OF WHICH NOTIONALLY ELIGIBLE EHQLA AND HQLA		OF WHICH EHQLA AND HQLA
	DESCRIPTION	010	030	040	060
130	**Collateral received by the disclosing institution**	**39,365**	**27,813**	**56,638**	**40,477**
140	Loans on demand	-	-	-	-
150	Equity instruments	495	162	265	18
160	Debt securities	38,870	27,654	56,381	40,421
170	*of which: covered bonds*	*3,543*	*1,741*	*10,965*	*7,050*
180	*of which: securitisations*	*809*	*-*	*5,236*	*132*
190	*of which: issued by general governments*	*33,433*	*25,725*	*33,718*	*29,802*
200	*of which: issued by financial corporations*	*5,346*	*2,163*	*19,589*	*9,320*
210	*of which: issued by non-financial corporations*	*906*	*872*	*1,317*	*233*
220	Loans and advances other than loans on demand	-	-	20	-
230	Other collateral received	-	-	-	-
240	**Own debt securities issued other than own covered bonds or securitisations**	**-**	**-**	**16,490**	**-**
241	**Own covered bonds and securitisation issued and not yet pledged**			**3,587**	**-**
250	**Total collateral received and own debt securities issued as at 31.12.2024**	**242,384**	**105,838**		
	Total collateral received and own debt securities issued as at 31.12.2023	**264,653**	**128,979**		

With regards to the collateral received, the median percentage which results encumbered is equal to 41%, mainly relating to debt securities received as collateral in repo and similar transactions which were then re-used.

Template EU AE3 - Sources of encumbrance

(€ million)

	DESCRIPTION	MATCHING LIABILITIES, CONTINGENT LIABILITIES OR SECURITIES LENT	ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED OTHER THAN COVERED BONDS AND SECURITISATIONS ENCUMBERED
		010	030
010	**Carrying amount of selected financial liabilities as at 31.12.2024**	**157,849**	**187,462**
	Carrying amount of selected financial liabilities as at 31.12.2023	**182,067**	**214,523**

The ratio between the "Assets, collateral received and own Debt Securities issued other than Covered Bonds and Securitisation encumbered" and the relevant "Matching liabilities, contingent liabilities and securities lent" amounts to 119%, which is mainly related to overcollateralisation agreements on repos and Covered Bonds issued.

Notes to the previous tables:
- In terms of median, the percentage of encumbered assets to the total assets amount is equal to 25%, (considering also the collateral the percentage amounts to 27%).
- Values reported in the tables above relate to the median value calculated on the basis of punctual data for the four reference quarters of 2024. These figures refer to the prudential scope of consolidation.

Leverage

The Basel 3 prudential regulation 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 CRR2 and, in particular, article 429, complying with “Basel III: Finalising post-crisis reforms”[31], issued in December 2017.
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). Starting from 1 January 2024 the abovementioned requirement no longer applies, as UniCredit group is not classified as G-SII anymore.
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, as amended by the Regulation (EU) 2019/876.

Content

CRR article 429 defined the leverage ratio as the Bank’s capital measure divided by the total exposure and it is expressed ad 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. For Written Credit Derivatives, additionally the Fully Effective Notional amount reduced by the fair value changes that have been incorporated in Tier 1 Capital is included. 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 (SFT[32]) - 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;
- 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 +0.03% (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.

31 Refer to “Basel III: Finalising post-crisis reforms” https://www.bis.org/basel_framework/standard/LEV.htm.
32 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 31 December 2024 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)

DESCRIPTION		CRR LEVERAGE RATIO EXPOSURES a 31.12.2024	CRR LEVERAGE RATIO EXPOSURES b 30.06.2024
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	714,900	711,187
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)	(9,561)	(7,704)
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)	(6,534)	(5,400)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**698,806**	**698,083**
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	21,692	19,358
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	20,309	19,437
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	0	0
EU-9b	Exposure determined under Original Exposure Method	237	244
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	(1,853)	(1,541)
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	1,795	813
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(862)	(272)
13	**Total derivatives exposures**	**41,318**	**38,038**
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	46,292	65,358
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(1,797)	(3,757)
16	Counterparty credit risk exposure for SFT assets	7,240	8,218
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**	**51,735**	**69,818**
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	351,668	344,345
20	(Adjustments for conversion to credit equivalent amounts)	(261,076)	(255,810)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	-	-
22	**Off-balance sheet exposures**	**90,592**	**88,535**
Excluded exposures			
EU-22a	(Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of article 429a(1) CRR)	(0)	-
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)	(4,163)	(3,839)
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)**	**(4,163)**	**(3,839)**

Leverage

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

(€ million)

DESCRIPTION		CRR LEVERAGE RATIO EXPOSURES a 31.12.2024	b 30.06.2024
Capital and total exposure measure			
23	**Tier 1 capital**	**49,176**	**49,126**
24	**Total exposure measure**	**878,288**	**890,635**
Leverage ratio			
25	Leverage ratio	5.60%	5.52%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	5.60%	5.52%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	5.60%	5.52%
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 (%)	-	-
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%
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	56,313	61,594
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	44,495	61,601
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)	890,106	890,628
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)	890,106	890,628
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)	5.52%	5.52%
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)	5.52%	5.52%

The following template shows, for exposures other than derivatives and SFTs, the breakdown by exposure class, according to CRR2 article 451(1)(b).

Template EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

(€ million)

DESCRIPTION		31.12.2024	30.06.2024
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**714,900**	**711,187**
EU-2	Trading book exposures	25,302	25,734
EU-3	Banking book exposures, of which:	689,598	685,453
EU-4	Covered bonds	14,156	13,886
EU-5	Exposures treated as sovereigns	200,875	205,773
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	6,636	6,375
EU-7	Institutions	17,128	16,804
EU-8	Secured by mortgages of immovable properties	131,917	133,086
EU-9	Retail exposures	56,540	55,976
EU-10	Corporate	173,812	178,321
EU-11	Exposures in default	5,953	6,370
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	82,581	68,862

Leverage

The following template shows the reconciliation between the total Leverage Ratio Exposure (denominator) and the Accounting balance sheet values, according to the CRR2 article 451(1)(b).

Template EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

(€ million)

DESCRIPTION		a 31.12.2024	b 30.06.2024
1	Total assets as per published financial statements	784,004	798,925
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	(32)	(43)
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	(948)	(461)
4	(Adjustment for temporary exemption of exposures to central bank (if applicable))	-	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with point (i) of point (i) of article 429a(1) CRR)	-	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-	-
7	Adjustment for eligible cash pooling transactions	5	2
8	Adjustments for derivative financial instruments	10,474	8,306
9	Adjustment for securities financing transactions (SFTs)	7,239	8,217
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	90,672	88,686
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-	-
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of article 429a(1) CRR)	(0)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of article 429a(1) CRR)	-	-
12	Other adjustments	(13,127)	(12,996)
13	**Total exposure measure**	**878,288**	**890,635**

Notes:
- The item 2 includes also the adjustment for entities which are consolidated for regulatory purposes but are outside the scope of accounting consolidation.
- The item 12 "Other Adjustments" includes:
  - Regulatory Adjustments related to Tier 1 Capital regarding Balance sheet Assets (transitional definition);
  - Accounting and fiscal Off-setting on Other Asset.

Leverage

Table EU LRA: Disclosure of LR qualitative information

Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers.
The leverage ratio, calculated on a Transitional base applied to Tier 1 Capital, stands at 5.60% as at 31 December 2024, increasing by +0.08% from 5.52% as af 30 June 2024. In particular, the increase is due to:
- Tier 1 Capital increase of €49.5 million, with a positive impact on ratio of +0.005%;
- Total Exposure decrease of €12.3 billion, with a positive impact on ratio of +0.075%.

With regard to the evolution of the ratio:
- for Tier 1 Capital dynamics refer to the “Own Funds” chapter;
- for Total Exposure changes the main drivers are:
  - increase of other on-balance sheet items (excluding derivatives and SFT) for €0.7billion (-0.005%);
  - decrease of SFT for €18.1 billion (+0.11%);
  - increase of derivatives €3.3 billion (-0.02%);
  - increase of Off -balance sheet items for €2.1 billion (-0.01%).

Description of the processes used to manage the risk of excessive leverage
Group Risk Appetite Framework represents the foundation for risk management within UniCredit group. This framework envisages comprehensive governance, processes, tools, and procedures for the widespread management of risks. The Leverage risk is included in the Group Risk Appetite Framework, therefore the relevant procedures and resources are applied to this kind of risk.

The quantitative tools to assess the Leverage risk are part of the Group Risk Appetite framework that include the Leverage Ratio metric. This KPI has its own Target, Trigger and a Limit defined consistently with Group business strategies and considering regulatory requirements, peers' comparison, and stress test results. The results of the periodical monitoring this KPI are submitted, on a quarterly basis, to the Group Executive Committee, Risk Committee and to the Board of Directors.

The Group Risk Appetite process identifies the governance mechanism, managerial involvement, and escalation process under normal and stressed operating conditions. The defined escalation process is activated at relevant organizational levels to ensure an adequate reaction when triggers or limits are breached. Moreover, for certain capital metrics, including the Leverage Ratio, the Group has defined a specific internal policy (Capital Contingency Policy) that set the process for reacting to situations which require a timely reaction in term of increase of capital or reduction of exposures.

To ensure a timely identification of potential drivers of the risk of excessive leverage, maturity mismatches and asset encumbrance are closely monitored.

The risk generated by the maturity mismatch is monitored using the Net Stable Funding Ratio (NSFR), calculated monthly. This is the ratio between the available amount of stable funding and the required amount of stable funding that are calculated applying defined weighting factors to on and off-balance sheet items. The relevant instructions for its calculation are included in the Regulation (EU) 876/2019 of the European Parliament. The regulatory view on the structural liquidity profile is integrated with an internal metric called Structural Liquidity Ratio (SLR), that is the ratio between the liabilities and the assets with a contractual/behavioral maturity over 1 year. The NSFR and the SLR metric are inserted in the Risk Appetite Framework and in the set of granular liquidity limits respectively and, as such, they are subject to a specific escalation process.

Asset encumbrance is monitored through the counterbalancing capacity. The sum between the counterbalancing capacity and the cumulative sum of the cash inflows and outflows maturing between the overnight and one year (primary gap) represents the operative maturity ladder that indicates, for each time bucket, the excess of the unencumbered assets over the cumulated liquidity needs of the bank.

This operative maturity ladder is included in the set of granular liquidity limits and, as such, it is subject to a specific escalation process.

Additional metrics to specifically monitor the level of asset encumbrance are also present in the liquidity risk management framework. Among them, the Structural Encumbrance ratio indicates the portion of assets that is encumbered in funding schemes that have an original maturity of more than 1 year.

Environmental, Social and Governance risks (ESG)

Qualitative information on Environmental risk

Business strategy and processes

UniCredit ESG strategy supports, above all, the fulfillment of the Group purpose of empowering communities to progress. A principle-based approach guides our actions, enabling us to embed sustainability in everything we do while constantly adapting our strategy to the mutable external context.

ESG strategy is based on a set of **interrelated elements** that build upon each other: guided by UniCredit principles, the Group works to implement the key enablers, which support selected strategic levers that, in turn, allow to achieve the **ESG goals** underlying UniCredit **ESG ambition**. This interconnected framework ensures alignment and cohesion across all ESG initiatives, maximizing the impact.
One of the key enablers of strategy is Risk framework. Our ESG efforts are underpinned by a robust risk framework that allows for effective monitoring of ESG risks and the lending portfolio. This ensures the proactivity in managing risk while meeting the sustainability targets.
UniCredit's approach to natural capital is based on tangible actions that generate direct and indirect impacts. UniCredit is committed to limiting negatives and generating positive impacts to preserve natural capital for the benefit of the communities in which operates.

The strategic approach is based on the double materiality concept which considers both an inside-out and an outside-in perspective.

Inside-out perspective - manage the direct and indirect impacts that our operations and lending have on the environment:
- *Indirect impacts* **-** accompany our clients on their green transition journey by:
  - assessing and monitoring our portfolio exposure towards most climate-related sectors;
  - identifying and evaluating the impacts on climate;
  - adopting a sector policy framework;
  - defining the journey towards Net Zero on portfolio emissions.

- *Direct impacts* - reduce our environmental footprint by:
  - steering our behaviour towards Net Zero on our own emissions;
  - procuring electricity from renewable sources;
  - improving energy and space efficiency;
  - fostering the efficient use of resources.

Outside-in perspective - prepare to measure the business consequences of climate stress and the associated socio-economic transition and take advantage of emerging opportunities by:
- executing Group strategy;
- correctly managing climate and environmental risks, in line with the agreed Risk Appetite Framework (RAF) and the ECB climate stress test requirement.

UniCredit's strategy incorporates identifying and understanding climate and environmental risks (C&E) and opportunities that the Bank may encounter. C&E factors are related to the quality and functioning of the natural environment and its systems (Natural Capital) and include factors such as climate change, biodiversity, energy consumption, pollution and waste management.

Climate Change

Climate change is one of the biggest challenges that the world faces, impacting every person on the planet through weather events such as extreme heat, forest fires, severe rainfall and flooding.
In this context, the financial system has an important role in the Net Zero journey, with more than $80 billion in climate finance commitments agreed in COP28.
UniCredit is committed to reduce direct and indirect environmental impacts while supporting Europe's green transition. In this context, the Group is committed to Net Zero in October 2021 when joined the Net Zero Banking Alliance (NZBA), targeting Net Zero on own emissions by 2030 and on financed emissions by 2050.
Indeed, in terms of financial planning, the Net Zero target-setting process is consistent with the financial planning process. It is developed through a collaborative approach, incorporating Bottom-up feedback from the business lines within each division. This approach enables the connection of Net Zero targets with financial KPIs, allowing business units to better understand and assess the potential impacts. Additionally, the Net Zero process is embedded in relevant financial planning documentation, promoting alignment between Net Zero targets and financial objectives.
Moreover, acknowledging the growing importance of C&E topics and in continuous dialogue with the competent authorities, UniCredit group is progressively and continuously developing the internal modelling capabilities with the aims to properly manage new risk that may arise from climate change.

Environmental, Social and Governance risks (ESG)

During 2024 UniCredit incorporated transition and physical risks in IFRS9 provisioning for credit expected losses.
Impairment losses due to physical risk for loans collateralised by immovable property booked in second quarter 2024 reporting, while remaining impacts due to transition risk (PD/LGD) and physical risk for PD has been recognised in the fourth quarter 2024.
The impacts recognised in 2024 are approx. €106 million of additional loan loss provisions.
For more details in relation to the inclusion of climate risk in provisioning Expected Credit Loss (ECL), refer to 2024 Annual Reports and Accounts, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, paragraph 2.3.4 Scenarios and Sensitivity.

The table below provides an overview of each identified climate-related risk, its potential impacts, the corresponding time horizons (short, medium and long-term) and the actions undertaken to monitor and mitigate these risks.

Environmental, Social and Governance risks (ESG)

POTENTIAL CLIMATE-RELATED RISKS	TIME HORIZON	MAIN POTENTIAL IMPACTS	SPECIFIC ACTIONS	OVERARCHING ACTIONS
Transition risks Changes in or introduction of public policies and / or environmental regulations	Short and medium/long-term	◦ Reduction of business for corporate clients with potential drawbacks on creditworthiness/ solvency ◦ Financial implications arising from environmental/ESG regulations and GHG emission limits and/or taxes applied to clients operating in specific economic sectors ◦ Reduction of Group profits deriving from concentration on sectors more sensitive to climate-related risks	◦ Inclusion of ESG risks considering both counterparty scoring (including the use of an internally developed questionnaire) and energy performance certificates (EPC) when assessing credit applications ◦ Enhancement of Market and Liquidity risk framework to incorporate the assessment, monitoring and control of ESG risks ◦ Integration of industry steering signals within the Credit Risk Strategies framework, based on relevant Climate & Environmental (C&E) factors	◦ Definition of data governance processes and related IT investments to integrate ESG risks into the risk management framework ◦ Participation in international working groups and commitments related to climate, such as the Net Zero Banking Alliance, stakeholder engagement initiatives and active collaboration with policy makers ◦ Risk identification process and materiality assessment, including stress tests, to evaluate the significance of climate- related risks in the short, medium and long-term horizons ◦ Inclusion of specific KPIs related to transition and physical risks within the Risk Appetite Framework. The risk appetite is then cascaded to more granular levels via risk strategies and policies
Transition risks Technological changes	Short and medium/long-term	◦ Increase in costs for corporate clients with potential drawbacks on creditworthiness/ solvency		
Transition risks Changes in customer/ consumer preferences	Short and medium/long-term	◦ Reduction of business for corporate clients with potential drawbacks on creditworthiness/ solvency ◦ Potential changes to the offering of products and services to clients		
Transition risks Changes in customer or community perceptions	Short and medium/long-term	◦ Reputational impacts or negative perceptions from the community or Stakeholders due to inadequate management of climate-related risks	◦ Environmental sector policies and their subsequent implementation ◦ A Reputational Risk assessment to evaluate the positioning of clients and specific projects in relation to climate-related topics	◦ Promoting a sustainable culture within the organisation by developing ESG training courses and workshops

Environmental, Social and Governance risks (ESG)

POTENTIAL CLIMATE-RELATED RISKS	TIME HORIZON	MAIN POTENTIAL IMPACTS	SPECIFIC ACTIONS	OVERARCHING ACTIONS
Physical risks **Acute** Extreme weather events such as floods, droughts, heavy rainfalls, heatwaves, fires and hail) **Chronic** Chronic weather events such as variations in average temperatures and sea level rise	Short and medium/long-term	○ Financial implications resulting from corporate/retail clients being damaged by extreme weather events, potentially impacting their creditworthiness/ solvency ○ Potential damage to the Group's infrastructure and the potential disruption of activities ○ Increase in energy supply costs due to higher heat/electricity demand ○ Potential fires, driven by rising temperatures, affecting areas in proximity to the Group's buildings ○ Potential impact of sea level rise on buildings located near the sea ○ Reduced productivity due to higher temperatures	○ Inclusion of ESG risks considering counterparty scoring ○ Monitoring of physical risks both on counterparties within portfolio and individual collaterals	○ Definition of data governance processes and related IT investments to integrate ESG risk into the risk management framework ○ Participation in international working groups and commitments related to climate, such as the Net Zero Banking Alliance, stakeholder engagement initiatives and active collaboration with policy makers ○ Risk identification process and materiality assessment, including stress tests, to evaluate the significance of climate-related risks in the short, medium and long-term horizons ○ Inclusion of specific KPIs related to transition and physical risks within the Risk Appetite Framework. The Risk Appetite is then cascaded to more granular levels via risk strategies and policies ○ Promoting a sustainable culture within the organisation by developing ESG training courses and workshops ○ Signing (2022) of the Finance for Biodiversity Pledge (FfB) and participation as member to the working table on Biodiversity of the UNEP FI[33]

33 United Nations Environment Programme Finance Initiative.

Environmental, Social and Governance risks (ESG)

UniCredit has identified several potential opportunities arising from the transition to a low-carbon economy that impact on both on Group business and operations. These opportunities are described in the table below:

SEGMENT	OPPORTUNITY	TIME HORIZON
Business - Individual Solutions	Enlarge environmental retail product offering in the areas of renewable energy lending and energy efficiency lending, in alignment with the most recent European regulations	Medium-term
	Keep investment product strategy aligned with the latest regulations so to meet customers' sustainability appetite	Medium-term
Business - Corporate Solutions	Enhance our ESG proposition with the support of selected ESG partners and develop adequate tools to identify the ESG profile of corporate clients and provide them with the best solutions for a just and fair green transition	Short-term
	Advise clients to take advantage of strategic initiatives and subsidised finance options to facilitate the achievement of their decarbonisation goals	Short-term
	Strengthen our product and service offering to meet our customers' needs and support them in improving their sustainability profile	Medium-term
	Reinforce our competencies providing strategic advisory and debt arranging in the main energy perimeter transition sectors to support our clients' energy transition journey	Medium-term
Operations	Reduce the environmental impact of buildings and assets (offices, branches, data centres) by leveraging electricity from renewable sources and optimising energy and space efficiency	Short-term

Goals and targets
At the end of 2023 the Group updated its ESG targets focusing on ESG share over total business for a more transparent view on UniCredit's ESG performance and with indicators netting out overall market effects not related to ESG factors:
- ESG lending (including Environmental, Social and Sustainability linked lending) over MLT loans new production;
- Sustainable bonds over total bonds (with focus on corporates and financial institutions in alignment with Group strategy).

Targets are subject to evolution of ESG regulation, under evolution.

In 2024 the ESG lending has reached 15% with a target set at 15%, ESG investment products have reached 53% with a target set at 50%, while sustainable bonds have reached 20% with a target at 15%.
The product offering supports the achievement of our ESG penetration targets across total business volumes for 2025-2027: 15% for ESG lending[34], 15% for sustainable bonds[35], and 50% for ESG investment products[36].
In line with the Net Zero Banking Alliance (NZBA) commitment, UniCredit ambition is for Net Zero on financed emissions by 2050.
To achieve that, UniCredit disclosed targets on six sectors (i.e., Oil & Gas, Power Generation, Automotive, Steel, Shipping and Commercial Real Estate) and emissions baseline for Residential Real Estate. On Coal, phase out by 2028 strategy and related policy are already in place[37].
Moreover, UniCredit has committed to pursuing Net Zero emissions on own operations (Scope 1 and 2, market-based) by 2030, without interim targets. The target is compatible with limiting global warming to 1.5°C in alignment with the Paris Agreement objectives. The target applies to the Group.

34 Percentage defined as Environmental, Social and Sustainability linked lending new production on overall medium/long term lending new production (yearly % to be achieved).
35 Percentage of Sustainable bonds (for corporates and financial institutions, excluding Sovereign, Supranational and Agency Long Term Credit) on all bonds (for corporates and financial institutions, excluding Sovereign, Supranational and Agency Long Term Credit). Yearly % to be achieved.
36 Percentage of ESG assets under management stock (subject to current regulations on ESG Investment Products) on Total of assets under management stock (yearly % to be achieved).
37 Green financing is allowed beyond 2028 only for no coal developer (no increase in coal business since September 2020) and if they have a phase out plan in line with their National Energy & Climate Plan.

Environmental, Social and Governance risks (ESG)

In addition to Net Zero, the main strategic commitments to support the UniCredit overall ESG stance on environmental matters are reported below. Regarding biodiversity, UniCredit, as first Italian Bank, has signed, the Finance for Biodiversity Pledge (FfBP) and is member of the permanent working group on Nature in the United Nations Environment Programme Finance Initiative (UNEP FI). Through the membership of the FfBP Foundation, UniCredit has contributed to the publication of the paper “Unlocking the biodiversity-climate nexus”. This paper outlines the synergies and trade-offs between climate and nature of a sample of investment/lending solutions that are key to solving the nature and climate crises.
The paper also presents recommendations on how to deal with the biodiversity and climate nexus and it is prepared by financial institutions for financial institutions, including banks, insurers, asset managers and asset owners. Within the UNEP FI Biodiversity Working Group, UniCredit has also contributed, alongside 34 international banks, to the publication of the Principles for Responsible Banking “Nature Guidance for Banks”. This aims to help the banking industry align with the Kunming-Montreal Global Biodiversity Framework (GBF) and address nature and biodiversity loss.
Regarding the circular economy, UniCredit has also become a member of the Ellen MacArthur Foundation international charity network in support of efforts to accelerate the circular economy transition across countries. The Foundation is committed to creating a global circular economy driven by design to eliminate waste and pollution, circulate products and materials and regenerate nature.

Investments, enablers for implementation
The Group has developed a global framework for ESG (Environmental, Social, and Governance) information, supported by a centralized IT architecture. This framework serves as a key enabler for regulatory disclosure compliance while enhancing risk management processes, business steering, monitoring, and reporting.
All ESG data collected has been integrated into the ESG Global IT infrastructure, creating a unified data framework that ensures the uniqueness of information and enables its use for multiple purposes, including risk assessment and business strategy.

To implement this vision, the Group has created a new integrated ESG ecosystem, composed of following key assets:
- Survey/Front-End: to enable customer surveys to gather ESG KPIs during the origination phase and to provide key ESG information to the network through the ESG KPIs cockpit, a valuable tool for business and credit strategy steering. It also integrates the Sustainability Front Expertise interface, which tracks ESG risk KPIs (physical, transition, and reputational risks, as well as companies in NetZero sectors) to classify counterparties and assess potential impacts and strategies within the credit decision process.
- Calculation Engine to identify green and social loans based on various principles and regulations.
- Sustainability Data Repository to manage data collection, reporting, and exploration activities related to ESG
- Sustainability Bond Management to support the development and management of Green and Social Bonds under the Sustainable Bond Framework.

This architecture has been successfully deployed across all countries within the Group, establishing a comprehensive ESG framework that supports compliance and strategic decision-making.

Policies and procedures
A specific process, factoring in transition risk and physical risk evaluation (together with reputational risk and Net Zero whenever relevant) has been designed and cascaded to the Group legal entities in order to address the inclusion of Climate and Environmental considerations into the overall evaluation of the client.
Leveraging on transition risk score, the process application results in specific strategies (in terms of eligible products) to steer the corporate portfolio's exposure fostering the clients' green transition and reducing at the same time the Group’s exposure to Climate and Environmental risks. More in details, in case the client is assigned “high” or “very high” transition risk score, the strategy foresees prevalence or exclusivity of ESG products, respectively. Outcome of physical risk assessment at counterparty level is meant to complement the strategy with the request of physical risk mitigation action whenever deemed necessary.
The adoption of the foreseen process in the Group legal entities rules is progressing, also according to the availability of ESG infrastructure in the different legal entities. These rules are in addition to the reputational risk policies, also relevant for the management of climate and environmental risk, which are described in more detail in the Risk Management section of this chapter.

Governance
The sustainability governance has been significantly strengthened in recent years at both steering and execution levels, underpinning the drive to further integrate ESG criteria into the Group's overall business strategy.

Corporate Bodies Oversight
The UniCredit Board of Directors defines the overall strategy, which incorporates the Group’s ESG strategy, overseeing its implementation over time.

Environmental, Social and Governance risks (ESG)

As to sustainability, the Governance and Sustainability Committee supports the Board of Directors on Sustainability and ESG related matters (with the exception of all risk related ESG components - e.g., Climate and Environmental risks - which fall under the Risk Committee remit). To this purpose, the Committee upon evaluation of its Chair and the CEO, carries out preliminary activities, analyzes and submits proposal on the sustainability and ESG framework, policies and guidelines.
Moreover, the Board of Directors approves the RAF which establishes the desired risk profile vis-à-vis its short and long-term strategic objectives and business plan. For monitoring purposes, dedicated Climate Risk KPIs have been included in the Risk Appetite Framework, enabling the Group to oversee the evolution of transition and physical risks it is exposed to.

The Risk Committee supports the Board of Directors in risk management related matters, performing all the activities instrumental and necessary for the Board to make a correct and effective determination of the Risk Appetite Framework and of the risk management policies. In particular, the Risk Committee supports the Board of Directors:

- in defining and approving risk management strategic guidelines, framework and policies (including the non-compliance risk, climate and environmental risks, risk data quality). Within the Risk Appetite Framework, the Risk Committee performs those tasks as necessary for the Board of Directors to define and approve the risk objectives (risk appetite) and the tolerance threshold (risk tolerance);
- in verifying that risk strategies, management policies and the Risk Appetite Framework are correctly implemented.

The Audit Committee assesses the suitability of periodic financial and non-financial information to correctly represent the Company's strategy and its sustainability, also with reference to the ESG factors.

Notwithstanding the Board of Directors' responsibilities, the Chief Executive Officer, also leveraging on the Company's competent functions:

- identifies the Company's risks submitting them to the Board. To that end, the Chief Executive Officer must have in-depth knowledge about all corporate risks and, as part of an integrated management-oriented approach, their reciprocal relationships, taking into account how external circumstances (including macroeconomic risks) evolve;
- identifies the strategies regarding the overall steering of the Bank and of the Group to be submitted to the Board;
- ensures the implementation of the strategic guidelines, the RAF and the risk management policies defined by the Board also by planning, managing and monitoring the internal controls and risks management system;
- establishes the internal information flows necessary to ensure that the corporate bodies have the information necessary to fully understand and govern risk factors and verify compliance with the RAF.

Management role

At management level, dedicated committees and functions ensure the implementation of the Group's strategy while effectively managing climate related risks in accordance with the RAF agreed upon. They also capitalize on the business opportunities that emerge from the transition to a low-carbon economy.
The Group Executive Committee (GEC) is the Group's most senior managerial committee and is chaired by the CEO. Within its mission it defines the overall ESG strategy. It also ensures the effective steering, coordination and control of the Group business, as well as the alignment of the Parent Company with the different businesses and geographies regarding strategic topics such as ESG issues. Moreover, in dedicated Risk sessions, the GEC supports the CEO in coordinating and monitoring all categories of risks and in steering ESG-related matters, thus granting a dedicated focus on Climate and Environmental risks among others.

The Group Strategy & ESG and the Group Stakeholder Engagement functions work together as a CEO Office, handling all important initiatives for the CEO. These initiatives include strategy development, M&A, the integration of ESG criteria into our business operations, stakeholder management and dealing with regulatory affairs.

The Group ESG function, part of Group Strategy & ESG, steers the definition and implementation of the Group's ESG strategy. It ensures the ESG framework is consistent with the Group's principles and Purpose and with relevant international standards and practices. The function is tasked with, inter alia, monitoring and disclosing the Group's ESG impacts and results, developing the social agenda and related proposition, and with overseeing the adoption of relevant policies and standards. This includes the coordination and publication of the Sustainability statements, UniCredit's TCFD Report, the implementation of the Principles for Responsible Banking-UNEP FI and related reporting. Moreover, Group ESG, in collaboration with all relevant functions, is involved in the Net Zero governance.

On the opportunity side, the ESG Advisory Team (part of Group Client Solutions) is a multi-disciplinary solutions team focused on enabling clients to create long-term stakeholder value by integrating sustainability into their strategic decisions by:

- providing independent first-class advisory services aimed at building resilience and adaptability to climate change while exploiting transition opportunities;

Environmental, Social and Governance risks (ESG)

- assessing the impact of applicable regulations, sustainable finance market principles and practices, market trends and stakeholders' expectations on clients' business models;
- steering the communication on strategy between the company and the investors, advising on ESG Ratings and reporting;
- identifying the most suitable solutions based on the defined strategic positioning.

To support customers in seizing opportunities arising from the ecological transition, dedicated teams have been established in all major countries where the Group operates. These teams are responsible for developing and offering new ESG-related products and services for both corporate and individual clients, in line with the Group's targets and ambitions.

Moreover, the Group Risk function has defined specific guidelines to embed Climate and Environmental considerations within the Corporate origination/annual credit review process with the aim to complement the creditworthiness assessment with climate aspects, identifying then the proper strategy to be applied and, therefore, relevant categories of banking products and services that the Business can offer to clients. Although the main driver for the strategy identification is the Transition Risk score attributed to the counterparty, there are other information (i.e., outcome of reputational risk assessment, Net zero trajectory, counterparty's physical risk) to be taken into consideration since they may have impacts in terms of strategy to be adopted. The entire process is mainly governed by the Relationship Manager (RM) in proponent business function and follows the standard approval path.

Within UniCredit's Risk Management function, the management of Climate and Environmental (C&E) Risk has become increasingly significant and strategically important, undergoing a substantial transformation in recent years. It is embedded across the three main risk management pillars, credit, financial and non-financial risks, with the aim of identifying, measuring, monitoring, and managing C&E risk impacts at central and local levels.

The following are the main structures directly involved in Climate Risk management:

- the Group Executive Committee (GEC), in addition to its role in steering the overall Group's business, in the dedicated Risk Sessions, the Committee supports the CEO in coordinating and monitoring all categories of risks and approves strategic risk topics including ESG-related matters, thus granting a dedicated focus on Climate and Environmental risks;
- the Group Non-Financial Risks and Controls Committee (GNFRC) supports the CEO in steering and monitoring non-financial risks. For example, it approves governance policies and guidelines for the management of reputational risk regarding sensitive sectors;
- the Group Financial and Credit Risk Committee defines strategies, policies, operational limits and methodologies for Credit risk, Market risks and Financial risks.

The Group Risk Management function supports the CEO in defining the Group Risk Appetite proposal, to be shared with the GEC, Risk Committees and submitted for approval to the Board of Directors.

This process occurs in coordination and in alignment with the yearly budget plan. The function ensures the overall climate risk framework definition at Group level and supports local implementation. Within the various risk areas, dedicated employees and functions have been devoted to the integration of climate topics within risk management activities and the effective dissemination of the relative knowledge. Such functions include Climate Risk and Risk Governance which oversees climate-related and environmental risks, and Climate & Environmental Credit Analysis which manages the integration of climate and environmental factors within the credit risk cycle. Furthermore, the Group Risk Management functions issue, for relevant ESG topics, credit risk opinions to support the Group Transactional Committee sessions in the discussion and approval (based on the delegated powers) of credit transactions.

Moreover, Compliance function monitors the alignment to ESG regulatory requirements by providing advice and performing second levels controls on a risk-based approach, integrating ESG topics into existing frameworks and processes of the competent areas (e.g to prevent Greenwashing risk).

Finally, as third line of defense, the Internal Audit Function, in line with its mission, ensures an oversight of the ESG-related risks, including climate-related and environmental risks. In particular, it is responsible for an independent review and objective assurance of the quality and effectiveness of the overall internal control framework and systems in relation to ESG-related risks, including the first and second level controls and the ESG risk governance framework.

In accordance with audit plan sets on a risk-based approach, it evaluates the risk management framework, taking into consideration the external developments, changes in the risk profile and in products and/or business lines as well as the appropriateness of the measures for managing climate-related and environmental risks. Furthermore, it monitors the action plan on climate-related and environmental risk management, which also incorporates the ECB expectations.

Environmental, Social and Governance risks (ESG)

Remuneration

The Remuneration Policy has been developed to support our corporate strategy, in which the ESG strategy of the Group plays a crucial role. Comprehensive scorecards have been formulated for the CEO and top management, which include ESG targets aligned with the strategic plan. The inclusion of these KPIs fosters the alignment with the Group's current and future ESG ambitions.

In order to align the Group's management structure and reinforce managerial commitment to our ESG strategy, these objectives are cascaded throughout the reporting line of the CEO and extend to all levels below. This includes the entire Group Material Risk Taker population (GMRT), i.e., those categories of staff whose professional activities have a material impact on an institution's risk profile.

The entire section on "Sustainability" had a weighting of 20% in the CEO and Top Management long-term scorecard within the 2024 Group Incentive System rules. In 2025 the same approach will be followed, with targets in line with the current and future ESG and Diversity, Equity and Inclusion (DE&I) priorities.
All GMRT scorecards for the assessment of short-term performance include at least one ESG goal. The ESG goals can be selected among a cluster of ESG KPIs included in the KPI Bluebook, a catalogue of performance indicators annually certified by the relevant key functions within the Group. Among the ESG KPIs defined in the BlueBook are ESG Strategy and Net-Zero.

Additional information on remuneration policy and KPIs related to climate and environmental risk, are reported in the dedicated section in the Sustainability statements, within the 2024 Annual Reports and Accounts reported on the Group website.

Training initiatives

Several training initiatives focused on ESG and climate change-related risks and opportunities have been put in place at all levels of the Bank to address various needs.
A selection of training initiatives with a focus on climate-related risks and opportunities are reported below.

Environmental, Social and Governance risks (ESG)

NAME OF THE INITIATIVE	TARGET	CLIMATE-RELATED TOPICS
Board of Directors Training	Board members	ESG: Our approach, key regulatory priorities, path to net zero
ESG Programme (in partnership with PoliMi Graduate School of Management)	Group Executives	Among the topics covered: • Global ESG Trends and Business Value • ESG Risks and Impacts: Focus on Climate change • The Economic Impact of Climate Change for Companies and Banks • Climate Risk Assessment Strategies and Modelling • ESG Regulatory Framework • Responsible/Sustainable Finance
ESG Fundamentals	All Group colleagues	Among the topics covered: • Introduction to climate change from the Paris Agreement to COP 29 and highlight on the main European regulations about Climate
Climate & Environmental Risk Assessment Training	Global Account Managers • Senior Relationship Managers • Relationship Managers • Group Senior Risk Managers • Group Credit Transactions • Employees of other corporate structures involved in • filling in the Environmental Questionnaire in credit procedure	Among the topics covered: • Climate and Environmental Transition Risk Assessment: Questionnaire and Guidelines • Climate and Environmental Transition Risk Assessment: Transition Risk Scoring Model and Environmental Report • Credit Process: Integrating Environmental Considerations into Credit Decision Making
EU Taxonomy	Business colleagues	Training on the regulatory requirements of the EU Taxonomy and the consequent impacts on business
ESG Corporate Advisoring Certification (in partnership with PoliMi Graduate School of Management)	Business colleagues - corporate area	Training course realised with the aim of providing the necessary tools to support the commercial network during the ESG deal processing phase. Among the topics included in the course: • Climate Change • Energy and Circular Transition • ESG Regulatory Framework

Environmental, Social and Governance risks (ESG)

In addition to the aforementioned training framework, a dedicated climate-risk learning offer has been specifically designed for the Risk Management function.
The training offer, devoted to enhancing competences regarding climate risk, is customized according to role and, in particular, to the involvement of employees in climate risk related activities. The training is structured in 3 levels:
- for all Risk Management employees, the learning offer is aimed at providing the fundamentals on climate risk and it covers a broad range of topics, including ESG Strategies, Social and Governance matters, environmental and social products and initiatives, ESG strategic commitments and Impact Measurement model;
- for Risk Management employees partially or fully dedicated to climate risk-related activities, a specific learning offer has been designed to upskill their competencies according to market development: in particular, a training course on “Climate Risks Governance and Management” providing an overview of climate risk and the risk management framework (identification of the threshold of KRIs, inclusion within the ICAAP and focus on the expectations of the ECB), and a course focused on “Climate Risks in the Banking Sector” providing an overview of how the banking sector is moving towards the integration of C&E elements;
- for Climate Risk experts, a specialist in-class training path on climate risk topics has been designed, including climate risk governance and strategy implementation with deep dives on each topic and a half a day classroom on natural capital addresses to employees full and partially dedicated to ESG topics;
- for a selected number of Risk Management employees and other specific functions, a specific class was designed to provide the skills needed to identify C&E related reputational risks and measure the implications into decision making processes.

Risk management
UniCredit recognizes Climate & Environmental risk factors as crucial elements in safeguarding its clients’ portfolios and assets from climate-related risks. To achieve this goal, UniCredit is integrating climate and environmental factors into its risk management processes and procedures. Climate Risk management encompasses the identification, measurement, and monitoring of these risks as well as the implementation of mitigation measures. The Group actively engages and supports corporate clients in transitioning to a lower carbon business model, fully exploiting green business opportunities. Furthermore, the Group aims to assist own clients in achieving a just transition, ensuring fairness throughout the process.

Risk Identification
UniCredit’s first step is the identification and mapping of all the risks embedded in the Group and in the relevant legal entities, with particular focus on the risks not explicitly covered by the Pillar I framework.
This process, defined as the risk identification process is a comprehensive framework to proactively identify all potential risks the Group may encounter and is performed on an annual basis. The primary outcome of this activity is UniCredit’s risk inventory, which comprises a comprehensive list of the quantitative and qualitative risks to which the Group is or may be exposed. The risk identification process enables UniCredit to assess which risks are, or are likely to be, material considering their exposures. Material risks are determined annually using a quantitative approach that involves assessing the risk level against the materiality threshold.
In line with the European Banking Authority’s (EBA) and the European Central Bank’s (ECB) expectations, UniCredit’s risk identification process covers ESG risks dimensions, considering that these could positively or negatively affect the risk types already incorporated in UniCredit’s risk management framework.
Environmental, Social & Governance (ESG) risks pertain to any adverse financial consequences that may arise for the Group due to the existing or prospective impacts of ESG factors on its counterparties or invested assets:
- Climate and Environmental (C&E) factors are related to the quality and functioning of the natural environment and its systems and include factors such as climate change, biodiversity, energy consumption, water, pollution and waste management;
- Social and Governance factors, for which the Group assigned an impact on reputational risk, revolve around the rights, well-being and interests of individuals and communities and include governance arrangements for the environmental and social factors in the policies and procedures of counterparties.

In coherence with the "Recommendations of the Task Force on Climate-related Financial Disclosures" (2017), climate related risks can be divided into two major categories: (i) risks related to the transition to a lower-carbon economy and (ii) risks related to the physical impacts of climate change, described in detail below.

Transition risks refer to the risks arising from the transition to a lower-carbon economy, which may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, pace, and focus of these changes, transition risks can pose different levels of financial and reputational risk for organisations:
- policy and legal risks stemming from continuously evolving policy actions, attempting to either constrain actions that contribute to the adverse effects of climate change or seeking to promote adaptation to climate change, and from litigation or legal risks;

Environmental, Social and Governance risks (ESG)

- technology risk stemming from technological improvements or innovations that support the transition to a lower-carbon, energy-efficient economic system and that can have a significant impact on organisations to the extent that new technology replaces old systems and disrupts some parts of the existing economic system;
- market risk stemming from the potential shifts in supply and demand for certain commodities, products and services;
- reputational risk stemming from changing client or community perceptions of the organisation's contribution to or detraction from the transition to a lower-carbon economy.

Physical risks refer to the risks related to the physical impact of climate change. These types of risk can be event driven (acute) or long-term shifts (chronic) in climate patterns and, as such, their effects can be felt both in the short and medium/long-term horizon:
- acute physical risks are event-driven, including increased severity of extreme weather events (e.g., droughts, floods, etc.);
- chronic risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures).

The connections between climate risk drivers and the risks faced by banks are referred to as transmission channels. Understanding these transmission channels is crucial for assessing the impact of climate risk drivers in UniCredit's risk management framework. The figure below illustrates the climate-related risk drivers, relevant transmission channels and risk types that may be affected.

CLIMATE-RELATED RISK DRIVERS

Physical risk drivers
- Acute
- Chronic

Transition to low carbon Economy risk drivers
- Policy changes
- Technological changes
- Behavioural/consumer preferences changes
- Client or community perception changes

TRANSMISSION CHANNELS

- Carbon price/carbon tax
- New climate-related regulations
- Stranded assets
- Damages to property
- Shifts in prices and asset values
- Increased volatility of asset prices
- Lower asset performance
- Operational disruption
- Productivity changes
- Losses of business opportunity
- Dispute, claims
- Interest rates level
- Changes in individuals' habits
- Changes in clients' expectations
- Political decisions
- Energy Performance Certificates
- Insurance availability/affordability/pricing

RISK TYPES POTENTIALLY IMPACTED

- Credit Risk
- Market Risk
- Operational Risk
- Reputational Risk
- Business Risk
- Real Estate Risk
- Inter-risk diversification

Environmental, Social and Governance risks (ESG)

Integration of climate risk into risk framework - short/medium/long term impacts

With particular reference to the identification and monitoring of Climate Change, an annual portfolio materiality assessment, integrated into the Double Materiality Assessment according to the process described in the Sustainability statements, under the section "IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities", is performed to identify the climate-related risk drivers which may materially impact the portfolio at single risk category level, leveraging on common metrics and a unique threshold for risks and time horizons, through scenario analysis. For each risk and under the short (12 months), medium (2030) and long-term (up to 2050), the metrics are defined according to an annualized unexpected loss concept, while the threshold for a risk driver to be identified as material is set consistently with the internal ICAAP materiality threshold.

The set of climate scenarios considered for the analysis is provided by a qualified external provider and is meant to assess and quantify potential vulnerabilities for the short and medium/long-term horizons.

The main climate assumptions embedded in the scenarios in terms of transition policies and level of emissions/temperature are consistent with the NGFS/IEA[38] 's ones to ensure consistency with scientific climate change pathways to properly assess the impact of physical and transition risk drivers. The scenarios are extended with a more comprehensive set of variables (climate and macro-economic related) disaggregated at higher level of granularity to better fit the Bank's risk profile.

In particular, a central scenario (namely, Baseline), which considers the current Transition policies, the central macro-economic outlook and climate assumptions similar to the International Energy Agency (IEA) STEPS scenario incorporating policies deemed sufficiently credible to materialize into action, as well as two polarized stressed scenarios with very low probability of occurrence are considered. To account for the pure climate risk impact, a Baseline Counterfactual scenario is considered, removing from the Baseline scenario any impact deriving from climate risk.

The scenarios' narratives for 2024 climate-risk scenario analysis are described below.

BASELINE	DELAYED TRANSITION	ENERGY DISORDER
Central scenario	**Transition risk stressed scenario**	**Physical risk stressed scenario**
Narrative: Projection of commitment and measures currently adopted by different countries. Climate assumptions aligned with the International Energy Agency's (IEA) Stated Policies Scenario.	*Narrative:* policies are introduced in 2030, starting the transition. The delayed start implies that a more stringent policy is required to achieve similar climate outcomes by 2050, resulting in greater economic impacts. Aggressive and uncertain carbon taxation policies cause substantial inflationary pressures, stranded assets and financial instability. Government carbon tax revenues are sufficient to cover the fiscal costs of the transition.	*Narrative:* Increased protectionism in energy sector, whose demand primarily met with fossil fuels, and in other strategic sectors on top of no effective policy actions to address climate change, resulting in high emissions and severe temperature increase. The scenario also considers physical damage estimates attributed to changes in temperature volatility and the increasing likelihood of acute events.

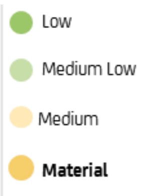
The Baseline scenario and the polarized stressed scenarios are modelled as deviations from the Baseline Counterfactual scenario's macroeconomic outlook and, as such, are meant to capture climate risk driven outcomes, with varying mixes of physical (main driver of Energy Disorder scenario) and transition risk (main driver of Delayed Transition scenario) or both (Baseline).

The outcomes of the 2024 portfolio materiality assessment suggest a limited impact of climate-related risk drivers in the short-term, while they show material impact of physical risk in the long-term for Credit Risk. Physical risk is hence to be considered a relevant risk driver for UniCredit portfolio.

38 Network for Greening the Financial System/International Energy Agency.

Environmental, Social and Governance risks (ESG)

Medium-term = 2030
Long-term = up to 2050



The outcome on the Baseline scenario shows the low magnitude of transition and physical risks in all the three considered horizons.

As described above, the portfolio materiality assessment is the starting point allowing to identify the risk drivers which shall be included in the overall risk management framework to properly manage, monitor and mitigate them.

Within the overall risk management framework, the potential impacts of climate risks have been incorporated in methodology IFRS9 provisioning (fro details, refer to the 2024 Annual Reports and Accounts, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, paragraph 2.3.4 Scenarios and Sensitivity) and into the Internal Capital Adequacy Assessment Process to evaluate the capital adequacy of the bank relative to climate-related risks. The latter, performed through scenario analysis, envisages the full coverage of risk types (e.g., credit risk, market risk, etc) and the integration of forward-looking elements. The impact on capital need estimates shows that the Bank's resilience is ensured in the short, medium and long-term.
In the following sections, the integration of transition risk and physical risk into credit portfolio will be further described. Additional details are reported also for Financial and Non-Financial risks, considering their relevance for UniCredit group.

Integration of climate risk into Risk Appetite Framework (RAF)
UniCredit's RAF provides an integrated view of business and risk strategy ensuring strategic plan execution within the risk capacity a bank is willing to assume. It establishes the Group's desired risk profile, driving short-term and long-term strategic objectives, and is supervised by the UniCredit Board of Directors.

The RAF is composed of three key elements:
- Risk Appetite Statement (RAS) - provides a strategic view of and guidance on the target risk profile and is expressed via qualitative statements;
- Risk Appetite Dashboard - quantitative KPIs with related targets and risk tolerance thresholds for proactive risk steering;
- Risk Strategies - ensure the cascading of the Risk Appetite to more granular levels via operative indicators, limits and controls.

Since 2020, dedicated Risk Appetite Statements are drawn up regarding Climate & Environmental (C&E) risks, including the definition of UniCredit's commitment to assist its clients in a just and fair transition and the continuous integration of C&E risks within the Risk Management framework. Dedicated quantitative C&E risk related KPIs have been included in the Risk Appetite Dashboard since 2022, addressing both transitional and physical C&E risks.

Environmental, Social and Governance risks (ESG)

As of 2024, the following C&E KPIs are included in the Risk Appetite Dashboard and quarterly monitored at Group level and main legal entities:
- High Transition risk exposure KPI - aimed at measuring the Group's exposure against largest counterparties that appear more vulnerable along the transition path towards a lower-carbon economy, based on information retrieved through Climate and Environmental Questionnaire during credit application.
- Physical risk KPI - designed to measure potential damages that extreme climate-related acute physical risks events could cause to the Group's collateral portfolio.
- Net Zero KPI has been defined on the following 3 priority sectors with the same metrics used to set 2030 targets (financed emissions and physical intensity), to steer accordingly the portfolio in 2024:
  - Oil & Gas: Financed Emissions ($MtCO_2e$);
  - Power generation: Physical intensity (gCO_2e/kWh);
  - Automotive: Physical intensity (gCO_2/vkm).

Being an integral part of the Group Risk Appetite monitoring process, C&E KPIs are subject to an escalation process (in the case of risk tolerance threshold breaches) with related corrective/mitigation actions to be defined, when needed. The Group Board of Directors is informed of the breach and remedy actions (if any) on a quarterly basis in the periodical information sharing process.
As of today, no breach in any of the defined thresholds happened in the Group KPI.

Integration of transition risk into credit portfolio - Credit Risk Strategy and Counterparty level
UniCredit has been working on the identification, measurement, monitoring and mitigation of transition risk. The transition risk of the portfolio is measured with different metrics, also including the distribution of the credit portfolio by industry.
A comprehensive approach has been developed to assess and manage transition risk; the Risk Management framework defined is fully consistent with the RAF and is based on 3 pillars:
- specific reputation risk policies set-up (refer to subparagraph "*Non-Financial Risks*" below);
- dedicated Industry steering signals, based on relevant C&E factors (linked to transition risk) included in the Credit Risk Strategies framework reviewed at least once a year;
- assessment at customer group or single client level, mainly leveraging a dedicated C&E questionnaire/external provider score.

In particular, the Industry steering signals (i.e. underweight, neutral, overweight) and the related industry limits embed relevant C&E factors, mainly leveraging a heatmap based on harmonized transition risk scores (integrating C&E questionnaire where available) by economic activity.
Further principles are also integrated within qualitative guidelines (including Net zero indication where relevant) for the business to assess and mitigate the risks for each specific industry. The cascading to the legal entities of the Group, together with the monitoring and escalation processes at local and Parent company level, steer different credit portfolios in alignment with the RAF.
To determine the extent to which the Bank's credit counterparties (subject to the C&E questionnaire perimeter) are exposed to Climate and Environmental risks, the C&E questionnaire is based on a set of both cross-industry questions (in total 11 considering the different sections) and industry-specific questions (an additional 2 for specific sectors), measuring qualitative and quantitative current and forward-looking key indicators across the following three main drivers.

The three main drivers of the C&E questionnaire are:
- C&E exposure - the 5 questions allow an analysis of the current level of exposure of the Economic Group under assessment: (i) level of Greenhouse Gas (GHG) emission (Scope 1, 2 and 3); (ii) Water consumption, (iii) Energy consumption; (iv) Waste production and recycling;
- C&E vulnerability - the 4 questions allow an analysis of the climate change management maturity level on a forward-looking basis, covering: (i) Company's investment plan to shift to lower emission level business model, (ii) GHG emissions reduction target;
- Economic Impact - the 2 questions allow an analysis of the potential impacts on corporate clients' financial and industrial performance in terms of cost and revenues.

Environmental, Social and Governance risks (ESG)

Three steps are applied in order to determine the questionnaire result as shown in the following figure:

1 QUESTIONNAIRE

11 cross-industry and 2 industry-specific C&E related qualitative-quantitative questions

2 SCORING & WEIGHTING

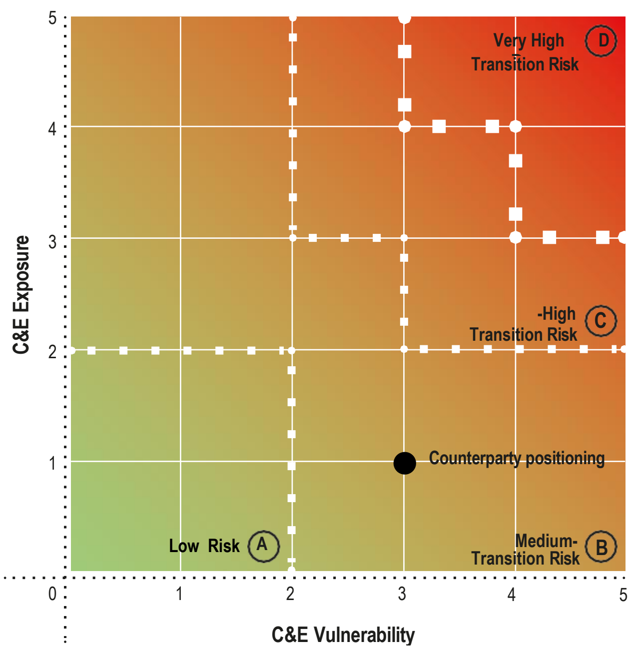
Questions and answers converted into homogeneous scores on a scale from 1 to 5 and weighted by relevance enabling differentiation

3 RESULTS AND MATRIX

The sum of weighted score positions each counterpart on the Transition Risk Assessment matrix

In detail:
- calculation of question-specific indicators based on the answers provided (a penalty system is in place and applied when information could not be retrieved);
- conversion of indicators, related to single questions, to standardize the scores of different responses and guarantee comparability of results;
- weighting of question-specific scores according to a pre-defined table (that takes into account the relevance of the questions) and calculation of the summary score for the different dimensions:
  - sum of question-specific scores (and penalties if necessary) for each question in the Exposure cluster; the result is plotted on the vertical axis of the matrix;
  - sum of question-specific scores (and penalties if necessary) for each question in the Vulnerability cluster; the result is plotted on the horizontal axis of the matrix;
- determination of C&E score ratings (1-Low; 2-Medium; 3-High; 4-Very High Risk), as shown in the matrix below.

Scoring methodology matrix



High C&E Transition Risk
Risk counterparts

(A)	**Low**	Clients with no/limited Climate and Environmental Transition risk
(B)	**Medium**	Clients with moderate Climate and Environmental Transition risk
(C)	**High**	Clients with tangible Climate and Environmental Transition risk
(D)	**Very High**	Clients with important level of Climate and Environmental Transition risk

- **c.1,500** approximate number of counterparties mapped by the C&E Questionnaire
- **45%-50%** approximate corporate portfolio coverage
- **Risk of UniCredit clients:**
  - **ca. 90%** Medium/Low
  - **ca. 10%** High/Very high

Environmental, Social and Governance risks (ESG)

In order to guarantee the robustness of the model and the correctness of the data collected, specific controls have been put in place and a mask dedicated to the uploading of documents used by the relationship manager to collect the data has been set up in order to verify the sources and correctness of the information.The results of the climate and environmental assessment are integrated in the credit application, allowing the decision maker to effectively take climate and environmental factors into account during the credit decision phase.
A specific process, factoring in transition risk and physical risk evaluation (together with reputational risk and Net Zero whenever relevant), has been designed and cascaded to the Group legal entities through a dedicated Group Operational Regulation in order to address the inclusion of C&E considerations into the overall evaluation of the client. Leveraging on transition risk score, the process application results in specific strategies (in terms of eligible products) to steer the corporate portfolio's exposure fostering the clients' green transition and reducing at the same time UniCredit's exposure to C&E risks.
More in details, in case the client is subject to high or very high transition risk, the strategy foresees prevalence or exclusivity of ESG related products, respectively. Outcome of physical risk assessment at counterparty level is meant to complement the strategy with the request of physical risk mitigation action whenever deemed necessary.
The adoption of the foreseen process in the various Group legal entities rule is progressing, also according to the availability of ESG Group's infrastructure in the different LEs.

Data strategy

A comprehensive data strategy has been defined and implemented, integrating internal data with information from external providers. This strategy strikes a balance between timely KPI collection and minimizing the impact on business operations, leveraging both external sources and internal customer surveys, prioritizing precise data collected through surveys over proxy data wherever possible. The data strategy was designed with careful consideration of regulatory requirements and the Group's experience.

Climate & Environmental data collection for the corporate oortfolio followed a structured roadmap:
- in January 2021, the Group began submitting the Climate & Environmental questionnaires for all files discussed by the Parent Company Credit Committees, achieving coverage of approximately 35% of Exposure at Default (EAD);
- in the following year, this process was extended to local Credit Committees, increasing coverage to about 40%;
- by acquiring data from external providers, the Group further extended coverage to over 90% of the Corporate portfolio across its various geographies.

The integration of external data has expanded the range of available indicators and KPIs, supporting both regulatory disclosure and managerial activities. These include:
- transition and physical counterparty risk;
- ESG scores and their components;
- GHG emissions;
- top 20 polluters information;
- biodiversity KPIs;
- production and production mix data.

The data acquired from external providers encompasses both listed and non-listed counterparties. Coverage may vary based on the type of data (precise or proxy), geography, and underlying methodologies. The Group aims to prioritize precise data wherever possible, using proxies only when necessary.
Data quality and methodological aspects are closely monitored by various departments to ensure the information meets expectations and aligns with its intended use. Internal validation processes also include technical data quality checks to maintain accuracy and consistency.
This approach underscores the Group's commitment to data-driven decision-making and regulatory compliance while ensuring robust ESG data management.

Transition risk at collateral level

With the aim to measure transition risk associated with assets accepted as collateral to fulfill regulatory obligations (Pillar 3, EU Taxonomy, Stress Tests) and meet managerial needs, a collection of Energy Performance Certification (EPC) data has been conducted in the various Group legal entities:
- for the stock, whereas the data couldn't be punctually retrieved, the Group leveraged on external specialised providers, which developed an estimation model;
- for the new flows, the following transition risk KPIs are collected and properly taken in consideration during origination phase:
  - Energy Performance Certification label (EPC), with flag indicating estimated/reported;
  - Primary Energy Demand (PED), measured as kWh/sqm;
  - CO2 emissions;
  - Energy Performance Certification issuance year.

Environmental, Social and Governance risks (ESG)

Such information has been integrated into the ESG Global IT Infrastructure and is available on the local underwriting platforms at the origination stage.

Physical risk in the credit portfolio

Physical risk is carefully monitored for both counterparties within Group portfolio and individual collateral assets. This involves the assessment of a wide range of hazard events[39].
The group guidelines to integrate physical risk and transition risk KPIs into collateral evaluation, issued through a CRO Letter in 2023, have been transposed and embedded in a Group Operational Regulation published in January 2024 and properly cascaded to all the legal entities.
According to the guidelines, the appraiser is delegated to evaluate, based on own independent assessment, the extent of transition risk (leveraging on EPC) and physical risk (through a homogeneous set of hazards to be assessed and evaluated with a dedicated taxonomy provided by the guidelines) and to embed also these components in the overall assessment and final value assigned to the collateral.

Financial Risk

With regards to financial risks (market risk, liquidity risk and counterparty credit risk), several concrete initiatives have been implemented over the years to further integrate C&E risk into the financial risk management framework. The key pillars of the approach followed include:

- an overall methodological approach for incorporating C&E drivers within the Financial Risk framework has been refined, leveraging on a combination of assessment methodologies already employed by the Group. The methodological framework measures transition and physical risks within the Financial Risk relevant perimeter. For this purpose, both internal (transition) risk scores as well as externally sourced scores are applied. For the purpose of transition risk these scores are complemented by industry scores to further increase the data coverage. For the relevant market risk perimeter (Corporates and Financials) in the trading book for transition risk a very high coverage can be accomplished (almost 100%) and for physical risk about >60% coverage can be obtained. For the investment portfolio relevant perimeter (Corporates and Financials) for transition risk an almost full coverage and for physical risk about 50% coverage can be obtained, similarly also for the purpose of counterparty credit risk and liquidity risk (Counterbalancing Capacity - CBC);
- C&E KPIs are included within market risk \ counterparty credit risk strategy in line with Group ESG strategy; a dedicated limits and warning levels are applied. Specifically:
  - Granular Market Limits (GMLs) for equities and credit exposure vs high transition and physical risk score in the trading-book;
  - Granular Market Limits (GMLs) for non-sovereign debt securities exposure vs high transition and physical risk score in the investment portfolio, i.e., in the banking book;
  - Early Warning for sovereign debt securities exposure vs high transition and physical risk score in the investment portfolio, i.e., in the banking book;
  - Stress Test Warning Levels (STWL) on dedicated climate scenarios;
  - Early Warnings on Pre-Settlement exposure for counterparties with High Transition and Physical Risk score;
- the assessment of C&E drivers is incorporated into the process for evaluating new financial products within the Group. When assessing new products, LEs are responsible for verifying whether any C&E risk is embedded in the product's payoff/structure and for ensuring consistency with Group's ESG strategy by involving the local competent function if needed;
- specific inclusion and exclusion criteria for investment process and transaction due diligence in coherence with Coal and Oil & Gas sector policies.

Concerning monitoring and reporting process, the Financial Risk function monitors and reports monthly to competent corporate governing bodies the concentration towards climate risk with reference to equity risk and corporate and financial bonds in the trading book, corporate and financial bonds in the investment portfolio, counterparty credit risk exposures and counterbalancing capacity. The monitoring framework includes physical and transition risks within the Financial Risk relevant perimeter complemented also by an analysis with respect to physical risk hazards. Additionally, also a Carbon Foot printing analysis for the corporates and financial bonds in the investment portfolio is included.
In April 2022, the market risk stress testing program was enhanced with a dedicated climate risk scenario which extends the ECB short-term disorderly transition scenario. Moreover, since October 2022, the monthly reporting and monitoring framework has been enhanced by incorporating transition and physical risks and in December 2022 the Climate risk stress test scenarios were further increased.

Investment Portfolio:

Direct transition and physical risk scores are available for 100% and 45% respectively of the relevant perimeter of the Investment Portfolio (Corporates and Financials exposure). The distribution of the investment portfolio is mainly concentrated in Medium-Low category (54%) for Transition Risk and in Low category (71%) for Physical Risk. Not material exposure with high transition risk score and no high risk score for physical risk.

39 As reported in the description related to following Template 5 ESG.

Environmental, Social and Governance risks (ESG)

Transition Risk:
- High - 0%
- Medium High - 44%
- Medium Low - 54%
- Low - 2%

Physical Risk:
- High - 0%
- Medium High - 14%
- Medium Low - 14%
- Low - 71%

Trading Portfolio:
The overall materiality of climate-related exposure is very low. The split between equity-related and credit-related risk in the trading book is illustrated below:

Equity risk in the trading book:
Direct Transition and Physical Risk Scores are available for 99% and 91% respectively of the relevant perimeter of the portfolio (Corporates and Financials exposure). Risk distribution is mainly concentrated in the Medium-Low category for both Transition (48%) and Physical (45%) Risk. Currently there is almost no exposure for a high-risk score for either transition or physical risk.

Transition Risk:
- High - 1%
- Medium High - 27%
- Medium Low - 48%
- Low - 23%

Physical Risk:
- High - 1%
- Medium High - 15%
- Medium Low - 45%
- Low - 29%

Credit risk in the trading book:
Direct Transition and Physical Risk Scores are available for 99% and 76% respectively of the relevant perimeter of the Portfolio (Corporates and Financials exposure).
Risk distribution is mainly concentrated in the Medium-High category (67%) for Transition Risk and in the Low category (57%) for Physical Risk. Currently there is almost no exposure for a high-risk score for either transition or physical risk.

Transition Risk:
- High - 0.5%
- Medium High - 67%
- Medium Low - 29%
- Low - 3%

Physical Risk:
- High - 0.2%
- Medium High - 13%
- Medium Low - 30%
- Low - 57%

The materiality for financial risk is assessed via the standard ICAAP framework as described earlier and is complemented by further concentration analyses and stress scenarios. Based on these assessments, combined also with qualitative considerations on UniCredit's trading business model, appears to be no materiality of climate & environmental drivers on market risk exposures.
Similarly, the outcome of the liquidity impact of climate risks reveals a limited materiality of the exposures to these risks also in ILAAP.
Climate risk could cause material net cash outflows or depletion of liquidity buffers, mainly stemming from the financial impact on the held assets of a changing climate (i.e., physical risk) or the institution's financial loss that can result, directly or indirectly, from the process of adjustment towards a lower-carbon and more environmentally sustainable economy (i.e., transition risk).

Environmental, Social and Governance risks (ESG)

According to the definition of physical and transitional risk, the transmission of climate risk to liquidity comes through the following channels:
- Counterbalancing Capacity (CBC): risk premia on securities of carbon-intensive issuers (transitional risk) or issuers particularly exposed to extreme climate events (physical risk) could increase, deteriorating the market value of the liquidity buffer;
- Deposits: withdrawals of deposits mainly due to high liquidity needs and credit losses that could stem from corporate clients with high CO2 emissions, which could have to adapt their technologies and production plants to more carbon-neutral economies (transitional risk) or from customers hit by severe weather events (physical risk), which reduce profitability and potentially increase credit risk and liquidity needs;
- Undrawn credit and liquidity facilities, whose usage might increase for the same reasons listed for deposits;
- Market valuation changes on derivatives transactions climate related price shocks and increased market volatility may result in increased derivative exposures and related margin-calls.

Additionally, the transition risk might appear if UniCredit itself fails in adapting its practices to the new climate regulations, thus leading to reputational impacts. Such a risk is regularly monitored through the name crisis scenario of the liquidity stress test.
In order to assess the materiality of the liquidity risk arising from climate factors related with deposits and committed lines, UniCredit's customers are classified according to a climate risk score defined through an internal questionnaire or acquired by external information providers.
A stressed liquidity outflow ratio (from granted committed lines or from outstanding deposits) is applied on those customers labelled with high or medium high risk: the underlying assumptions of the impact analysis is that these customers will have increased liquidity needs comparable to those simulated in the severe internal liquidity stress test analysis.

The potential deterioration or the value of the counterbalancing capacity or the change in the value of derivatives (generating margin calls) is estimated by applying specific climate scenarios to the most relevant market variables (the same scenarios used in the ICAAP analysis).
The above-described effects are applied to the operative maturity ladder and the liquidity coverage ratio to assess the climate risk impact on the short-term perspective. Similarly, the effects are applied to the net stable funding ratio to simulate the structural liquidity changes produced by the above-described simulations.
The resulting impact is compared with the internal inherent risk severity thresholds.

In general, longer-term effects (on the balance sheet structure) are low both for transitional and physical risk, as the liquidity structure of the Group balance sheet is sound and ensures enough time to absorb potential climate related changes. In case physical risk materializes the channel through which the risk would transmit to liquidity is mostly from the potential deposit outflows.
As far as the short-term effects (direct impacts on liquidity) are concerned, the exposure to physical risk is classified as medium-low: the impact of deposit outflows has a higher weight on short term metrics.

Also for transitional risks the impacts are negligible on the longer term horizon. Short term metrics are instead more impacted both by the potential higher usage of deposits from customers with high or medium high exposure to transition risk and from the potential margin calls connected with the higher volatility of commodity prices. The overall impact for the Group will remain anyway medium low, according to the internal severity scale. Both for physical and transitional risks the identified impacts (classified as medium-low) can be easily absorbed by the liquidity buffers available in the Group.

Non-financial risk

Non-financial risks can be influenced by environmental factors in general and by the climate change in two different ways:
- Reputational risk: risk for the Group of being perceived and criticized for supporting activities and projects through its financial products and services that harm the environment and contribute to worsening the climate change scenario.
- Operational risk: risk for the Group of facing temporary disruption or unavailability of key premises (e.g., data centres, operational centres, headquarters) or for the discontinuity of services suffered by some of its third-party service providers due to adverse extreme climate conditions.

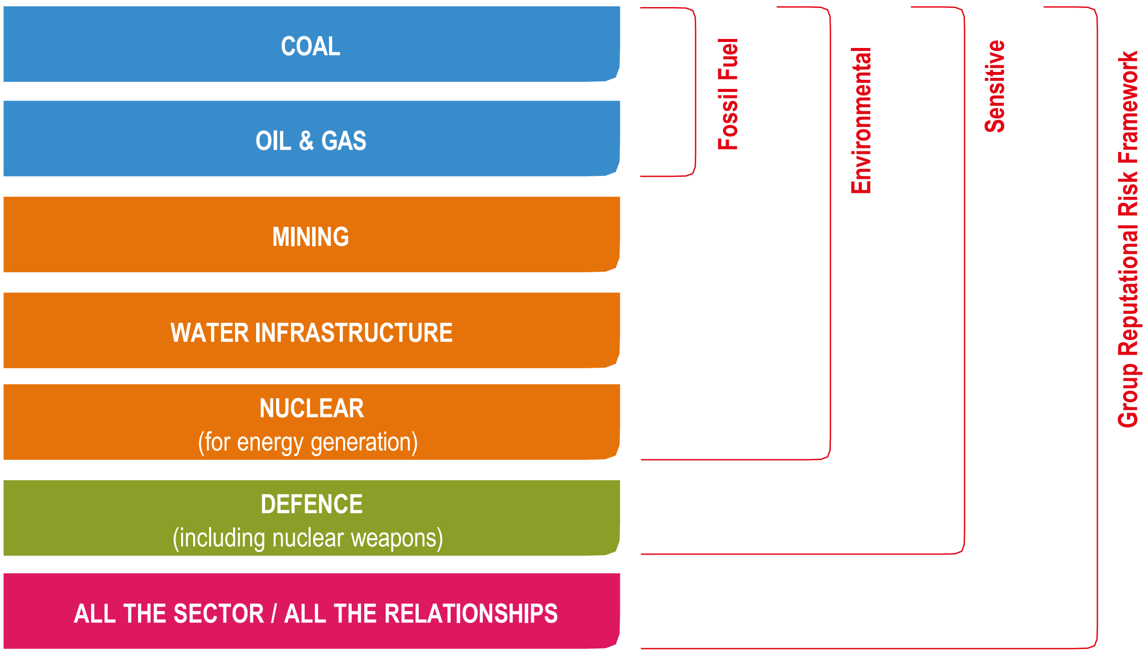
The Group has implemented adequate processes to mitigate the above-mentioned risks.
With regards to reputational risk, the Group defines reputational risk as the current or prospective risk to earnings and capital resulting from the negative perception of the Financial Institution's image by various stakeholders including clients, shareholders/investors, regulators, employees, debtholders, market analysts, civil society, NGOs, media and other relevant parties.

The management of reputational risk relies on:
- setting clear general rules and guidelines for:
  - defining the profile of relationships (with clients as well as with other relevant counterparties such as suppliers) and operations (mainly financial support, but also investments and other financial products and services offered) that the Group is available to manage and develop;

Environmental, Social and Governance risks (ESG)

- defining the profile of what the Group does not consider to be in line with its foundation principles and reputational standards. These rules and guidelines are designed to ensure alignment with laws, internal and external regulations, best practices within the sector and reflect the risk appetite and the sensitivity of the Group;
- setting additional specific rules and guidelines for sectors considered sensitive (Coal, Oil & Gas, Defence, Nuclear, Mining, Water Infrastructures) and contributing to the Group commitments for specific topics (Rainforest, Tobacco, Human Rights, Natural Capital/Biodiversity);
- requiring for each relationship the evaluation of the conformity to the rules and guidelines mentioned above;
- ensuring respect of the rules mentioned above for each operation, performing a specific Reputational Risk Assessment involving the dedicated Reputational Risk function and other specialist/competent functions (e.g., ESG, Compliance, Legal) in cases of potential deviation and rejecting operations in breach of such rules;
- setting conditions, controls or limitations, where deemed necessary, in order to reduce the material residual Reputational Risk for Group, regardless of the sector connected to the case;
- independently from the sector, evaluation of the liability/litigation risk that can derive from supporting a deal which could produce a negative environmental or social impact, when the deal is under the Equator Principles (EP) framework;
- taking the right decisions at the right level of authorization in cases of potential reputational risk, involving the Group Non-Financial Risks Committee (GNFRC) for the highest risk cases and/or for strategic decisions.

The Group, in its continuous monitoring of the market and stakeholder's expectations, has identified six "sensitive sectors" for which it has adopted a dedicated additional set of provisions and rules described in specific internal regulations listed below:



In addition, UniCredit group has signed specific commitments regarding the exit from tobacco industry and from activities that favor deforestation or forest degradation and also reinforced its positioning on human rights commitment.
The inclusion of a sector among the sensitive ones and the provisions of the existing ones are renewed on a continuous basis, taking into account the evolution of the market and the sensitivity of the Group towards these sectors.

Global policy on Reputational risk sets minimum requirements for subjects and deals regardless the sector of belonging (e.g. no operation is UNESCO/protected areas IUCN I-IV).

Environmental, Social and Governance risks (ESG)

For each sensitive sector, the specific regulation covers the following aspects:

- the scope of the sector (type of subjects and activities);
- the forbidden activities (activities that the Group is not available to support with its financial products and services, e.g., controversial weapons, nuclear weapons, coal-related activities, oil & gas activities in the Arctic region);
- the classification of clients:
  - Class A - clients completely in line with the provisions and for which the Group is available to provide full financial support;
  - Class B - clients partially in line with positive transitions and moving in the right direction. The Group is available to support these clients with its financial products and services, refraining from providing other types of financial products and services that do not align with the transition towards more sustainable practices;
  - Class C - clients not aligned with the provisions of the Group or moving in a different direction and for which the Group is not available to provide any kind of financial support. In these cases, a phase-out of the relationship may be considered.

UniCredit group has defined a process for assessing Reputational Risk, identifying cases where a dedicated assessment is necessary.

For the fossil fuel perimeter, the specific provisions are reported in the below tables:

Classification in the coal sector

	Provisions	General Financing		Project Financing			Other	
		General Financing	Sustainability-linked RCF	Green Activities Financing	Coal-related Activities	Other Activities	Basic Banking	Advanced Banking
FULL SUPPORT	• No coal developer (no increase in coal business since Sep. 2020) AND • Current revenues from coal <= 25% AND • Phase out by 2028	🟢	🟢	🟢	🔴	🟢	🟢	🟢
GREEN FINANCING	• No coal developer (no increase in coal business since Sep. 2020) AND • Phase out in line with National Energy & Climate Plan	🔴	🟠	🟠	🔴	🔴	🟢	🔴
PHASE-OUT	• Coal developer (increase in coal business since Sep. 2020) OR • Phase out plan missing OR • Phase out plan beyond the National Energy & Climate Plan target date	🔴	🔴	🔴	🔴	🔴	🔴	🔴

Note:
Refer to the legend reported at the bottom of the table on the following page.

Classification in the oil & gas sector

- Corporate (turnover greater than €50 million) or Corporate Key Clients or Large Corporates;
- Upstream and Midstream ad owners, operators, subcontractors or suppliers of Key Components/Infrastructures/Services (e.g. EPC contractors), including companies in the juridical group, i.e. >25%.

Environmental, Social and Governance risks (ESG)

	Provisions	General Financing		Dedicated Purpose Financing / Transactions Financing					Other	
		General Financing	Sustainability-linked RCF	Green Activities Financing	Controversial Oil&Gas-Related Activities Financing	Oil-Related Activities Financing	Gas-related Activities Financing	Other Activities Financing	Basic Banking Services	Advanced Banking Services
A FULL SUPPORT	• Current revenues from Unconventional Oil&Gas activities <= 25% AND • Current revenues from Arctic Oil&Gas activities <= 25% AND • Net Zero not in "Red/Laggards" (only for Upstream/Midstream companies)	Allowed	Allowed	Allowed	Not Allowed	Allowed	Allowed	Allowed	Allowed	Allowed
B TRANSITION SUPPORT	• Current revenues from Unconventional Oil&Gas activities >= 25% and <50% OR • Current revenues from Arctic Oil&Gas activities >= 25% and <50% OR • Net Zero in "Red/Laggards" (only for Upstream/Midstream companies)	Not Allowed	Allowed, to be evaluated and approved	Allowed, to be evaluated and approved	Not Allowed	Not Allowed	Allowed	Allowed	Allowed	Allowed
C PHASE-OUT	• Current revenues from Unconventional Oil&Gas activities >50% OR • Current revenues from Arctic Oil&Gas activities >50%	Not Allowed	Not Allowed	Not Allowed	Not Allowed	Not Allowed	Not Allowed	Not Allowed	Not Allowed A	Not Allowed

LEGEND: Allowed; Allowed, to be evaluated and approved; Not Allowed

A. With the exception of Current/Cash accounts.

The decision-making bodies responsible for assessing cases of reputational risk can vary according to the relevance of the case and alignment with the policy provisions.
For UniCredit S.p.A., cases that envisage a potential high relevance with appetite already set are brought to the attention of Head of Group Non financial risks (with the support of RRO[40], if the case). Cases that envisage a potential high relevance with appetite not set yet are brought to the attention and decision of the Group Non-Financial Risks Committee (GNFRC) chaired by the Group CEO.

Similar structures have been established at local level within each Legal Entity of the Group. At local level, RRO and GNFRC are collapsed in the LNFRC (Local Non-Financial Risk Committee), chaired by the local CEO.
Cases where reputational risks are deemed to be of significant relevance within a specific Legal Entity are submitted to the Holding company for further validation (Non Binding Opinion - NBO).

A Reputational Risk decision taken at local level also requires an NBO by the Parent Company in two specific situations:
- when the case, authorised by the Local NFR Committee, presents a High Reputational Risk and has to be submitted to a Group Credit Committee (GCC or GTCC);
- when explicitly requested by the policy. e.g., exceptions granting, Green Project Financing in the Oil & Gas or Coal sectors, granted to a B class client, requires an NBO to double check that the Green project is currently aligned with the EU Taxonomy.

Whenever a further scrutiny of a case is deemed necessary, legal entities can ask the Parent Company for an NBO for cases other than the two mentioned above.
Any unplanned and unforeseen situations related to a specific relationship or deal and not aligned with the standard provisions of the policy are evaluated case by case. Expert judgement is required for evaluating the alignment of the case with UniCredit general principles on Reputational Risk. Any decisions must diligently consider the provisions of the applicable policy, the characteristics and context of the case under examination.

40 Reputational Risk Office, which includes the representatives of the Group Specialist Functions.

Environmental, Social and Governance risks (ESG)

- **Reputational Risk assessment by geography**
  - Transactions evaluated at local level in 2024: 1,575
    - Central Europe: 521
    - Eastern Europe: 308
    - Germany: 132
    - Italy: 608
    - Russia: 6

- **Reputational Risk assessment by Sectors**
  - Transactions evaluated by sectors in 2024: 1,690
    - Coal: 135
    - Defence: 412
    - Mining: 161
    - Nuclear: 66
    - Oil & Gas: 181
    - Water Infrastructures: 41
    - Tobacco: 3
    - Human Rights: 5
    - ESG issues (including legal proceedings): 362
    - Sensitive sector locally regulated: 297
    - Other sectors: 17
    - Liability risk: 10

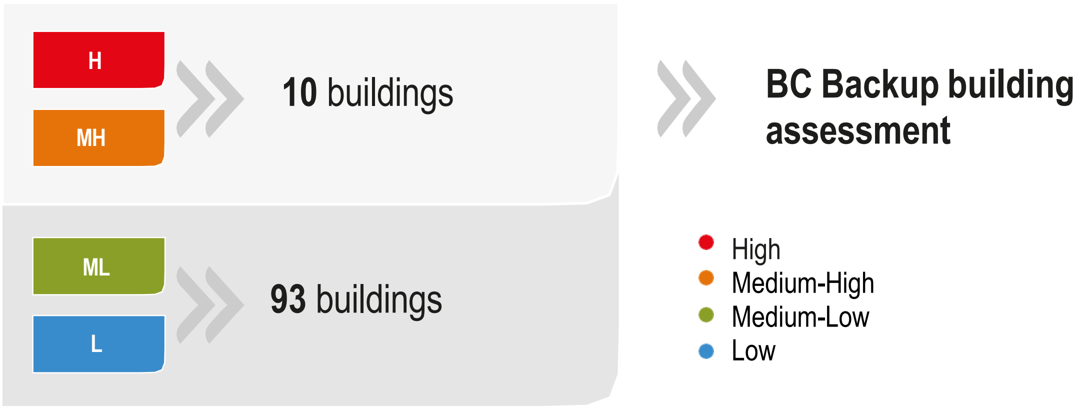
- **Annual clearance released at group level**
  - Transactions evaluated in 2024: 740
    - Central Europe: 341
    - Eastern Europe: 216
    - Germany: 99
    - Italy: 80
    - Russia: 4

- **Single deal decisions taken at group level**
  - Transactions evaluated in 2024: 835
    - Central Europe: 180
    - Eastern Europe: 92
    - Germany: 33
    - Italy: 528
    - Russia: 2

With regard to **Operational risk**, for all legal entities the Group carries out an assessment aimed at identifying critical locations where unavailability could harm business continuity (*e.g.,* data centres, headquarters, operational centres).
A number of 103 buildings was selected for the assessment. Each location has been classified according to current risks from extreme adverse climate conditions (river floods, flash floods and wildfire) that could affect the location itself.

Environmental, Social and Governance risks (ESG)

Scenario analysis



Among those selected, ten buildings resulted as potentially exposed to high or medium-high risk; the related business continuity plan was assessed to check the effectiveness of protection in cases of adverse climate conditions.
Wherever the business continuity plan highlighted the inadequacy of the backup building (e.g., exposed to the same risk as the primary location), adequate mitigants were identified (e.g. definition of a new backup location, full smart-working implementation, etc). For one building, a formal taking risk has been taken by the Legal Entity Board of Directors, considering that additional mitigants were not identified.

Moreover, exposure to the perceived risk in a scenario of +4°C in 2030 has been considered. In this case, 7 additional buildings have been identified currently not exposed to such risks but potentially exposed to them considering this additional scenario. Devoted KPIs have been put in place in collaboration with Group Real Estate in order to monitor future climate event comparing them with the location history, with the aim to put in place immediate actions in case of climate risk exposure worsening. The KPI is monitored every six months, and in both the 2024 detections no deviations from the history of these buildings has been detected.

In order to assess the resilience of third-party service providers with regard to climate change, the Third-Party Assessment (performed during onboarding of new suppliers, then yearly) has been enhanced by also considering the business continuity plans adopted to manage potential adverse climate events.

Beyond climate - Natural capital and Biodiversity
UniCredit recognizes that the activities of the Group can influence natural resources and the environment. By taking this into account, UniCredit can prevent negative effects that can harm the planet and communities while also motivating the market towards the necessary transition to more sustainable practices.
UniCredit commitment is demonstrated by sustainability governance which has been significantly strengthened in recent years at both steering and execution levels, underpinning the drive to further integrate ESG criteria into the Group's overall business strategy. In particular, taking into account the environmental factors other than climate, recognizing the interconnection between business activities and natural capital.

Nature-related assessment is at an early stage for the whole banking industry, with limitations in terms of data availability across drivers and sectors, lack of commonly agreed metrics and methodologies (e.g., scenarios). In this context, in 2024 UniCredit has defined an assessment to identify which industries are most exposed to nature-related risks in terms of impact on natural capital and dependency from ecosystem services.

The analysis leverages on recognised and recommended global sources (e.g. Exiobase, Globio, Natura 2000, Encore) and on banking industry initiative guidance (e.g., TNFD, Nature Target Setting Guidance).

For the assessment on impact the Bank has enhanced 2023 analysis, by computing 18 granular KPIs (at industry or at counterparty level) for the identification of 4 Environmental Factors:
- Biodiversity: refers to the variety and variability of life on Earth. It encompasses the diversity of species, genetic variation within species, and the variety of ecosystems, such as forests, oceans, grasslands, and wetlands. Biodiversity is essential for maintaining ecosystem balance, providing resources and supporting processes like pollination, nutrient cycling, and climate regulation.
- Pollution: refers to the introduction of harmful substances into the environment, causing adverse effects on natural ecosystems, human health, and the quality of air, water, and soil.

Environmental, Social and Governance risks (ESG)

- Water usage: refers to the total amount of water utilized by industries, agriculture, and other sectors for various activities such as for example irrigation, energy production, manufacturing. It encompasses both the direct consumption of water and the indirect use embedded in the production of goods and services. Effective water usage involves managing and conserving water resources to ensure sustainability and meet present and future demands.
- Waste management: it is the process of collecting, transporting, treating, recycling, or disposing of waste materials in a safe, efficient, and environmentally responsible manner.

In 2024 the Bank has integrated the Nature-related assessment with a new analysis to identify the dependency level from ecosystem services. The analysis leverages mainly on ENCORE[41] tool and Ecosystem services that represent the link between nature and economic activities and the benefit that nature provides to enable or facilitate business production processes.

To have a comprehensive overview on the Nature-related assessment, the outcomes of Impact and Dependency analysis have been aggregated at industry level to create a portfolio heatmap.
Moreover, as described above in section “Integration of transition risk into credit portfolio - Credit Risk Strategy and Counterparty level”, to determine the extent to which the Bank’s credit counterparties are exposed to Climate and Environmental risks, the C&E questionnaire is used and includes a consist of qualitative and quantitative current and forward-looking key indicators (including also on beyond climate factors). With regards to the nature-related factors the Group will evaluate to selectively adjust the C&E Questionnaire to include a more comprehensive assessment of the clients’ nature-related factors.

Qualitative information on Social risk

Business strategy and processes
An internal global policy defines principles and rules for managing and controlling reputational risk in UniCredit group; each time there is a new initiative that could envisage a reputational risk for the Group legal entities or for the entire Group, a reputational risk evaluation must be conducted with the aim of assessing the presence of this risk associated to the initiative and/or to the subject.
All the subjects that establish a relationship with UniCredit group must satisfy a set of social minimum requisites (e.g., compliance with all applicable national and supranational laws, locally effective host country social and environmental laws, regulations and permits and with the core labour standards as identified in the International Labour Organization conventions).

Amongst others UniCredit has been committed to complying with the Equator Principles (EP) from their outset in 2003. The EP are a financial industry benchmark for determining, assessing and managing environmental and social risk in projects. For projects in Non-Designated Countries they draw upon the IFC Performance Standards on Environmental and Social Sustainability and the World Bank Group Environmental, Health and Safety Guidelines, together the World Bank Standards.

EP Financial Institutions (EPFI) acknowledge that the application of the EP can contribute to delivering on the objectives and outcomes of the United Nations Sustainable Development Goals (SDGs). Specifically, EPFIs believe that negative impacts on Project-affected ecosystems, communities, and the climate should be avoided where possible. When financing Projects according to the EP UniCredit amongst others will fulfill its responsibility to respect Human Rights in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs) by carrying out human rights due diligence.
The EPFI will require the client to conduct an appropriate Assessment process to address, to the EPFI’s satisfaction, the relevant environmental and social risks and scale of impacts of the proposed Project. The Assessment documentation should propose measures to minimise, mitigate, and where residual impacts remain, to compensate/offset/remedy for risks and impacts to Workers, Affected Communities and the environment, in a manner relevant and appropriate to the nature and scale of the proposed Project.

For all Category A and Category B Projects the EPFI will require the client to demonstrate effective Stakeholder Engagement, as an ongoing process in a structured and culturally appropriate manner, with affected communities, workers and, where relevant, other stakeholders.
EPFIs recognize that Indigenous Peoples may represent vulnerable segments of Project Affected Communities. All Projects affecting Indigenous Peoples will be subject to a process of Informed Consultation and Participation and will need to comply with the rights and protections for Indigenous Peoples contained in relevant national law, including those laws implementing host country obligations under international law.

For all Category A and, as appropriate, Category B Projects, the EPFI will require the client, as part of the Environmental and Social Management System, to establish effective grievance mechanisms which are designed for use by Affected Communities and Workers, as appropriate, to receive and facilitate resolution of concerns and grievances about the Project’s environmental and social performance.

41 ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure): opensource tool suggested by regulators as a standard to assess corporates dependency from ecosystem services.

Environmental, Social and Governance risks (ESG)

Moreover, UniCredit group recognizes that there are sectors that can envisage a potential reputational risk because of the sensitivity of the sector itself. The provisions for each sensitive sector are ruled in dedicated sections of the specific policy and also in specific operative instructions.
These policies are published on Group website, at the following link: https://www.unicreditgroup.eu/en/esg-and-sustainability/esg-sustainability-policies-and-ratings.html.
In addition to the abovementioned approach, relevant social factors (e.g., inclusive finance, social housing) have been embedded starting from 2022 within regular Credit Risk Strategies process, via qualitative guidelines to be applied on both Corporate and Retail portfolio.

In 2023, the Group updated its ESG targets focusing on more meaningful penetration for 2024. Further details on ESG goals and targets in the corresponding paragraph in the Environmental risk section in the present chapter.

Among the main strategic commitments to support the Group overall ESG stance on social, is the UNEP-FI For Financial Health and Inclusion.
In 2019, UniCredit group took part in the launch of the Principles for Responsible Banking, becoming a Founding Signatory, a status that applies to banks that first confirmed their adherence. The commitments include:
- promote universal financial inclusion and foster a banking sector that supports the financial health of all customers;
- define concrete actions to promote the financial inclusion focusing on young people:
  - by increasing the percentage of young clients, aged 17 to 30, with two or more active financial products from different categories (transactional, loans, investment);
  - by increasing the percentage of new clients that are young people, per month;
- public disclosure of the last Group results with reference to 2024 in the Principle Responsible Banking (PRB) Progress Statement, which provides an overview of how each signatory is implementing the Principles and the relevant progress made year on year.

Lastly, in 2024 UniCredit reviewed the Human Rights Commitment that outlines UniCredit's dedication to upholding human rights across its key stakeholder groups, including employees, customers, suppliers, and communities. Grounded in international standards and conventions, this commitment contributes to equal opportunities, secure and quality employment, and the promotion of adequate wages, supported by social dialogue and collective bargaining. It also enhances employee well-being through dedicated activities and fosters skill development through training and professional growth programmes. Opportunities include positioning UniCredit as an employer of choice, improving employee performance with forward-thinking training, and ensuring transparent performance reviews and career development plans.
Further details on Human Rights Commitment you can find in at the following link: https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/our-vision-of-a-sustainable-bank/policies-and-guidelines/2024-Human-Rights-Commitment.pdf.

Governance

The sustainability governance has been significantly strengthened in recent years at both steering and execution levels, underpinning the drive to further integrate ESG criteria into the Group's overall business strategy.
Responsibilities of the Corporate bodies in the oversight of ESG risks and the role of management are similar for all the ESG dimensions, including social, and are in analogy to what described in the corresponding paragraph of the Environmental risk section in the present chapter.

All the subjects that establish a relationship with a Group legal Entity must comply with the following minimum set of social criteria:
- compliance with all locally effective host country social and environmental laws, regulations and permits;
- compliance with the core labour standards as identified in the International Labour Organization (ILO) conventions. In particular:
  - no employment of children under 15 years of age;
  - no forced labour, no physical punishment or physical/psychological compulsory measures;
  - freedom of association;
  - no discrimination on the basis of ethnicity, origin, race, gender, age, language, religious or political convictions;
  - respect the ten fundamental principles of the United Nations Global Compact.

All these requirements need to be verified by Business functions before submitting the annual review request for Group counterparties.
UniCredit leverages on the split of tasks/responsibilities for the management of social factors and risks (i.e., first, second and third levels controls); the cases with high reputational risk are escalated to the relevant decisional bodies.

In addition, the Code of Conduct, available on the Group website, is written in line with the Ethics and Respect (E&R) values, together with the simple guiding principle to “Do the right thing!”. These, together with mentioned values and principles, are applied to everything employees do at all times and are at the core of the interactions with stakeholders in order to generate sustainable results.

Environmental, Social and Governance risks (ESG)

In line with corporate culture and values (Caring, Ownership, Integrity), the Code of Conduct entails principles that all employees and partnering Third Parties of UniCredit must comply with, to ensure high standards of professional conduct and integrity related to their activity in, or on behalf of, UniCredit. This Code provides general principles of Conduct about key compliance risk (i.e., Client Interest Protection, Antitrust, Market Integrity, Anti-Money Laundering and Counter-Terrorist Financing, Financial Sanctions, Anti-bribery and Anti-corruption, Data Protection), which are periodically monitored by respective Functions.

The Code clarifies that employees are expected to behave with honesty and integrity and to perform their duties with due skill, care and diligence; it also ensures that they remain aware of the potential internal and external disciplinary actions, legal actions and sanctions that may follow misconduct and unacceptable behaviour.
ESG principles are included as fundamentals to every decision and action taken, being a central part of how the Group does business, supporting clients in their business transformation and guiding financing in the right direction, building stakeholder trust, supporting social impact initiatives and consistently measuring the results to ensure accountability.
The Code of Conduct is approved by Board of Directors and applies to all UniCredit group legal entities. The Board of Directors of UniCredit, the Chief Executive Officer, as well as the rest of the Top Management of UniCredit S.p.A. and the group legal entities are responsible for creating a general culture of risk management in the organization and ensuring the oversight of the desired conduct. In this regard, they play an active role to enforce the behavioral standards described in this policy.

Remuneration
The Remuneration Policy has been developed to support our strategic plan in which the ESG strategy of the Group plays a crucial role.
CEO & Top Management remuneration include a 20% weight of long-term performance linked to "sustainability", which covers also social elements. Further information on remuneration policy are included in the corresponding paragraph in the Environmental risk section of the present chapter.

Training initiatives
Several training initiatives focused on ESG and social-related risks and opportunities have been put in place at all levels of the Bank to address various needs.
Among others, specific to social risk, for all Risk Management employees the learning offer is aimed at providing the fundamentals on climate risk and it covers a broad range of topics, including ESG Strategies, Social and Governance matters, environmental and social products and initiatives, ESG strategic commitments and Impact Measurement model.
In addition, dedicated training initiatives on reputational risk management are in place, including:
- Credit colleagues trained on transmission of reputational risk decision;
- Risk colleagues trained on key drivers of reputational risks and how to measure and mitigate them.

Risk management

Risk Identification
UniCredit conducts an annual risk identification process which is a comprehensive framework to proactively identify all potential risks the Group may encounter.
UniCredit's risk identification process covers all three ESG risks dimensions. For further details, refer to the corresponding paragraph in the Environmental risk section in the present chapter.
Environmental, Social & Governance (ESG) risks pertain to any adverse financial consequences that may arise for the Group due to the existing or prospective impacts of ESG factors on its counterparties or invested assets:
Specifically, social and governance factors, for which the Group assigned an impact on reputational risk, revolve around the rights, well-being and interests of individuals and communities and include governance arrangements for the environmental and social factors in the policies and procedures of counterparties.

Within Internal Capital Adequacy Assessment Process (ICAAP), UniCredit's risk identification process covers social risk. Regarding the measurement, within the stress tests and scenario analyses annually performed, Social risk is assessed, together with the Environmental and Governance components, through the impact they jointly have on the Reputational Risk. More details on the stress tests and scenario analyses performed within ICAAP are reported in the previous paragraph Integration of climate risk into risk framework - short/medium/long term impacts.

Environmental, Social and Governance risks (ESG)

Risk mitigation
Social risk assessments are guided by Group environmental, social, operational and reputational risk sector policies as well as by human rights commitment and, when applicable, by the Equator Principles (EP).
The approach used is based on the following methodologies/standards: International Finance Corporation (IFC) Performance Standards, Equator Principles (EP), Core Labour Standards (CLS) of the International Labour Organization (ILO).

UniCredit performs qualitative evaluations based on generic or specific news, final convictions or also ongoing legal proceedings for violations of applicable laws and International sectorial standards or connected to forbidden activities involving the customer, NGOs or activists' relevant initiatives or related press campaigns. Reputational risk process also leverages on external tools, in particular RepRisk® Tool and ISS ESG. Further information on UniCredit approach to third-party assessment, conflict of interests and other considerations such as anti-corruption, are described in the Sustainability statements within 2024 Annual Reports and Accounts.

The management of reputational risk relies on:
- setting clear general rules and guidelines for:
  - defining the profile of relationships (with clients as well as with other relevant counterparties such as suppliers) and operations (mainly financial support, but also investments and other financial products and services offered) that the Group is available to manage and develop;
  - defining the profile of what the Group does not consider to be in line with its foundation principles and reputational standards. These rules and guidelines are designed to ensure alignment with laws, internal and external regulations, best practices within the sector and reflect the risk appetite and the sensitivity of the Group;
- setting additional specific rules and guidelines for sectors considered sensitive (Coal, Oil & Gas, Defence, Nuclear, Mining, Water Infrastructures) and contributing to UCG commitments for specific topics (Rainforest, Tobacco, Human Rights, Natural Capital/Biodiversity);
- requiring for each relationship the evaluation of the conformity to the rules and guidelines mentioned above;
- ensuring respect of the rules mentioned above for each operation, performing a specific Reputational Risk Assessment involving the dedicated Reputational Risk function and other specialist/competent functions (e.g., ESG, Compliance, Legal) in cases of potential deviation and rejecting operations in breach of such rules;
- setting conditions, controls or limitation, where deemed necessary, in order to reduce the material residual Reputational Risk for Group, regardless of the sector connected to the case;
- independently from the sector, evaluation of the Liability/Litigation Risk that can derive from supporting a deal which could produce a negative environmental or social impact, when the deal is under the Equator Principles (EP);
- taking the right decisions at the right level of authorisation in cases of potential reputational risk, involving the Group Non Financial Risks Committee (GNFRC) for the highest risk cases.

UniCredit group has defined a process for assessing Reputational Risk, identifying cases where a dedicated assessment is necessary, as shown below.

Reputational risk assessment:

A **RepRisk Assessment** is requested:

ON SCHEDULE

A. ANNUAL CLEARANCE
e.g. Whenever a customer is subject to the annual credit rewiew

ON EVENT

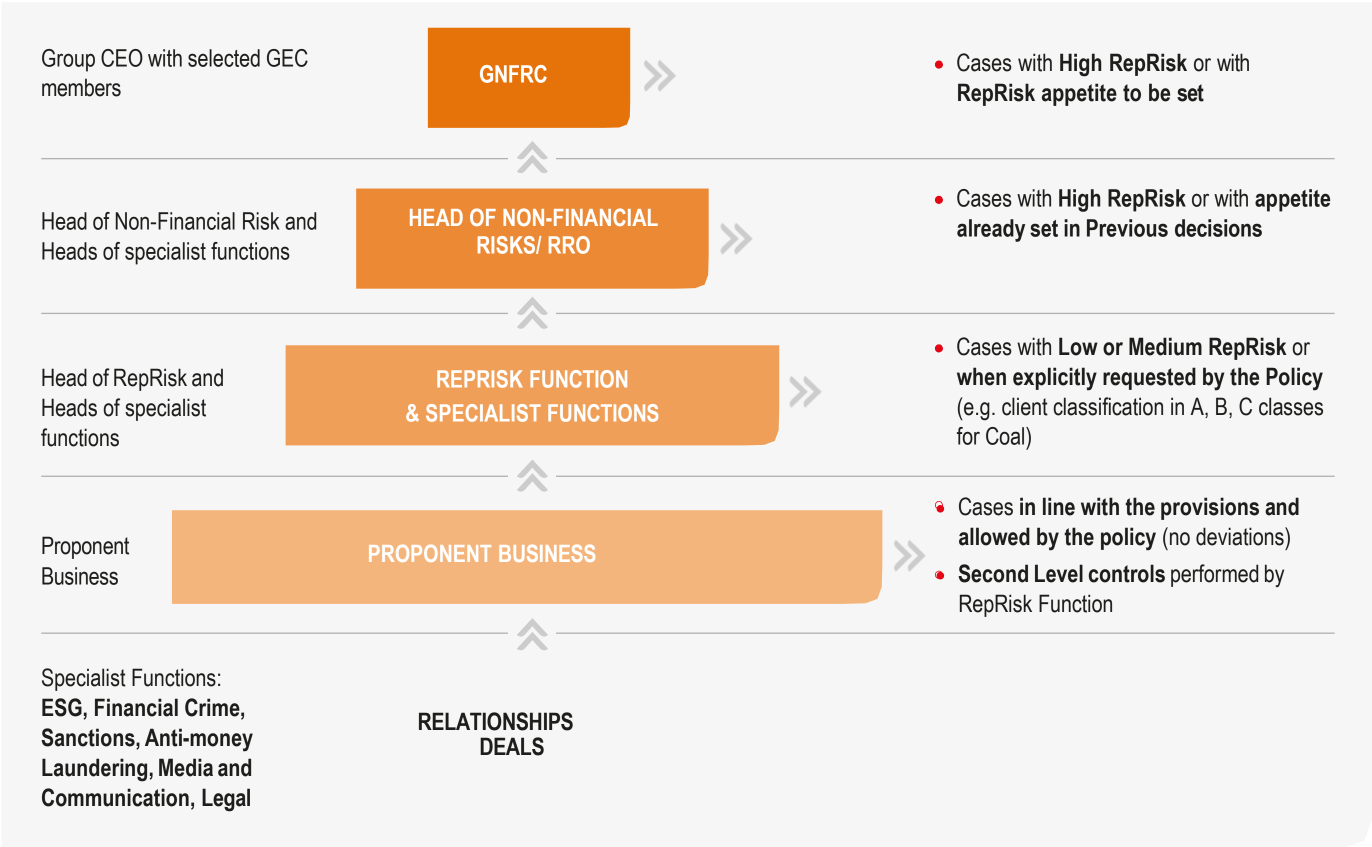
B. REPUTATIONAL CLEARANCE - Whenever an event, related to a customer, occurs and the event itself could impact UCG reputation
e.g. The customer is involved in a scandal of public interest and the event is also covered by the media which give due information
e.g. The customer is accused by the judiciary of having violated the anti-money laundering law

C. SINGLE DEAL APPROVAL - When a customer, belonging to one or more "sensitive sectors" is requesting a financial support for a project or a general financing
e.g. The customer ask for a letter of credit to export weapons in a foreign country
e.g. The customer operating in the Oil & Gas sector ask for general financing

Environmental, Social and Governance risks (ESG)

The decision-making bodies responsible for assessing cases of reputational risk can vary according to the relevance of the case and alignment with the policy provisions.
The reputational risk process for the assessment of social elements is managed in analogy to what described in the paragraph Non Financial Risk of the Environmental Risk section of the present chapter, and summarized in the figure below.

Decisional Bodies on RepRisk (Parent Company):



Environmental, Social and Governance risks (ESG)

Decision makers/number of cases evaluated
- Total Assessment in 2024: 1,575
  - 15 cases evaluated by Group Non-financial Risks Committee (GNFRC);
  - 39 cases evaluated by Head of Group Non-Financial Risk/Reputational Risk Office (RRO);
  - 1,521 cases evaluated by Reputational Risk functions.

Regarding financial risk, as far as social aspects are concerned, they are addressed for various risk pillars via internal policies that, also, stipulate that all the subjects that establish a relationship with UniCredit group must satisfy at least a set of social minimum requisites as reported above in the present section. These inclusion criteria aim to effectively ex-ante avoid social related risks generally and, specifically, liquidity risk.

Qualitative information on Governance risk

Governance

Our sustainability governance has been significantly strengthened in recent years at both steering and execution levels, underpinning the drive to further integrate ESG criteria into the Group's overall business strategy.
Responsibilities of the Corporate bodies in the oversight of ESG risks and the role of management are similar for all the ESG dimensions, including Governance, and are in analogy to what described in the corresponding paragraph of the Environmental risk section in the present chapter.

Moreover, UniCredit has a Group Antibribery and Anticorruption Policy which applies to employees and third parties. UniCredit group has zero tolerance towards acts of bribery and corruption and prohibits them in any form, both direct and indirect. UniCredit group does not tolerate its employees or third parties in any kind of relationship with UniCredit being involved in acts of bribery and corruption. Potential instances of bribery or corruption are investigated and any employee determined to be engaged in such behavior would be subject to disciplinary action up to and including termination of employment.

Potential acts of bribery or corruption can also be reported in accordance with the Global Policy on Whistleblowing.

UniCredit group has defined the areas that are most at risk of corruption/bribery as defined in the internal regulation as follows:
- dealing with Public Officials
- gifts and business hospitality
- management of third party risk
- donations/sponsorships/memberships fees
- HR activities
- merger, acquisitions and Significant Investments.

In particular regarding the suppliers, UniCredit group manages relationships based on the third party' corruption risk. Prior to establishing a relationship with the supplier the anti-bribery and anti-corruption due diligence has to be performed and a risk rating (low, medium or high) should be assigned. Local Compliance performs its own specific checks on the high profiles which consist of an in-depth analysis with particular attention to the presence of Public Officials and possible reputational risks on the third party and its Relevant Persons (adverse media screening). The purpose of third party due diligence is to gain reasonable confidence that a third party does not make corrupt payments and that the business relationship is a normal, legitimate one. Risk rating assigned should be periodically reconfirmed or changed by re-applying the checklists to the relationship after some time and re-evaluation can trigger a need for additional due diligence.

In addition, Compliance function on request of Reputational Risk function performs an anti-corruption assessments on:
- a customer operating in reputational sensitive areas, or
- the possible commitment of the Bank to finance a single business of a client operating in reputational sensitive sectors.

In these cases Compliance evaluation takes into account risk factors such as country and economic sector of the customer, adverse media screening, presence of anti-corruption regulations, organizational models or certifications or other corruption risk mitigation factors adopted by the customer.

Moreover, UniCredit has a Global Policy on Conflicts of Interest that sets out rules and standard to be implemented by the UniCredit group for properly detecting, managing and recording conflicts of interest with particular regard to:
- conflicts in the provision of investment services and activities;
- conflicts in the provision of insurance products distribution;
- conflicts related to the issuance of financial instruments;

Environmental, Social and Governance risks (ESG)

- conflicts arising from the administration and/or contribution to financial benchmarks;
- conflicts arising from the provision of investment recommendations;
- conflicts in the provision of banking services and activities;
- conflicts arising from employee's personal interests ("Outside Business Interest");
- organizational conflicts;
- conflicts arising from assignment of services and activities to external professionals and/or suppliers.

Through the Outside Business Interest it is checked that relationships and interests in businesses that are not directly associated with the employment relationship with a UC Group entity and/or which may have a direct or indirect influence on UniCredit entities or its customers (e.g. Other Employment, Company positions, Shareholding in a Company, Interest in Business operations, interest in an Authority or in other Bodies or in a Professional Order). In particular, to avoid conflicts, Group employees must declare their personal outside business interests, in accordance with the applicable labor law regulations, must requires pre-authorization for the acquisition or disposal of interests that may embed a conflict.

Moreover, Italian Group legal entities have also implemented the Organizational and Management Model according to Italian Legislative Decree 231/01 (Administrative liability of legal entities, companies and associations). This model foresees specific Protocols, among other things, to address bribery and corruption and conflict of interest issues.

Remuneration
The Remuneration Policy has been developed to support our strategic plan in which the ESG strategy of the Group plays a crucial role.
CEO & Top Management remuneration include a 20% weight of long-term performance linked to "sustainability", which covers also Governance elements.
Further information on remuneration policy are included in the corresponding paragraph in the Environmental risk section of the present chapter.

Training initiatives
Several training initiatives focused on ESG, including risks and opportunities related to governance risk aspects, have been put in place at all levels of the Bank to address various needs.

Risk management

Risk Identification
UniCredit conducts an annual risk identification process which is a comprehensive framework to proactively identify all potential risks the Group may encounter.
UniCredit's risk identification process covers all three ESG risks dimensions. For analogy, refer to the corresponding paragraph in the Environmental risk section in the present chapter.
Environmental, Social & Governance (ESG) risks pertain to any adverse financial consequences that may arise for the Group due to the existing or prospective impacts of ESG factors on its counterparties or invested assets. Specifically, for social and governance factors, for which the Group assigned an impact on reputational risk, revolve around the rights, well-being and interests of individuals and communities and include governance arrangements for the environmental and social factors in the policies and procedures of counterparties.

Within the Internal Capital Adequacy Assessment Process (ICAAP), Group's risk identification process covers Governance risk. Governance factors include governance arrangements for the environmental and social factors in the policies and procedures of counterparties. Regarding the measurement, within the stress tests and scenario analyses annually performed, Governance risk is assessed, together with the Environmental and Social components, through the impact they jointly have on the Reputational risk. More details on the stress tests and scenario analyses performed within ICAAP are reported in section Integration of climate risk into risk framework - short/medium/long term impacts.

Risk mitigation
Governance risk assessments are guided by environmental, social, operational and reputational risk sector policies as well as by human rights commitment and, when applicable, by the Equator Principles (EP) and are based on international methodologies/standards (for additional details. refer to the Risk mitigation paragrah of the Social risk section in the present chapter).

Environmental, Social and Governance risks (ESG)

The management of reputational risk relies on:

- setting clear general rules and guidelines for:
  - defining the profile of relationships (with clients as well as with other relevant counterparties such as suppliers) and operations (mainly financial support, but also investments and other financial products and services offered) that the Group is available to manage and develop;
  - defining the profile of what the Group does not consider to be in line with its foundation principles and reputational standards. These rules and guidelines are designed to ensure alignment with laws, internal and external regulations, best practices within the sector and reflect the risk appetite and the sensitivity of the Group;
- setting additional specific rules and guidelines for sectors considered sensitive (Coal, Oil & Gas, Defence, Nuclear, Mining, Water Infrastructures) and contributing to Group commitments for specific topics (Rainforest, Tobacco, Human Rights, Natural Capital/Biodiversity);
- requiring for each relationship the evaluation of the conformity to the rules and guidelines mentioned above;
- ensuring respect of the rules mentioned above for each operation, performing a specific Reputational Risk Assessment involving the dedicated Reputational risk function and other specialist/competent functions (e.g., ESG, Compliance, Legal) in cases of potential deviation and rejecting operations in breach of such rules;
- setting conditions, controls or limitation, where deemed necessary, in order to reduce the material residual Reputational Risk for Group, regardless of the sector connected to the case;
- independently from the sector, evaluation of the Liability/Litigation Risk that can derive from supporting a deal which could produce a negative environmental or social impact, when the deal is under the Equator Principles (EP);
- taking the right decisions at the right level of authorisation in cases of potential reputational risk, involving the Group Non Financial Risks Committee (GNFRC) for the highest risk cases.

UniCredit group has defined a process for assessing Reputational Risk, identifying cases where a dedicated assessment is necessary, as shown in the Reputational risk assessment table reported in the previous section of risk management in the context of social risk.
The reputational risk process for the assessment of Governance elements is managed in analogy to what described in the paragraph Non Financial Risk of the Environmental Risk section of the present chapter, and summarized in the chart “Decisional Bodies on Reputational Risk”.

Regarding financial risk, as far as governance aspects are concerned, they are addressed for various risk pillars via internal policies that, also, stipulate that all the subjects that establish a relationship with UniCredit group must satisfy at least a set of social minimum requisites as reported above in the present section. These inclusion criteria aim to effectively ex-ante avoid governance related risks generally and, specifically, liquidity risk.

Environmental, Social and Governance risks (ESG)

Quantitative information on ESG risks

Perimeter
The perimeter of the ESG templates reported in the present section, refers to the regulatory perimeter of UniCredit group. Compared to the previous disclosure[42], it has been extended to include all the Group legal entities, also to take into consideration the acquisition of Alpha Bank Romania S.A. which took place in the fourth quarter of 2024.

Template 1 - Banking book - Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity

Description
Template 1 shows information on the Bank exposures to transition risks that institutions may face for the transition to a low-carbon and climate-resilient economy. Institutions must disclose information on their exposures towards non-financial corporates that operate in sectors that contribute highly to climate change and in carbon-related sectors, and on the quality of those exposures, giving evidence of non-performing exposures, stage 2 exposures and related impairments and provisions.

ESG metrics
The prudential information on environmental, social and governance (ESG) risks that are requested to be disclosed in template 1 is related to:
- Gross Carrying Amount (GCA) of which exposures towards companies excluded from EU Paris-aligned Benchmarks (PAB), as specified in Recital 6 of Commission Delegated Regulation EU 2020/1818 supplementing Regulation EU 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks;
- Environmentally sustainable (CCM) exposure, according to the European Taxonomy (Regulation EU 2020/852);
- Greenhouse House Gases (GHG) financed emissions.

Reference regulation to meet regulatory requirements
With reference to the GCA PAB excluded, Commission Delegated Regulation (EU) 2020/1818 set out the categories of exclusions for EU Paris-aligned Benchmarks as specified in article 12(1), only for companies related to points (d) to (g), listed below:
- companies that derive 1% or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite;
- companies that derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels;
- companies that derive 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels;
- companies that derive 50% or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO2 e/kWh.

With reference to climate change mitigation (CCM), Commission Implementing Regulation (EU) 2022/2453 identifies exposures that are environmentally sustainable when they contribute or enable the environmental objective of climate change mitigation in accordance with articles 10 and 16 of Regulation (EU) 2020/852 (Taxonomy Regulation). In detail:
- according to article 10, an economic activity qualifies as contributing substantially to climate change mitigation where that activity contributes substantially to the stabilization of greenhouse gas concentrations in the atmosphere at a level which prevents dangerous anthropogenic interference, with the climate system consistent with the long-term temperature goal of the Paris Agreement through the avoidance or reduction of greenhouse gas emissions or the increase of greenhouse gas removals, including through process innovations or product innovations;
- according to article 16, an economic activity shall qualify as contributing substantially to one or more of the environmental objectives of the Taxonomy by directly enabling other activities to make a substantial contribution to one or more of those objectives, provided that such economic activity: (a) does not lead to a lock-in of assets that undermine long-term environmental goals, considering the economic lifetime of those assets; and (b) has a substantial positive environmental impact, on the basis of life-cycle considerations.

With reference to GHG financed emission, data have been managed in accordance with the Global GHG Accounting and Reporting Standard, developed by the PCAF (Partnership for Carbon Accounting Financials) as required by the Commission Implementing Regulation EU 2022/2453.

UniCredit approach developed to address the regulatory requirements
UniCredit leveraged on an external provider support to identify the EU PAB benchmark excluded counterparties, in line with the Regulation 2020/1818. The calculation methodology for the identification of the perimeter was developed considering an in-depth analysis which includes a broad and granular set of information; in detail: the companies excluded from EU PAB Benchmark have been mapped considering the sector related to the prevalent counterparty activity, ensuring a granular assessment. With reference to letter (g) of the Regulation 2020/1818 (companies that derive 50% or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO2 e/kWh), it has been considered, for the exclusion, not only the revenue data, but also the value of the physical intensity related to the single counterparty, using information reported by Companies, subject to Non-Financial Reporting Directive (NFRD) and other official sources.

42 Disclosure as at 30 June 2024, in which - with reference to the templates ESG 1, 2, 4, 5 and 10 - the perimeter represented a significant share of the Group portfolio.

Environmental, Social and Governance risks (ESG)

The PAB perimeter is equal to €10.4 billion. In the second half of 2024 the exposure to this portfolio is slightly increasing also due to the perimeter extension (now covering all the legal entities of UniCredit group) and business dynamics (€9.9 billion data as of June 2024). For UniCredit, the incidence of PAB exposure is confirmed limited (at 4.85%).
The PAB perimeter is concentrated in sectors: Electricity, Wholesale & Retail and Manufacturing.

In particular, CCM exposures were identified by collecting the data reported by companies in their non-financial disclosures, considering the percentage of alignment (in terms of turnover), weighted by the Bank's exposure. The collection of non-financial disclosures (NFDs) was done leveraging the external provider support[43]. It is important to notice that CCM exposures present the same methodological constraints as the GAR, together required starting from 31 December 2023 (refer to the following templates 6, 7 and 8). In particular, the information should derive only from mandatory non-financial disclosures. Companies requested to produce mandatory non-financial disclosures are only the listed companies with more 500 employees and total balance sheet greater than €20 million or total net revenues greater than €40 million. Companies not listed, outside the EU, and SMEs are excluded from the scope (i.e., they have zero CCM exposures), even if they are included in the non-financial corporate portfolio, reducing in this way the percentage of alignment and not making it representative of the overall effort of the Bank towards the green transition. Additional limitations derive from the constraints on the economic activities, with some of them not producing CCM exposures by methodology, because not covered by the EU taxonomy (even if included in the non-financial corporate portfolio).
Based on the above-mentioned definitions and limitations, it should be noted that the gross carrying amount of these exposures, is equal to €3.3 billion (representing the 1.5% of the total Non Financial Corporations GCA), increasing respect to June 2024 (€2.2 billion), due to the growth of alignment KPIs related to Non-Financial Corporations subject to NFRD.

As required by the Commission Implementing Regulation (EU) 2022/2453, institutions shall disclose their total financed emissions (Scope 1, 2, 3) and provide the related estimation associated with institutions' lending and investment activities.
UniCredit based the calculation of scope 1, 2 and 3 of its financed emissions by gathering information on the counterparties (also with the support of an external provider). UniCredit collected and determined GHG emissions information, according to Global GHG Accounting and Reporting Standard, developed by the PCAF, in line with the following methodologies:
- Reported emissions: data directly disclosed by the company in publicly available documents (Non-Financial Statements, Sustainability Reports);
- Estimated emissions: data estimated using methodologies aligned with market best practices.

The estimation procedure relies on official data from public sources (Eurostat) on emission intensity, expressed in tons of CO_2 per euro of added value, broken down by NACE code and European country. This coefficient is further refined by incorporating, where available, more detailed emission data for specific NACE/Ateco codes (source: ISPRA/Single Registry for the Emissions Trading System).
As part of this refinement process, sectoral averages derived from reported data are also used when homogeneous and statistically significant samples are available. The emission intensity per euro of added value is then recalibrated to obtain an intensity measure per euro of revenue. Finally, the sectoral coefficient obtained is applied to the individual company's revenue to determine the estimated emissions volume.
The incidence of Financed GHG Emissions is confirmed at 0.05% TCO_2/€ within the perimeter of sectors that highly contribute to climate change. The absolute value of Financed GHG Emissions, driven by Scope 3 component (85% of the total), is 96 million of tons of CO_2 equivalent. The Gross Carrying Amount percentage of the portfolio for which GHG emission derived from Company Specific Reporting is ca.16%. The sectors with the highest incidence are Mining & Quarrying and Manufacturing.
Compared to June 2024, there was an increase of Financed GHG Emissions of 3.2 million of TCO_2, explained by portfolio dynamics.

43 In cases where the company provided only the total alignment percentage, without providing information on individual objective, the CCM-related exposure was not fed, in line with UniCredit conservative approach in the calculation, consistent with the regulation.

Environmental, Social and Governance risks (ESG)

Template 1 - Banking book - Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity

(€ million)

	SECTOR/SUBSECTOR	a	b	c	d	e
		GROSS CARRYING AMOUNT				
			OF WHICH EXPOSURES TOWARDS COMPANIES EXCLUDED FROM EU PARIS-ALIGNED BENCHMARKS (**)	OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM)	OF WHICH STAGE 2 EXPOSURES	OF WHICH NON-PERFORMING EXPOSURES
1	**Exposures towards sectors that highly contribute to climate change (*)**	**176,946**	**10,144**	**1,988**	**24,271**	**7,055**
2	A - Agriculture, forestry and fishing	3,458	33	0	544	154
3	B - Mining and quarrying	1,595	906	29	409	12
4	*B.05 - Mining of coal and lignite*	*6*	*3*	-	*2*	-
5	*B.06 - Extraction of crude petroleum and natural gas*	*638*	*459*	*0*	*319*	*0*
6	*B.07 - Mining of metal ores*	*106*	*1*	-	*22*	*11*
7	*B.08 - Other mining and quarrying*	*380*	*2*	*29*	*25*	*1*
8	*B.09 - Mining support service activities*	*466*	*440*	*0*	*40*	*0*
9	C - Manufacturing	51,871	1,127	374	9,183	2,845
10	*C.10 - Manufacture of food products*	*5,878*	*4*	*0*	*701*	*123*
11	*C.11 - Manufacture of beverages*	*887*	*0*	-	*131*	*26*
12	*C.12 - Manufacture of tobacco products*	*121*	-	-	*0*	*0*
13	*C.13 - Manufacture of textiles*	*702*	-	*0*	*91*	*30*
14	*C.14 - Manufacture of wearing apparel*	*984*	-	-	*300*	*96*
15	*C.15 - Manufacture of leather and related products*	*612*	-	-	*54*	*58*
16	*C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials*	*1,044*	*0*	-	*228*	*62*
17	*C.17 - Manufacture of paper and paper product*	*1,367*	-	-	*194*	*72*
18	*C.18 - Printing and reproduction of recorded media*	*435*	*5*	*0*	*63*	*26*
19	*C.19 - Manufacture of coke and refined petroleum products*	*1,196*	*1,043*	*1*	*85*	*1*
20	*C.20 - Manufacture of chemicals and chemical products*	*3,582*	*26*	*1*	*743*	*433*
21	*C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations*	*1,354*	-	*0*	*119*	*33*
22	*C.22 - Manufacture of rubber products*	*2,916*	*0*	*0*	*416*	*166*
23	*C.23 - Manufacture of other non-metallic mineral products*	*2,356*	*3*	*6*	*410*	*108*
24	*C.24 - Manufacture of basic metals*	*2,872*	*38*	*60*	*622*	*127*
25	*C.25 - Manufacture of fabricated metal products, except machinery and equipment*	*5,321*	*0*	*5*	*649*	*292*
26	*C.26 - Manufacture of computer, electronic and optical products*	*2,633*	-	*18*	*764*	*191*
27	*C.27 - Manufacture of electrical equipment*	*2,199*	*0*	*16*	*387*	*201*
28	*C.28 - Manufacture of machinery and equipment n.e.c.*	*4,920*	*1*	*23*	*912*	*134*
29	*C.29 - Manufacture of motor vehicles, trailers and semi-trailers*	*4,492*	*1*	*151*	*845*	*308*
30	*C.30 - Manufacture of other transport equipment*	*2,339*	-	*55*	*476*	*218*
31	*C.31 - Manufacture of furniture*	*737*	-	*0*	*115*	*65*
32	*C.32 - Other manufacturing*	*1,459*	-	-	*195*	*56*
33	*C.33 - Repair and installation of machinery and equipment*	*1,468*	*5*	*39*	*683*	*19*
34	D - Electricity, gas, steam and air conditioning supply	12,420	4,815	643	2,087	104
35	*D35.1 - Electric power generation, transmission and distribution*	*8,850*	*2,635*	*568*	*1,428*	*75*
36	*D35.11 - Production of electricity*	*6,676*	*1,962*	*349*	*935*	*56*
37	*D35.2 - Manufacture of gas; distribution of gaseous fuels through mains*	*3,366*	*2,157*	*75*	*642*	*29*
38	*D35.3 - Steam and air conditioning supply*	*204*	*23*	*1*	*18*	*0*
39	E - Water supply; sewerage, waste management and remediation activities	2,379	3	81	336	42
40	F - Construction	14,012	10	211	1,886	893
41	*F.41 - Construction of buildings*	*9,376*	*8*	*42*	*949*	*701*
42	*F.42 - Civil engineering*	*2,294*	*1*	*161*	*588*	*57*
43	*F.43 - Specialised construction activities*	*2,342*	*2*	*7*	*349*	*134*
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	37,478	3,017	77	4,540	1,762
45	H - Transportation and storage	10,055	197	243	1,095	216
46	*H.49 - Land transport and transport via pipelines*	*4,062*	*90*	*208*	*606*	*96*
47	*H.50 - Water transport*	*1,227*	-	-	*121*	*30*
48	*H.51 - Air transport*	*386*	-	-	*57*	*36*
49	*H.52 - Warehousing and support activities for transportation*	*3,784*	*107*	*30*	*304*	*40*
50	*H.53 - Postal and courier activities*	*596*	-	*4*	*9*	*15*
51	I - Accommodation and food service activities	3,943	1	0	678	257
52	L - Real estate activities	39,735	36	330	3,513	771
53	**Exposures towards sectors other than those that highly contribute to climate change (*)**	**36,658**	**221**	**1,290**	**4,814**	**813**
54	K - Financial and insurance activities	4,133	3	27	617	77
55	Exposures to other sectors (NACE codes J, M - U)	32,526	217	1,263	4,198	736
56	**Total as at 31.12.2024**	**213,604**	**10,365**	**3,278**	**29,085**	**7,868**
57	**Total as at 30.06.2024**	**219,660**	**9,852**	**2,165**	**31,275**	**7,753**

Environmental, Social and Governance risks (ESG)

continued: Template 1 - Banking book - Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity

(€ million)

		f	g	h	i	j
		ACCUMULATED IMPAIRMENT, ACCUMULATED NEGATIVE CHANGES IN FAIR VALUE DUE TO CREDIT RISK AND PROVISIONS			GHG FINANCED EMISSIONS (SCOPE 1, 2 AND 3 EMISSIONS OF THE COUNTERPARTY) (IN TONS OF CO2 EQUIVALENT)	
	SECTOR/SUBSECTOR		OF WHICH STAGE 2 EXPOSURES	OF WHICH NON-PERFORMING EXPOSURES		OF WHICH SCOPE 3 FINANCED EMISSIONS
1	**Exposures towards sectors that highly contribute to climate change (*)**	**(5,631)**	**(1,713)**	**(3,467)**	**95,997,823**	**81,612,223**
2	A - Agriculture, forestry and fishing	(175)	(70)	(79)	1,048,356	774,532
3	B - Mining and quarrying	(122)	(105)	(11)	3,033,913	2,627,256
4	*B.05 - Mining of coal and lignite*	*(0)*	*(0)*	*-*	*936*	*795*
5	*B.06 - Extraction of crude petroleum and natural gas*	*(100)*	*(100)*	*(0)*	*1,206,101*	*1,006,552*
6	*B.07 - Mining of metal ores*	*(15)*	*(1)*	*(11)*	*25,977*	*20,831*
7	*B.08 - Other mining and quarrying*	*(6)*	*(3)*	*(1)*	*440,173*	*376,380*
8	*B.09 - Mining support service activities*	*(1)*	*(0)*	*(0)*	*1,360,727*	*1,222,699*
9	C - Manufacturing	(2,115)	(640)	(1,337)	56,087,500	47,339,315
10	*C.10 - Manufacture of food products*	*(152)*	*(69)*	*(54)*	*6,341,684*	*6,088,305*
11	*C.11 - Manufacture of beverages*	*(32)*	*(13)*	*(16)*	*702,335*	*666,397*
12	*C.12 - Manufacture of tobacco products*	*(0)*	*(0)*	*(0)*	*434*	*421*
13	*C.13 - Manufacture of textiles*	*(27)*	*(9)*	*(17)*	*97,101*	*89,303*
14	*C.14 - Manufacture of wearing apparel*	*(102)*	*(53)*	*(47)*	*139,713*	*130,512*
15	*C.15 - Manufacture of leather and related products*	*(36)*	*(9)*	*(26)*	*93,669*	*87,129*
16	*C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials*	*(64)*	*(25)*	*(34)*	*470,831*	*440,371*
17	*C.17 - Manufacture of paper and paper product*	*(31)*	*(15)*	*(9)*	*809,344*	*627,027*
18	*C.18 - Printing and reproduction of recorded media*	*(28)*	*(13)*	*(14)*	*260,641*	*238,594*
19	*C.19 - Manufacture of coke and refined petroleum products*	*(4)*	*(2)*	*(1)*	*8,173,046*	*7,436,952*
20	*C.20 - Manufacture of chemicals and chemical products*	*(242)*	*(36)*	*(199)*	*5,002,925*	*3,635,493*
21	*C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations*	*(29)*	*(13)*	*(14)*	*390,572*	*351,436*
22	*C.22 - Manufacture of rubber products*	*(93)*	*(32)*	*(51)*	*2,569,815*	*2,431,958*
23	*C.23 - Manufacture of other non-metallic mineral products*	*(75)*	*(24)*	*(43)*	*3,025,613*	*1,369,020*
24	*C.24 - Manufacture of basic metals*	*(92)*	*(29)*	*(54)*	*8,105,158*	*5,779,985*
25	*C.25 - Manufacture of fabricated metal products, except machinery and equipment*	*(237)*	*(69)*	*(152)*	*4,362,589*	*3,256,845*
26	*C.26 - Manufacture of computer, electronic and optical products*	*(105)*	*(40)*	*(62)*	*2,267,085*	*2,229,412*
27	*C.27 - Manufacture of electrical equipment*	*(96)*	*(23)*	*(68)*	*1,459,179*	*1,199,358*
28	*C.28 - Manufacture of machinery and equipment n.e.c.*	*(167)*	*(72)*	*(85)*	*3,020,112*	*2,752,366*
29	*C.29 - Manufacture of motor vehicles, trailers and semi-trailers*	*(189)*	*(43)*	*(141)*	*5,794,545*	*5,636,290*
30	*C.30 - Manufacture of other transport equipment*	*(188)*	*(12)*	*(172)*	*1,876,404*	*1,853,266*
31	*C.31 - Manufacture of furniture*	*(60)*	*(15)*	*(42)*	*190,015*	*184,889*
32	*C.32 - Other manufacturing*	*(45)*	*(15)*	*(27)*	*434,423*	*405,845*
33	*C.33 - Repair and installation of machinery and equipment*	*(22)*	*(12)*	*(8)*	*500,268*	*448,142*
34	D - Electricity, gas, steam and air conditioning supply	(186)	(84)	(74)	7,498,731	4,960,423
35	*D35.1 - Electric power generation, transmission and distribution*	*(142)*	*(74)*	*(46)*	*3,957,659*	*2,301,578*
36	*D35.11 - Production of electricity*	*(110)*	*(58)*	*(33)*	*1,223,386*	*610,082*
37	*D35.2 - Manufacture of gas; distribution of gaseous fuels through mains*	*(43)*	*(9)*	*(28)*	*3,433,180*	*2,609,030*
38	*D35.3 - Steam and air conditioning supply*	*(1)*	*(0)*	*(0)*	*107,892*	*49,815*
39	E - Water supply; sewerage, waste management and remediation activities	(61)	(36)	(20)	1,595,684	1,181,648
40	F - Construction	(707)	(196)	(459)	2,344,384	2,069,674
41	*F.41 - Construction of buildings*	*(478)*	*(99)*	*(348)*	*904,921*	*793,614*
42	*F.42 - Civil engineering*	*(91)*	*(52)*	*(28)*	*644,267*	*584,712*
43	*F.43 - Specialised construction activities*	*(138)*	*(44)*	*(83)*	*795,197*	*691,349*
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	(1,173)	(170)	(925)	19,277,689	18,658,969
45	H - Transportation and storage	(241)	(91)	(124)	3,486,446	2,531,183
46	*H.49 - Land transport and transport via pipelines*	*(114)*	*(52)*	*(49)*	*1,207,991*	*693,724*
47	*H.50 - Water transport*	*(25)*	*(2)*	*(21)*	*346,061*	*198,486*
48	*H.51 - Air transport*	*(24)*	*(8)*	*(16)*	*540,267*	*404,896*
49	*H.52 - Warehousing and support activities for transportation*	*(63)*	*(29)*	*(24)*	*1,366,642*	*1,210,899*
50	*H.53 - Postal and courier activities*	*(14)*	*(0)*	*(14)*	*25,485*	*23,179*
51	I - Accommodation and food service activities	(182)	(42)	(127)	493,273	444,817
52	L - Real estate activities	(668)	(279)	(311)	1,131,847	1,024,406
53	**Exposures towards sectors other than those that highly contribute to climate change (*)**	**(621)**	**(170)**	**(374)**		
54	K - Financial and insurance activities	(80)	(32)	(38)		
55	Exposures to other sectors (NACE codes J, M - U)	(541)	(138)	(336)		
56	**Total as at 31.12.2024**	**(6,252)**	**(1,883)**	**(3,841)**	**95,997,823**	**81,612,223**
57	**Total as at 30.06.2024**	**(6,477)**	**(2,094)**	**(3,893)**	**92,749,602**	**77,708,862**

Environmental, Social and Governance risks (ESG)

continued: Template 1 - Banking book - Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity

(€ million)

		k	l	m	n	o	p
	SECTOR/SUBSECTOR	GHG EMISSIONS (COLUMN I): GROSS CARRYING AMOUNT PERCENTAGE OF THE PORTFOLIO DERIVED FROM COMPANY-SPECIFIC REPORTING	<= 5 YEARS	> 5 YEAR <= 10 YEARS	> 10 YEAR <= 20 YEARS	> 20 YEARS	AVERAGE WEIGHTED MATURITY (YEARS)
1	**Exposures towards sectors that highly contribute to climate change (*)**	**15.96%**	**125,331**	**25,799**	**13,022**	**12,794**	**4.10**
2	A - Agriculture, forestry and fishing	4.79%	2,546	611	220	81	3.79
3	B - Mining and quarrying	71.14%	977	116	261	241	2.97
4	*B.05 - Mining of coal and lignite*	-	6	-	-	-	2.55
5	*B.06 - Extraction of crude petroleum and natural gas*	95.82%	394	60	185	-	1.86
6	*B.07 - Mining of metal ores*	-	93	2	11	0	1.30
7	*B.08 - Other mining and quarrying*	-	269	43	60	8	2.59
8	*B.09 - Mining support service activities*	97.13%	217	11	6	233	1.01
9	C - Manufacturing	20.43%	43,547	5,987	1,050	1,286	2.36
10	*C.10 - Manufacture of food products*	8.56%	4,960	673	80	166	2.38
11	*C.11 - Manufacture of beverages*	9.48%	722	127	14	24	2.66
12	*C.12 - Manufacture of tobacco products*	-	121	-	-	-	1.09
13	*C.13 - Manufacture of textiles*	0.19%	624	68	6	5	2.08
14	*C.14 - Manufacture of wearing apparel*	10.40%	926	53	3	2	1.60
15	*C.15 - Manufacture of leather and related products*	20.16%	541	50	14	6	1.87
16	*C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials*	4.54%	808	203	20	13	3.02
17	*C.17 - Manufacture of paper and paper product*	35.79%	1,105	230	12	20	2.91
18	*C.18 - Printing and reproduction of recorded media*	0.78%	369	58	6	2	2.49
19	*C.19 - Manufacture of coke and refined petroleum products*	48.41%	885	295	0	15	1.81
20	*C.20 - Manufacture of chemicals and chemical products*	51.11%	2,712	634	179	57	3.33
21	*C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations*	51.09%	1,209	124	12	8	2.61
22	*C.22 - Manufacture of rubber products*	16.50%	2,438	373	44	61	2.52
23	*C.23 - Manufacture of other non-metallic mineral products*	28.39%	2,094	203	10	49	2.33
24	*C.24 - Manufacture of basic metals*	15.88%	2,461	195	91	125	2.05
25	*C.25 - Manufacture of fabricated metal products, except machinery and equipment*	4.27%	4,497	611	83	129	2.39
26	*C.26 - Manufacture of computer, electronic and optical products*	26.37%	2,393	122	68	50	1.81
27	*C.27 - Manufacture of electrical equipment*	4.91%	1,691	284	49	175	2.59
28	*C.28 - Manufacture of machinery and equipment n.e.c.*	11.59%	4,342	479	62	37	2.25
29	*C.29 - Manufacture of motor vehicles, trailers and semi-trailers*	31.45%	4,128	270	8	86	2.21
30	*C.30 - Manufacture of other transport equipment*	32.99%	1,803	129	257	150	2.42
31	*C.31 - Manufacture of furniture*	0.31%	658	65	11	2	2.19
32	*C.32 - Other manufacturing*	24.53%	1,332	108	13	6	1.98
33	*C.33 - Repair and installation of machinery and equipment*	12.19%	728	634	7	99	4.23
34	D - Electricity, gas, steam and air conditioning supply	36.95%	7,578	2,763	1,972	107	4.56
35	*D35.1 - Electric power generation, transmission and distribution*	30.76%	4,587	2,393	1,792	78	5.56
36	*D35.11 - Production of electricity*	28.31%	2,942	2,126	1,568	39	6.36
37	*D35.2 - Manufacture of gas; distribution of gaseous fuels through mains*	52.32%	2,919	260	171	16	2.58
38	*D35.3 - Steam and air conditioning supply*	-	73	109	10	12	5.48
39	E - Water supply; sewerage, waste management and remediation activities	19.78%	1,415	395	439	129	5.93
40	F - Construction	7.62%	9,784	1,592	1,428	1,209	5.67
41	*F.41 - Construction of buildings*	2.12%	5,883	1,115	1,251	1,128	7.03
42	*F.42 - Civil engineering*	28.84%	1,938	179	117	61	3.62
43	*F.43 - Specialised construction activities*	1.08%	1,963	298	61	21	2.46
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	13.22%	30,764	2,460	413	3,841	1.58
45	H - Transportation and storage	33.79%	6,993	1,586	955	521	3.71
46	*H.49 - Land transport and transport via pipelines*	22.56%	3,274	632	79	77	3.04
47	*H.50 - Water transport*	59.39%	715	71	418	23	5.91
48	*H.51 - Air transport*	65.80%	310	72	2	3	1.95
49	*H.52 - Warehousing and support activities for transportation*	23.32%	2,485	806	455	38	4.61
50	*H.53 - Postal and courier activities*	97.91%	210	5	0	381	0.48
51	I - Accommodation and food service activities	0.70%	2,208	1,209	505	20	4.99
52	L - Real estate activities	0.95%	19,519	9,079	5,778	5,359	8.24
53	**Exposures towards sectors other than those that highly contribute to climate change (*)**		**28,518**	**6,103**	**1,023**	**1,014**	**3.26**
54	K - Financial and insurance activities		3,000	881	189	62	3.81
55	Exposures to other sectors (NACE codes J, M - U)		25,518	5,222	834	952	3.24
56	**Total as at 31.12.2024**	**15.96%**	**153,849**	**31,901**	**14,046**	**13,808**	**4.07**
57	**Total as at 30.06.2024**	**15.82%**	**153,373**	**34,304**	**17,737**	**14,247**	**4.72**

Environmental, Social and Governance risks (ESG)

Notes:
- (*) In accordance with the Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks - Climate Benchmark Standards Regulation - Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) 1893/2006.
- (**) article 12(1) points (d) to (g) and article 12(2) of Regulation (EU) 2020/1818.
- Average weighted maturity is in years (column p).

Template 2 - Banking book - Indicators of potential climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral

Description

Template 2 represents energy efficiency information on loans collateralized by immovable property[44]. Prudential information on climate change transition risk related to loans collateralised by commercial and residential real estate properties, and on collateral repossessed, are based on the energy efficiency of the collateral, including information on the distribution of real estate loans and advances and on repossessed collateral, by energy demand and by EPC label of the collateral (Energy Performance Certificates, hereinafter EPC). The exposures are split according to the geographical area of residence of the counterparty (EU area and outside EU).

ESG metrics

The prudential information on environmental, social and governance (ESG) risks to disclose in template 2 are related to:
- GCA of loans collateralised by immovable property and of repossessed real estate collateral with a breakdown by punctual EPC label of the collateral (columns H, I, J, K, L, M and N);
- GCA of loans collateralised by immovable property and of repossessed real estate collateral with a breakdown by level of energy efficiency (EP (Energy Performance, hereinafter EP) score in kWh/m² of collateral) (columns B, C, D, E, F, G) both punctual and estimated.

UniCredit approach developed to address the regulatory requirements

UniCredit included in template 2 information on loans secured by commercial and residential real estate, and on repossessed collateral, based on energy demand and collateral EPC.
To collect data on energy performance indicators, the Bank adopted the following approach:
- on new flow: it leveraged the implemented process for the collection of actual information on the specific collateral, reported directly by the customer at the origination stage (starting from 2022, a new process has been in fact defined for the timely collection of EPCs, directly from the customer, and now fully implemented at Group level);
- on the Stock: it relied on recovery actions involving customers for relevant exposures and leveraging available sources (e.g., buildings' registers), including external specialised providers, which, in case data was not punctually retrievable, proceeded with the development of an estimation model, leveraging on the input variables provided by the Bank (e.g., type of asset, address, city, etc.).

Possibility to retrieve actual data for the specific collateral is limited for the stock and differentiated by country, depending on the availability of public sources, and the non-mandatory document collection in some Group geographies. EPC coverage related only to punctual data is at 24.1% as of December 2024, higher compared to June 2024 (at 21%), +5.2 billion of punctual EPC data, mainly thanks to comprehensive coverage of new flow and further recovery actions on the stock.
The usage of proxies allows the Bank to have a comprehensive picture of the portfolio.
December 2024 portfolio collateralized by immovable property is slightly increased (+ 2.1%) compared to June 2024, also due to the expansion of perimeter to all the legal entities of UniCredit group, with the distribution of EPC label and the Primary Energy Demand broadly stable.

44 The Bank is working on the extending the perimeter to include loans collateralized by immovable properties towards any type of counterparty.

Environmental, Social and Governance risks (ESG)

Template 2 - Banking book - Indicators of potential climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral

(€ million)

	COUNTERPARTY SECTOR	a	b	c	d	e	f	g
		TOTAL GROSS CARRYING AMOUNT						
			LEVEL OF ENERGY EFFICIENCY (EP SCORE IN KWH/M² OF COLLATERAL)					
			0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500
1	**Total EU area as at 31.12.2024**	**143,846**	**33,823**	**47,015**	**22,231**	**5,104**	**2,274**	**3,120**
2	of which Loans collateralised by commercial immovable property	48,501	6,864	11,350	5,867	2,525	946	1,418
3	of which Loans collateralised by residential immovable property	95,033	26,908	35,598	16,323	2,537	1,317	1,695
4	of which Collateral obtained by taking possession: residential and commercial immovable properties	312	51	67	41	41	11	7
5	of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	77,699	21,980	32,510	16,921	2,600	1,293	2,394
6	**Total non EU area as at 31.12.2024**	**3,061**	**818**	**341**	**158**	**19**	**3**	**1**
7	of which Loans collateralised by commercial immovable property	1,664	491	79	38	0	-	0
8	of which Loans collateralised by residential immovable property	1,395	327	262	120	19	3	1
9	of which Collateral obtained by taking possession: residential and commercial immovable properties	2	0	0	-	-	-	-
10	of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	875	486	255	117	14	3	1
	Total EU area as at 30.06.2024	**140,638**	**30,603**	**46,419**	**22,815**	**5,068**	**2,381**	**3,516**
	Total non EU area as at 30.06.2024	**3,252**	**846**	**568**	**198**	**28**	**4**	**1**

continued: Template 2 - Banking book - Indicators of potential climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral

(€ million)

	COUNTERPARTY SECTOR	h	i	j	k	l	m	n	o	p
		TOTAL GROSS CARRYING AMOUNT								
		LEVEL OF ENERGY EFFICIENCY (EPC LABEL OF COLLATERAL)							WITHOUT EPC LABEL OF COLLATERAL	
		A	B	C	D	E	F	G		OF WHICH LEVEL OF ENERGY EFFICIENCY (EP SCORE IN KWH/M² OF COLLATERAL) ESTIMATED
1	**Total EU area as at 31.12.2024**	**7,006**	**5,918**	**4,469**	**4,078**	**3,895**	**4,216**	**5,472**	**108,792**	**69%**
2	of which Loans collateralised by commercial immovable property	2,314	2,690	1,994	1,343	854	714	876	37,715	39%
3	of which Loans collateralised by residential immovable property	4,692	3,213	2,435	2,708	2,985	3,470	4,557	70,973	85%
4	of which Collateral obtained by taking possession: residential and commercial immovable properties	0	14	40	27	55	33	39	104	10%
5	of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated								74,696	100%
6	**Total non EU area as at 31.12.2024**	**119**	**75**	**142**	**14**	**12**	**11**	**13**	**2,674**	**33%**
7	of which Loans collateralised by commercial immovable property	106	62	127	9	4	1	-	1,355	16%
8	of which Loans collateralised by residential immovable property	13	13	15	5	8	10	13	1,317	50%
9	of which Collateral obtained by taking possession: residential and commercial immovable properties	0	-	-	-	-	-	-	2	2%
10	of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated								868	100%
	Total EU area as at 30.06.2024	**5,321**	**4,522**	**3,969**	**3,594**	**3,515**	**3,878**	**5,147**	**110,693**	**71%**
	Total non EU area as at 30.06.2024	**111**	**72**	**103**	**15**	**13**	**11**	**14**	**2,913**	**47%**

Environmental, Social and Governance risks (ESG)

Template 3 - Banking book - Indicators of potential climate change transition risk: Alignment metrics

In October 2021, UniCredit joined the Net-Zero Banking Alliance, that brings together a global group of banks which are committed to align their lending and investment portfolios with net-zero emissions by 2050. Since then, the Group has started working to define emissions baseline and to set intermediate 2030 targets on the most carbon intensive sectors[45].

The Group defined Net Zero interim targets on loan portfolio for six sectors (i.e., Oil & Gas, Power Generation, Automotive, Steel, Shipping and Commercial real estate) and set a phase-out policy for Coal. In 2024, UniCredit also published its inaugural Net Zero transition plan and the first progress report on the Net Zero targets defined in 2023.

For each sector, specific design elements have been assessed to define the value chain segments and activities in scope, the sector emissions scope to be considered and the primary metric for the financed emissions baseline calculation. The design choices for each sector have been taken considering available guidelines, e.g., PCAF (Partnership for Carbon Accounting Financials), SBTI (Science Based Targets initiative), NZBA (Net-Zero Banking Alliance), Glasgow Financial Alliance for Net Zero (GFANZ) and common market practices in place at the time of Net Zero targets definition. Over the time the Group could consider an adjustment in the sectors perimeter and methodologies used for financed emissions calculation in line with the evolution of market guidelines.

The methodology applied to fill the template 3 is based on the information used as a part of the described Net Zero path and is consistent with the Group strategy.

Specifically:

- **Sectors**: the sectors disclosed are those for which UniCredit has set 2030 intermediate targets as 31 December 2024[46].
- **NACE sectors**: includes the list of NACE considered within Net Zero perimeter that has been defined by extracting and analyzing the counterparts at lower level (four digits) NACE codes. Every year specific analyses are performed to potentially reallocate or exclude counterparties from the Net Zero sectors, based on the activity of the counterparty (or the activity of the Group it belongs to) and the design choices selected for each Net Zero sector. Holding companies or other counterparties performing head office activities are assessed and potentially allocated to the relevant Net Zero sector, based on the Group activity performed[47].
- **Portfolio Gross Carrying Amount**: includes on balance sheet lending exposure considered in Net Zero perimeter (as for Net Zero disclosure on 2024 Sustainability Statements). Debt securities and equity instruments are not included. The amounts are referred to year end 2023 (related to the latest reference date for which UniCredit computed the alignment metric[48]).
- **Alignment metric**: includes last available Net zero emissions baseline (as of year-end 2023), computed and disclosed in the 2024 Sustainability statements, on the clients' emissions scope and financed emissions metric selected for each sector as following:
  - Power: emissions intensity metric on clients' Scope 1 emissions;
  - Fossil fuel combustion: absolute financed emissions metric on clients' Scope 3 (Category 11) emissions;
  - Automotive: emissions intensity metric on clients' Scope 3 (Tank-to-Wheel Category 11) emissions;
  - Iron and steel, coke, and metal ore production: emissions intensity metric on clients' Scope 1, 2 and 3 (Category 1 and 10) emissions[49].
  - Maritime Transport: emissions intensity metric on clients' Scope 1 and 3 (Category 3 - "Well-To-Wake") emissions[50]
  - Commercial Real Estate: emissions intensity metric on operational emissions that are associated with the energy used during the operation of the building (corresponding to clients' Scope 1 and 2 emissions or clients' Scope 3 Category 13 emissions if the property is leased)
- **Year of reference**: as of year end 2023.
- **Distance to IEA NZE2050 in %:** for Power, Automotive, Iron and steel, coke and metal ore production and Commercial Real Estate, the distance has been computed following the formula from EBA requirements: (Metric at reference year - scenario metric in 2030)/scenario metric in 2030. For Fossil fuel combustion, where absolute financed emissions metric has been used, the following formula has been applied: (Metric at reference year - Metric in 2030, applying IEA % reduction 2021-2030 to the 2021 UniCredit group metric[51])/Metric in 2030, applying IEA % reduction 2021-2030 to the 2021 UniCredit group metric. For Maritime transport, for which two metrics are used for the respective sub-segments and a single % reduction target at 2030 is defined at the sector level in Net Zero, the following formula was applied: (% reduction of IEA scenario between 2022-2030 - % reduction at portfolio level at reference year compared to 2022[52]).

  For the calculation the following trajectories have been used:
  - Power: IEA NZE2050 scaled down to European level (excluding Ammonia and Hydrogen);
  - Fossil fuel combustion: IEA NZE2050 (World), including Oil & Gas only;
  - Automotive: IEA NZE2050 (World);

45 As for Net Zero Banking Alliance guidelines and list of most carbon intensive sectors.
46 Alignment metric published in Pillar 3 disclosure are aligned with Sustainability statements as of December 2024.
47 For Iron and steel, coke, and metal ore production sector, the perimeter is defined according to the Sustainable Steel Principles guidelines. Also counterparts belonging to Crude steel making groups and performing financial services or/and guaranteed by parent companies are reallocated in the sector.
48 Computed on portfolio in scope when data available; for Fossil fuel combustion, Scope 3 emissions for midstream companies not computed since not material in line with current literature.
49 As for Fixed System Boundary.
50 Scope 1 downstream emissions from fuel combustion and Scope 3 upstream emissions from fuel production and distribution.
51 Fossil fuel combustion sector initial baseline for UniCredit is 2021.
52 Maritime Transport sector initial baseline for UniCredit is 2022.

Environmental, Social and Governance risks (ESG)

- Iron and steel, coke, and metal ore production: enhancement of IEA NZE2050 provided by Sustainable Steel Principles Association[53] and tailored to the UniCredit group portfolio scrap charge;
- Maritime transport: IEA NZE2050 (World);
- Commercial Real Estate: CRREM v.2.01 (Carbon Risk Real Estate Monitor).

  The initial baseline year for the Fossil fuel combustion, Power and Automotive sectors is 2021, while for the Iron and steel, coke, and metal ore production, Maritime transport and Commercial real estate sectors is 2022.
- **Target (year of reference + 3 years)**: UniCredit committed to achieving 2030 intermediate Net Zero targets for the sectors of the above template (as published in 2024 Sustainability statements).

For more details on NZBA commitment, Net Zero sectorial emission baseline and targets and Group Net Zero transition plan, refer to UniCredit group 2024 Sustainability statements [54].

Template 3 - Banking book - Indicators of potential climate change transition risk: Alignment metrics

	a	b	c	d	e	f	g
	SECTOR	NACE SECTORS	PORTFOLIO GROSS CARRYING AMOUNT (€ MILLION)	ALIGNMENT METRIC	YEAR OF REFERENCE	DISTANCE TO IEA NZE2050 IN %	TARGET (YEAR OF REFERENCE + 3 YEARS)
1	Power	35.11	9,789	107 gCO2e/kWh	2023	-3.0%	
2	Fossil fuel combustion	06.10; 06.20; 09.10; 19.20; 35.21; 46.71; 47.30; 49.50	4,709	10.2 MtCO2e	2023	-32.7%	
3	Automotive	29.10	1,950	116 gCO2/vKm	2023	12.2%	
4	Aviation						
5	Maritime transport	50.10; 50.20	2,525	14.0 gCO2e/GT-nm; 9.3 gCO2e/DWT-nm	2023	29.5%	
6	Cement, clinker and lime production						
7	Iron and steel, coke, and metal ore production	24.10; 24.20; 24.31; 24.33; 24.34; 24.51; 24.52; 25.11; 25.50; 25.93; 25.94; 25.99; 30.20; 46.72; 46.77	1,947	1.50 tCO2/tSteel	2023	35.1%	
8	Chemicals						
9	Commercial Real Estate	64.30; 64.99; 68.10; 68.20; 68.31; 68.32; 41.10	30,615	43.4 kgCO2e/m2	2023	32.4%	

Notes:
- For reconciliation purposes, some names of the sectors required for Pillar 3 are mapped as following in the Sustainability statements 2024 of UniCredit group: Power generation (row 1), Oil & Gas (row 2), Shipping (row 5), Steel (row 7).
- Acronyms reported in column (d) alignment metric:
  - gCO2e/kwh: Grams of carbon dioxide equivalent per kilowatt-hour of electricity generated;
  - MtCO2e: Million Tonnes of carbon dioxide equivalent;
  - gCO2/vKm: Grams of carbon dioxide per kilometer driven by a vehicle;
  - tCO2/tSteel: Tons of CO2 per ton of crude steel produced;
  - gCO2e/GT-nm (passenger): Grams of carbon dioxide on gross tons (i.e. volume) per nautical mile (passenger vessels);
  - gCO2e/DWT-nm (merchant): Grams of carbon dioxide on deadweight (i.e. weight carried) per nautical mile (merchant vessels);
  - kgCO2e/m2: kilograms of carbon dioxide per m2 surface area.

53 IEA NZE2050 adjusted to the Fixed System Boundary and considering the trajectory split into the primary and secondary production.
54 Sections E1-1, E1.3 and E1.4 within the 2024 Annual Reports and Accounts on website to link https://www.unicreditgroup.eu/en/investors/financial-reporting/financial-reports.html.

Environmental, Social and Governance risks (ESG)

Template 4 - Banking book - Indicators of potential climate change transition risk: Exposures to top 20 carbon-intensive firms

Description

Template 4 shows institutions' exposures towards the top 20 carbon-intensive companies in the world. It includes information on the average maturity of the exposures, providing insights on how these exposures may be impacted by longer-term climate change transition risks.

ESG metrics

The prudential information on environmental, social and governance (ESG) risks that must be disclosed in Template 4 are related to:
- GCA towards counterparties among the top 20 carbon emitting companies in the world (column A) and compared to total gross carrying amount (column B - NFC banking book);
- GCA of which environmentally sustainable (CCM) according to the European Taxonomy (Regulation 2020/852) (column C);
- Number of top 20 polluting firms included (column E).

UniCredit approach developed to address the regulatory requirements

UniCredit has identified in its portfolio the presence of companies ranked among the top polluters. The definition of "top polluters" refers to companies with the highest level of emissions, defined as the total tons CO2/year emitted.
As stated by the Implementing Regulation EU 2022/2453, information retrieved by Institutions shall be based on publicly available, reputable and accurate information.
Consistently with last reporting date, UniCredit identified its exposure to Top 20 polluters by leveraging on Carbon Major database (identified also by the Regulator as possible data source), which identifies the top 20-polluters' list on the basis of emissions (scope 1 and 2); at Group level. The emission levels can be actual (retrieved by public disclosures) or estimated.
Following this approach, in December 2024, the Top 20 Polluters groups towards which UniCredit has an exposure are 9, for an amount of about €0.89 billion, slightly decreasing respect June 2024 (-7%). The incidence on Corporate Portfolio (as reported in the table below) is broadly stable, equal to 0.42%, as of December 2024, and the incidence on the total assets (calculated for the purpose of GAR denominator) is 0.16%, confirming the limited exposure of the Group versus the top 20 polluters.

Template 4 - Banking book - Indicators of potential climate change transition risk: Exposures to top 20 carbon-intensive firms

(€ million)

		a	b	c	d	e
	REFERENCE DATE	GROSS CARRYING AMOUNT (AGGREGATE)	GROSS CARRYING AMOUNT TOWARDS THE COUNTERPARTIES COMPARED TO TOTAL GROSS CARRYING AMOUNT (AGGREGATE)*	OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM)	WEIGHTED AVERAGE MATURITY (YEARS)	NUMBER OF TOP 20 POLLUTING FIRMS INCLUDED
1	Amounts as at 31.12.2024	889	0.42%	0	4.05	9
	Amounts as at 30.06.2024	956	0.44%	0	4.02	9

Note:
(*) For counterparties among the top 20 carbon emitting companies in the world incidence only on the Corporate Portfolio (non-financial corporates).

Template 5 - Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk

Description

Template 5 provides information on exposures in the banking book (including loans and advances, debt securities and equity instruments not held for trading and not held for sale) towards non-financial corporates, on loans collateralized by immovable property[55] and on repossessed real estate collateral that are exposed to chronic and acute climate-related hazards. The template includes information by sector of economic activity (NACE classification) and by geography, in line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations in the supplemental guidance for institutions, for those sectors and geographical areas more exposed to climate change acute and chronic events.

ESG metrics

The prudential information on environmental, social and governance (ESG) risks to disclose in template 5 are related to:
- GCA of exposures sensitive to impact from climate change chronic physical events (column H);
- GCA of exposures sensitive to impact from climate change acute physical events (column I);
- GCA of exposures sensitive to impact from both climate change chronic and acute physical events (column J).

55 The Bank is working on the extending the perimeter to include loans collateralized by immovable properties towards any type of counterparty.

Environmental, Social and Governance risks (ESG)

UniCredit approach developed to address the regulatory requirements
UniCredit included in Template 5 information on exposures in the banking book exposed to chronic and acute climate-related hazards, leveraging on following process:
1) Selection of material physical hazard events: selection of specific hazard events that could have a material relevance at corporate rather than at collateral level, on the basis of expert judgment and data available;
2) Mapping of material physical hazard events related to the bank portfolio asset/collateral localization: association of the more relevant physical risks with the areas to which the bank is exposed at the counterparty/asset levels;
3) Thresholds setting for the relevant physical hazard events: definition of the thresholds considered to intercept the most material risks based on the probability of occurrence and the severity of the physical hazard event;
4) Quantification of the risk exposure at asset and counterparty level: matching of the GCA exposure at collateral and counterparty level with the physical risk identified.

Two different methodologies have been defined to assess the physical risk score depending on the disclosure level (collateral or counterparty), considering different specificities. For this purpose, UniCredit made use of external data providers.

1) Selection of material physical hazard events
Focus on counterparty level
A comprehensive assessment of the physical hazard event material relevance has been performed. Some of the physical hazard events (e.g., heat waves) can be relevant for some productive activities (such as agriculture) and less material ones (or non-relevant at all) for other activities. Each risk is qualified based on a specific metric/measure, native level of precision and source.
Considering ESG risks, the climate change related hazards mapped, at counterparty level, are summarized in the table 1 below:

Table 1: Material physical risk hazard events at counterparty level

Type of physical risk (Acute/Chronic)	Material physical risk hazard Event	Description of the physical risk hazard event	Metric/approach	Spatial Resolution	Source
Acute	Flood	Risk of flood events, related to waterways and heavy rain events, predictive model	Annual probability of event with high severity, return period 50y	grid 100 mt/census cell	Third-party Data & ISPRA (Italy)
Acute	Wind (Extreme wind-related events)	Probability of extreme wind events based on storm footprint, measured on Bedfort scale, return period 50y	Annual probability of extreme events (11-12 Bedfort scale)	grid H3	Third-party Data
Acute	Heat waves	Probability of Heat Waves (extreme hot event > 3 days), historical data	Number of events (> 3 days) observed in a 60y period	grid 10 kilometers	Third-party Data
Acute	WildFire	Risk classes depending on days with high fire risk subject to the type environmental where the company is located, RCP 4.5 scenario	Average days/year with high fire risk, subject to type of environmental	grid 4 kilometers	Third-party Data & ESA Data & Copernicus Data
Acute	Extreme waves (Extreme waves, storm surges)	Probability of having storm surges and high energy waves	Wave height in RCP 8.5 with a return period of 50y	grid 25 kilometers	Third-party Data
Acute	Frost occurrences	Probability of cold events (frost, even of short duration), predictive model	Average number of events by years	grid 10 kilometers	Third-party Data
Acute	Heat occurrence	Probability of hot events (even of short duration), predictive model	Average number of events by years	grid 10 kilometers	Third-party Data
Acute	Aridity	Probability of aridity phenomena (ratio precipitation/evaporation), predictive model	Mean annual precipitation (P)/mean annual evapotranspiration (ETP)	grid 500 meters	Third-party Data
Acute	LandSlide	Risk of landslide events, long historical data	Annual probability of event with high severity	grid 200 meters/census cell	Third-party Data & Bundesanstalt für Geowissenschaften und Rohstoffe & Istituto di Ricerca per la Protezione Idrogeologica
Chronic	Sea level rise	Estimates the sea level with various meteorological models	Max wave height at 2050, return period in 50y	grid 25 kilometers	Third-party Data

Environmental, Social and Governance risks (ESG)

Focus on collateral level

The assessment of physical risk for real estate collateral portfolio has been based on a methodology which covers a comprehensive set of climate hazards that includes chronic hazard events (i.e. sea level rise) and acute hazard ones (e.g., flood, storm, wildfire). Identification of the events has been performed considering materiality of the hazards in the UniCredit geographical footprint and possible material damage to the collateral that could be directly generated. Indeed, the potential damage to the buildings allows relevant differences according to the specific hazards: some of the physical risk hazard events (e.g., precipitation, heat stress) are less relevant for potential damages on assets, and therefore are not included in the methodology.

Considering ESG risks, the climate change related hazards mapped, at collateral level, are summarized in the table 2 below:

Table 2: Material physical risk hazard events at collateral level

Type of physical risk (Acute/Chronic)	Material physical risk hazard Event	Description of the physical risk hazard event	Metric/approach	Spatial Resolution	Source
Acute	Flood: - River Flood - Flash Flood	- River Flood: Risk of river flood events, related to waterways and heavy rain events, predictive model - Flash floods are short-term events which can be produced by multiple thunderstorms with heavy rain over one area	- River Flood: global climate model and global land surface models estimate changes in peak water runoff at hydrological basin resolution. These changes in peak runoff are then used to scale current River Flood maps. The projections are available in different scenarios - Flash Flood: The flash flood map is based on meteorological data, as well as soil, terrain and hydrographic data (slope and flow accumulation). The meteorological data includes the amount, variability, and extreme behavior of rainfall	- River Flood: 30 meters - Flash Flood: approximately 250 meters	Third-party data: - River Flood: Geoweb natural hazard maps - Flash flood: soil-sealing maps (detected by looking at impervious surfaces), curvature (from global multi-resolution terrain elevation data), slope and flow accumulation (from conditioned terrain data) as modifiers to generate the final flash flood map
Acute	Storm	Storm (including blizzards, dust and sandstorms): extratropical storms and storm surge	- Extratropical storm: The main variables of the exposure analysis are forward wind, maximum wind speed, minimum central pressure, radius of maximum wind speeds, track of the center ("eye") in 3- to 6-hourly intervals - Storm surge: multiple wave heights are simulated for each coast and calculated the maximum expansion. Wind speeds and bathymetry data were also taken into account	- Extratropical storm: approximately 5 kilometers - Storm surge: approximately 30 meters	Third-party data
Acute	WildFire	Risk classes depending on days with high fire risk subject to the type environmental where the company is located, RCP 4.5 scenario	Fire Weather Index (FWI) combining the probability of ignition, the speed and likelihood of fire spread and the availability of fuel.	Approximately 1 kilometer	Third-party data: modelled based on daily information about temperature, precipitation, humidity and wind
Acute	Hail	Heavy hailstorms are usually triggered by wide cold fronts. Occasionally, local hot weather thunderstorms – a result of intense insolation over land or mountain slopes – also lead to severe localized hailstorms.	Global standardised records of meteorological data. hailstorm map is based on a number of atmospheric conditions with the potential to create a hailstorm. The following parameters were taken into account for the calculation: − Average annual evapotranspiration [mm] − Average annual temperature gradient [°C/km] − Average annual potential height of fall of hail [m]		Third-party data
Chronic	Sea level rise	Estimates the sea level with various meteorological models	Sea-Level Rise Hazard Zones defined on Elevation Index (driven by Coastal Topography) and Sea-Level Rise Index (driven by Sea-Level Rise). The sea-level rise hazard information is available for different scenarios	30 meters resolution for flooding hazard by sea-level rise globally	Third-party data: Sea-level rise zones were modelled based on high-resolution elevation data from elevation model and sea-level rise projections from climate models

Environmental, Social and Governance risks (ESG)

2) Mapping of material physical hazard events related the bank portfolio localization

Focus on counterparty level

The material physical hazard events, related to the bank portfolio, have been mapped according to the following methodology: for the companies in the portfolio, the legal and operational sites were mapped and each location was associated with a specific hazard event and the relative level of risk; for each counterparty, a synthetic physical risk indicator was calculated, on the basis of relevant and available information (e.g., weighting the risks associated with the individual locations by the number of employees within those sites).

Focus on collateral level

At collateral level, the asset physical risk assessment has been performed matching postal address, regions (e.g., states) and geo-coordinates with the associated physical risk exposure with appropriate spatial resolution.

3) Thresholds setting for the most relevant physical hazard events

Focus on counterparty level

At counterparty level, physical scoring system has been designed to generate scores based on the thresholds defined according to materiality (frequency and severity) of different hazard events.

The materiality of the different risks was also assessed according to the driver of the sector; for specific sectors, such as agriculture, which is more impacted by certain physical risks, a more conservative approach was adopted.

Focus on collateral level

At collateral level, physical scoring system is designed to generate scores based on the thresholds defined to filter the relevant exposure to specific hazards, considering the severity and the frequency of the climate hazard event. Collateral exposed at least to one material hazard event has been considered.

4) Quantification of the risk exposure at counterparty and collateral level

The final step is to quantify the exposure of the Group portfolio based on the risks selected as impactful according to the methodology above for counterparties and collateral portfolio.

Environmental, Social and Governance risks (ESG)

Template 5 - Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk (Group)

(€ million)

	a	b	c	d	e	f	g	h
			GROSS CARRYING AMOUNT					
			OF WHICH EXPOSURES SENSITIVE TO IMPACT FROM CLIMATE CHANGE PHYSICAL EVENTS					
			BREAKDOWN BY MATURITY BUCKET					OF WHICH EXPOSURES SENSITIVE TO IMPACT FROM CHRONIC CLIMATE CHANGE EVENTS
	GROUP - TOTAL GEOGRAPHICAL AREA SUBJECT TO CLIMATE CHANGE PHYSICAL RISK - ACUTE AND CHRONIC EVENTS		<= 5 YEARS	> 5 YEAR <= 10 YEARS	> 10 YEAR <= 20 YEARS	> 20 YEARS	AVERAGE WEIGHTED MATURITY	
1	A - Agriculture, forestry and fishing	3,458	951	241	73	16	3.29	18
2	B - Mining and quarrying	1,595	28	4	-	233	1.68	1
3	C - Manufacturing	51,871	4,739	551	52	104	2.22	597
4	D - Electricity, gas, steam and air conditioning supply	12,420	699	209	282	-	5.63	139
5	E - Water supply; sewerage, waste management and remediation activities	2,379	291	58	110	32	6.98	23
6	F - Construction	14,012	1,519	290	152	215	5.96	119
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	37,478	2,712	251	46	96	1.79	450
8	H - Transportation and storage	10,055	556	159	298	4	4.22	374
9	L - Real estate activities	39,735	934	676	409	145	8.21	237
10	Loans collateralised by residential immovable property	96,428	529	1,313	4,816	5,573	19.00	129
11	Loans collateralised by commercial immovable property	50,165	2,503	1,003	351	27	5.02	18
12	Repossessed collaterals	314	-	-	-	-	0.00	0
13	Other relevant sectors	40,601	3,055	766	333	33	4.14	716
14	*of which: M - Professional, scientific and technical activities*	*14,008*	*1,267*	*150*	*28*	*5*	*2.71*	*62*
15	*of which: J - Information and communication*	*6,602*	*115*	*56*	*4*	*7*	*4.32*	*20*
16	*of which: N - Administrative and support service activities*	*5,259*	*287*	*65*	*7*	*1*	*2.72*	*57*
17	*of which: K - Financial and insurance activities*	*4,133*	*249*	*15*	*4*	*-*	*2.74*	*120*
18	*of which: I - Accommodation and food service activities*	*3,943*	*592*	*403*	*263*	*1*	*5.36*	*216*
	Subtotal at 31.12.2024							
	Sectors (sum rows 1 to 9 + row 13)	***213,604***	***15,483***	***3,203***	***1,756***	***878***		***2,673***
	Loans collateralised by immovable property (sum rows 10 + 11)	***146,592***	***3,031***	***2,316***	***5,167***	***5,600***		***148***
	Repossessed collateral (row 12)	***314***	***-***	***-***	***-***	***-***		***0***
	Subtotal at 30.06.2024							
	Sectors (sum rows 1 to 9 + row 13)	***219,660***	***15,985***	***3,593***	***1,947***	***730***		***2,532***
	Loans collateralised by immovable property (sum rows 10 + 11)	***143,541***	***2,829***	***2,438***	***5,271***	***5,573***		***158***
	Repossessed collateral (row 12)	***349***	***-***	***-***	***-***	***-***		***0***

Environmental, Social and Governance risks (ESG)

continued: Template 5 - Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk (Group)

(€ million)

	a	i	j	k	l	m	n	o
		GROSS CARRYING AMOUNT						
		OF WHICH EXPOSURES SENSITIVE TO IMPACT FROM CLIMATE CHANGE PHYSICAL EVENTS						
						ACCUMULATED IMPAIRMENT, ACCUMULATED NEGATIVE CHANGES IN FAIR VALUE DUE TO CREDIT RISK AND PROVISIONS		
	GROUP - TOTAL GEOGRAPHICAL AREA SUBJECT TO CLIMATE CHANGE PHYSICAL RISK - ACUTE AND CHRONIC EVENTS	OF WHICH EXPOSURES SENSITIVE TO IMPACT FROM ACUTE CLIMATE CHANGE EVENTS	OF WHICH EXPOSURES SENSITIVE TO IMPACT BOTH FROM CHRONIC AND ACUTE CLIMATE CHANGE EVENTS	OF WHICH STAGE 2 EXPOSURES	OF WHICH NON-PERFORMING EXPOSURES		OF WHICH STAGE 2 EXPOSURES	OF WHICH NON-PERFORMING EXPOSURES
1	A - Agriculture, forestry and fishing	1,204	59	250	63	(83)	(36)	(39)
2	B - Mining and quarrying	253	12	1	10	(11)	(0)	(10)
3	C - Manufacturing	4,258	592	794	297	(248)	(82)	(154)
4	D - Electricity, gas, steam and air conditioning supply	912	138	42	8	(12)	(2)	(7)
5	E - Water supply; sewerage, waste management and remediation activities	396	71	6	1	(2)	(1)	(0)
6	F - Construction	1,795	262	362	93	(93)	(36)	(48)
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	2,316	340	363	142	(103)	(15)	(82)
8	H - Transportation and storage	500	143	120	18	(21)	(11)	(8)
9	L - Real estate activities	1,663	264	182	21	(26)	(14)	(7)
10	Loans collateralised by residential immovable property	10,731	1,370	1,111	150	(137)	(69)	(37)
11	Loans collateralised by commercial immovable property	3,478	388	640	150	(105)	(29)	(64)
12	Repossessed collaterals	36	9	-	-	-	-	-
13	Other relevant sectors	2,862	608	551	143	(98)	(31)	(59)
14	*of which: M - Professional, scientific and technical activities*	*1,309*	*79*	*85*	*6*	*(8)*	*(4)*	*(3)*
15	*of which: J - Information and communication*	*147*	*14*	*30*	*33*	*(18)*	*(0)*	*(17)*
16	*of which: N - Administrative and support service activities*	*248*	*56*	*21*	*18*	*(16)*	*(1)*	*(14)*
17	*of which: K - Financial and insurance activities*	*121*	*26*	*85*	*3*	*(5)*	*(3)*	*(2)*
18	*of which: I - Accommodation and food service activities*	*685*	*359*	*297*	*75*	*(44)*	*(22)*	*(19)*
	Subtotal at 31.12.2024							
	Sectors (sum rows 1 to 9 + row 13)	***16,159***	***2,488***	***2,672***	***796***	***(696)***	***(228)***	***(414)***
	Loans collateralised by immovable property (sum rows 10 + 11)	***14,209***	***1,758***	***1,751***	***300***	***(242)***	***(98)***	***(101)***
	Repossessed collateral (row 12)	***36***	***9***	***-***	***-***	***-***	***-***	***-***
	Subtotal at 30.06.2024							
	Sectors (sum rows 1 to 9 + row 13)	***16,879***	***2,845***	***2,881***	***972***	***(885)***	***(253)***	***(582)***
	Loans collateralised by immovable property (sum rows 10 + 11)	***14,095***	***1,858***	***2,000***	***267***	***(258)***	***(117)***	***(99)***
	Repossessed collateral (row 12)	***44***	***10***	***-***	***-***	***-***	***-***	***-***

Note:
Average weighted maturity (column g) is in years.

In the second half of 2024, NFCs perimeter is slightly decreased by 2.8% while portfolio collateralized by immovable property shows a small increase of about 2.1%. The physical risk exposure incidence on the corporate portfolio is broadly stable at ca. 10% and on the mortgage portfolio at ca. 11%.
The templates below show the information required by template 5 above with reference to the specific geographic countries exposed to the physical risk hazard events (Italy, Germany, and other countries of the Group).

Environmental, Social and Governance risks (ESG)

Template 5 - Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk (Italy)

(€ million)

	a	b	c	d	e	f	g	h
			GROSS CARRYING AMOUNT					
			OF WHICH EXPOSURES SENSITIVE TO IMPACT FROM CLIMATE CHANGE PHYSICAL EVENTS					
			BREAKDOWN BY MATURITY BUCKET					OF WHICH EXPOSURES SENSITIVE TO IMPACT FROM CHRONIC CLIMATE CHANGE EVENTS
	GROUP - TOTAL GEOGRAPHICAL AREA SUBJECT TO CLIMATE CHANGE PHYSICAL RISK - ACUTE AND CHRONIC EVENTS		<= 5 YEARS	> 5 YEAR <= 10 YEARS	> 10 YEAR <= 20 YEARS	> 20 YEARS	AVERAGE WEIGHTED MATURITY	
1	A - Agriculture, forestry and fishing	1,348	428	110	38	13	3.44	7
2	B - Mining and quarrying	98	11	2	-	-	2.53	0
3	C - Manufacturing	22,829	3,846	386	28	79	2.18	534
4	D - Electricity, gas, steam and air conditioning supply	3,909	132	35	0	-	2.70	2
5	E - Water supply; sewerage, waste management and remediation activities	1,053	260	36	30	0	3.26	14
6	F - Construction	4,988	940	188	46	2	2.84	29
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	14,005	1,811	167	22	62	1.70	113
8	H - Transportation and storage	3,464	343	115	45	4	3.97	84
9	L - Real estate activities	5,587	395	279	37	0	4.91	60
10	Loans collateralised by residential immovable property	38,111	350	855	3,646	3,099	17.39	129
11	Loans collateralised by commercial immovable property	10,940	1,207	467	167	-	2.70	18
12	Repossessed collaterals	254	-	-	-	-	0.00	0
13	Other relevant sectors	15,618	1,564	384	117	7	3.26	273
14	*of which: M - Professional, scientific and technical activities*	*6,394*	*549*	*115*	*21*	*5*	*2.68*	*23*
15	*of which: N - Administrative and support service activities*	*2,807*	*231*	*46*	*5*	*0*	*2.51*	*36*
16	*of which: I - Accommodation and food service activities*	*2,136*	*431*	*169*	*71*	*0*	*4.57*	*57*
17	*of which: J - Information and communication*	*2,025*	*79*	*10*	*1*	*0*	*1.84*	*8*
18	*of which: Q - Human health services and social work activities*	*800*	*67*	*25*	*19*	*1*	*4.59*	*21*
	Subtotal at 31.12.2024							
	Sectors (sum rows 1 to 9 + row 13)	***72,898***	***9,731***	***1,703***	***364***	***166***		***1,116***
	Loans collateralised by immovable property (sum rows 10 + 11)	***49,051***	***1,557***	***1,322***	***3,813***	***3,099***		***148***
	Repossessed collateral (row 12)	***254***	***-***	***-***	***-***	***-***		***0***
	Subtotal at 30.06.2024							
	Sectors (sum rows 1 to 9 + row 13)	***75,361***	***10,050***	***1,969***	***433***	***183***		***1,215***
	Loans collateralised by immovable property (sum rows 10 + 11)	***51,288***	***1,500***	***1,430***	***3,974***	***3,211***		***158***
	Repossessed collateral (row 12)	***305***	***-***	***-***	***-***	***-***		***0***

Environmental, Social and Governance risks (ESG)

continued: Template 5 - Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk (Italy)

(€ million)

	a	i	j	k	l	m	n	o
		GROSS CARRYING AMOUNT						
		OF WHICH EXPOSURES SENSITIVE TO IMPACT FROM CLIMATE CHANGE PHYSICAL EVENTS						
						ACCUMULATED IMPAIRMENT, ACCUMULATED NEGATIVE CHANGES IN FAIR VALUE DUE TO CREDIT RISK AND PROVISIONS		
	GROUP - TOTAL GEOGRAPHICAL AREA SUBJECT TO CLIMATE CHANGE PHYSICAL RISK - ACUTE AND CHRONIC EVENTS	OF WHICH EXPOSURES SENSITIVE TO IMPACT FROM ACUTE CLIMATE CHANGE EVENTS	OF WHICH EXPOSURES SENSITIVE TO IMPACT BOTH FROM CHRONIC AND ACUTE CLIMATE CHANGE EVENTS	OF WHICH STAGE 2 EXPOSURES	OF WHICH NON-PERFORMING EXPOSURES		OF WHICH STAGE 2 EXPOSURES	OF WHICH NON-PERFORMING EXPOSURES
1	A - Agriculture, forestry and fishing	529	52	75	34	(42)	(18)	(23)
2	B - Mining and quarrying	12	1	1	0	(0)	(0)	(0)
3	C - Manufacturing	3,387	419	513	164	(164)	(67)	(89)
4	D - Electricity, gas, steam and air conditioning supply	113	53	6	8	(8)	(1)	(7)
5	E - Water supply; sewerage, waste management and remediation activities	303	10	3	1	(1)	(1)	(0)
6	F - Construction	1,031	115	200	59	(64)	(26)	(34)
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	1,669	280	166	104	(68)	(7)	(58)
8	H - Transportation and storage	368	54	53	9	(12)	(6)	(5)
9	L - Real estate activities	528	124	62	14	(16)	(8)	(5)
10	Loans collateralised by residential immovable property	6,759	1,060	506	110	(98)	(45)	(28)
11	Loans collateralised by commercial immovable property	1,521	303	226	38	(44)	(17)	(20)
12	Repossessed collaterals	36	9	-	-	-	-	-
13	Other relevant sectors	1,498	302	159	58	(40)	(6)	(31)
14	*of which: M - Professional, scientific and technical activities*	*645*	*21*	*40*	*5*	*(3)*	*(1)*	*(2)*
15	*of which: N - Administrative and support service activities*	*219*	*28*	*11*	*17*	*(14)*	*(1)*	*(13)*
16	*of which: I - Accommodation and food service activities*	*423*	*192*	*64*	*28*	*(17)*	*(3)*	*(12)*
17	*of which: J - Information and communication*	*73*	*10*	*22*	*1*	*(1)*	*(0)*	*(1)*
18	*of which: Q - Human health services and social work activities*	*59*	*31*	*10*	*2*	*(1)*	*(0)*	*(1)*
	Subtotal at 31.12.2024							
	Sectors (sum rows 1 to 9 + row 13)	***9,437***	***1,410***	***1,236***	***450***	***(416)***	***(139)***	***(252)***
	Loans collateralised by immovable property (sum rows 10 + 11)	***8,280***	***1,363***	***732***	***149***	***(142)***	***(63)***	***(48)***
	Repossessed collateral (row 12)	***36***	***9***	***-***	***-***	***-***	***-***	***-***
	Subtotal at 30.06.2024							
	Sectors (sum rows 1 to 9 + row 13)	***9,880***	***1,540***	***1,298***	***499***	***(466)***	***(160)***	***(280)***
	Loans collateralised by immovable property (sum rows 10 + 11)	***8,524***	***1,434***	***889***	***175***	***(158)***	***(71)***	***(56)***
	Repossessed collateral (row 12)	***44***	***10***	***-***	***-***	***-***	***-***	***-***

Environmental, Social and Governance risks (ESG)

Template 5 - Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk (Germany)

(€ million)

	a	b	c	d	e	f	g	h
		GROSS CARRYING AMOUNT						
			OF WHICH EXPOSURES SENSITIVE TO IMPACT FROM CLIMATE CHANGE PHYSICAL EVENTS					
			BREAKDOWN BY MATURITY BUCKET					OF WHICH EXPOSURES SENSITIVE TO IMPACT FROM CHRONIC CLIMATE CHANGE EVENTS
	GROUP - TOTAL GEOGRAPHICAL AREA SUBJECT TO CLIMATE CHANGE PHYSICAL RISK - ACUTE AND CHRONIC EVENTS		<= 5 YEARS	> 5 YEAR <= 10 YEARS	> 10 YEAR <= 20 YEARS	> 20 YEARS	AVERAGE WEIGHTED MATURITY	
1	A - Agriculture, forestry and fishing	179	10	17	17	1	7.94	9
2	B - Mining and quarrying	87	1	2	-	-	4.43	0
3	C - Manufacturing	8,217	192	45	8	4	2.32	35
4	D - Electricity, gas, steam and air conditioning supply	1,836	59	71	154	-	9.43	129
5	E - Water supply; sewerage, waste management and remediation activities	268	10	8	50	-	10.54	2
6	F - Construction	2,478	194	28	4	4	1.89	37
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	8,546	259	18	11	17	2.29	166
8	H - Transportation and storage	1,566	55	15	5	-	4.05	4
9	L - Real estate activities	17,699	192	157	289	130	11.37	150
10	Loans collateralised by residential immovable property	24,597	51	98	333	784	21.69	-
11	Loans collateralised by commercial immovable property	15,440	102	144	100	25	8.59	-
12	Repossessed collaterals	1	-	-	-	-	0.00	-
13	Other relevant sectors	6,512	377	51	21	17	4.81	231
14	*of which: J - Information and communication*	*1,935*	*15*	*3*	*2*	*1*	*4.54*	*11*
15	*of which: M - Professional, scientific and technical activities*	*1,161*	*4*	*3*	*3*	*-*	*6.79*	*7*
16	*of which: S - Other services*	*1,010*	*310*	*1*	*2*	*8*	*3.11*	*178*
17	*of which: O - Public administration and defence, compulsory social security*	*932*	*-*	*-*	*-*	*-*	*0.00*	*-*
18	*of which: N - Administrative and support service activities*	*697*	*13*	*10*	*2*	*-*	*5.28*	*9*
	Subtotal at 31.12.2024							
	Sectors (sum rows 1 to 9 + row 13)	***47,389***	***1,350***	***412***	***559***	***173***		***763***
	Loans collateralised by immovable property (sum rows 10 + 11)	***40,037***	***153***	***242***	***433***	***809***		***-***
	Repossessed collateral (row 12)	***1***	***-***	***-***	***-***	***-***		***-***
	Subtotal at 30.06.2024							
	Sectors (sum rows 1 to 9 + row 13)	***55,042***	***1,265***	***478***	***657***	***220***		***571***
	Loans collateralised by immovable property (sum rows 10 + 11)	***37,408***	***163***	***261***	***437***	***740***		***-***
	Repossessed collateral (row 12)	***1***	***-***	***-***	***-***	***-***		***-***

Environmental, Social and Governance risks (ESG)

continued: Template 5 - Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk (Germany)

(€ million)

	a	i	j	k	l	m	n	o
		GROSS CARRYING AMOUNT						
		OF WHICH EXPOSURES SENSITIVE TO IMPACT FROM CLIMATE CHANGE PHYSICAL EVENTS						
						ACCUMULATED IMPAIRMENT, ACCUMULATED NEGATIVE CHANGES IN FAIR VALUE DUE TO CREDIT RISK AND PROVISIONS		
	GROUP - TOTAL GEOGRAPHICAL AREA SUBJECT TO CLIMATE CHANGE PHYSICAL RISK - ACUTE AND CHRONIC EVENTS	OF WHICH EXPOSURES SENSITIVE TO IMPACT FROM ACUTE CLIMATE CHANGE EVENTS	OF WHICH EXPOSURES SENSITIVE TO IMPACT BOTH FROM CHRONIC AND ACUTE CLIMATE CHANGE EVENTS	OF WHICH STAGE 2 EXPOSURES	OF WHICH NON-PERFORMING EXPOSURES		OF WHICH STAGE 2 EXPOSURES	OF WHICH NON-PERFORMING EXPOSURES
1	A - Agriculture, forestry and fishing	33	3	4	0	(0)	(0)	(0)
2	B - Mining and quarrying	1	1	-	-	(0)	-	-
3	C - Manufacturing	200	13	64	62	(30)	(2)	(27)
4	D - Electricity, gas, steam and air conditioning supply	77	77	26	-	(1)	(0)	-
5	E - Water supply; sewerage, waste management and remediation activities	58	8	2	0	(0)	(0)	(0)
6	F - Construction	179	14	44	2	(3)	(1)	(1)
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	111	29	111	11	(9)	(5)	(4)
8	H - Transportation and storage	17	54	2	5	(1)	(0)	(0)
9	L - Real estate activities	537	80	64	3	(6)	(3)	(2)
10	Loans collateralised by residential immovable property	956	310	75	9	(4)	(1)	(2)
11	Loans collateralised by commercial immovable property	291	80	53	3	(3)	(2)	(1)
12	Repossessed collaterals	-	-	-	-	-	-	-
13	Other relevant sectors	196	41	22	5	(4)	(1)	(2)
14	*of which: J - Information and communication*	*10*	*0*	*1*	*4*	*(2)*	*(0)*	*(2)*
15	*of which: M - Professional, scientific and technical activities*	*3*	*1*	*4*	*-*	*(0)*	*(0)*	*-*
16	*of which: S - Other services*	*143*	*0*	*2*	*0*	*(0)*	*(0)*	*(0)*
17	*of which: O - Public administration and defence, compulsory social security*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
18	*of which: N - Administrative and support service activities*	*13*	*2*	*2*	*0*	*(0)*	*(0)*	*(0)*
	Subtotal at 31.12.2024							
	Sectors (sum rows 1 to 9 + row 13)	***1,409***	***321***	***339***	***88***	***(54)***	***(13)***	***(37)***
	Loans collateralised by immovable property (sum rows 10 + 11)	***1,247***	***390***	***127***	***13***	***(8)***	***(3)***	***(3)***
	Repossessed collateral (row 12)	***-***	***-***	***-***	***-***	***-***	***-***	***-***
	Subtotal at 30.06.2024							
	Sectors (sum rows 1 to 9 + row 13)	***1,730***	***319***	***412***	***101***	***(65)***	***(14)***	***(46)***
	Loans collateralised by immovable property (sum rows 10 + 11)	***1,180***	***422***	***169***	***8***	***(9)***	***(4)***	***(3)***
	Repossessed collateral (row 12)	***-***	***-***	***-***	***-***	***-***	***-***	***-***

Environmental, Social and Governance risks (ESG)

Template 5 - Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk (Other countries)

(€ million)

	a	b	c	d	e	f	g	h
	GROUP - TOTAL GEOGRAPHICAL AREA SUBJECT TO CLIMATE CHANGE PHYSICAL RISK - ACUTE AND CHRONIC EVENTS	GROSS CARRYING AMOUNT						
			OF WHICH EXPOSURES SENSITIVE TO IMPACT FROM CLIMATE CHANGE PHYSICAL EVENTS					
			BREAKDOWN BY MATURITY BUCKET					OF WHICH EXPOSURES SENSITIVE TO IMPACT FROM CHRONIC CLIMATE CHANGE EVENTS
			<= 5 YEARS	> 5 YEAR <= 10 YEARS	> 10 YEAR <= 20 YEARS	> 20 YEARS	AVERAGE WEIGHTED MATURITY	
1	A - Agriculture, forestry and fishing	1,931	513	114	19	2	2.74	2
2	B - Mining and quarrying	1,410	16	1	-	233	0.73	0
3	C - Manufacturing	20,825	701	120	16	21	2.11	27
4	D - Electricity, gas, steam and air conditioning supply	6,675	507	103	128	-	7.43	8
5	E - Water supply; sewerage, waste management and remediation activities	1,058	21	14	30	32	8.02	7
6	F - Construction	6,546	385	75	103	209	9.63	53
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	14,927	642	65	12	17	1.60	171
8	H - Transportation and storage	5,025	158	28	248	0	4.25	286
9	L - Real estate activities	16,449	347	240	83	16	5.20	27
10	Loans collateralised by residential immovable property	33,720	128	360	837	1,689	18.80	-
11	Loans collateralised by commercial immovable property	23,784	1,193	392	84	2	3.59	-
12	Repossessed collaterals	58	-	-	-	-	0.00	-
13	Other relevant sectors	18,472	1,114	331	195	8	4.24	213
14	*of which: M - Professional, scientific and technical activities*	*6,453*	*715*	*32*	*4*	*-*	*2.46*	*32*
15	*of which: K - Financial and insurance activities*	*3,414*	*122*	*15*	*4*	*-*	*1.44*	*0*
16	*of which: J - Information and communication*	*2,643*	*21*	*43*	*0*	*6*	*5.33*	*2*
17	*of which: N - Administrative and support service activities*	*1,755*	*44*	*9*	*0*	*1*	*1.94*	*12*
18	*of which: I - Accommodation and food service activities*	*1,608*	*153*	*219*	*183*	*1*	*5.56*	*156*
	Subtotal at 31.12.2024							
	Sectors (sum rows 1 to 9 + row 13)	***93,317***	***4,403***	***1,089***	***833***	***538***		***794***
	Loans collateralised by immovable property (sum rows 10 + 11)	***57,504***	***1,322***	***752***	***921***	***1,692***		***-***
	Repossessed collateral (row 12)	***58***	***-***	***-***	***-***	***-***		***-***
	Subtotal at 30.06.2024							
	Sectors (sum rows 1 to 9 + row 13)	***89,257***	***4,670***	***1,145***	***858***	***327***		***746***
	Loans collateralised by immovable property (sum rows 10 + 11)	***54,845***	***1,166***	***747***	***860***	***1,621***		***-***
	Repossessed collateral (row 12)	***43***	***-***	***-***	***-***	***-***		***-***

Environmental, Social and Governance risks (ESG)

continued: Template 5 - Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk (Other countries)

(€ million)

	a	i	j	k	l	m	n	o
		GROSS CARRYING AMOUNT						
		OF WHICH EXPOSURES SENSITIVE TO IMPACT FROM CLIMATE CHANGE PHYSICAL EVENTS						
						ACCUMULATED IMPAIRMENT, ACCUMULATED NEGATIVE CHANGES IN FAIR VALUE DUE TO CREDIT RISK AND PROVISIONS		
	GROUP - TOTAL GEOGRAPHICAL AREA SUBJECT TO CLIMATE CHANGE PHYSICAL RISK - ACUTE AND CHRONIC EVENTS	OF WHICH EXPOSURES SENSITIVE TO IMPACT FROM ACUTE CLIMATE CHANGE EVENTS	OF WHICH EXPOSURES SENSITIVE TO IMPACT BOTH FROM CHRONIC AND ACUTE CLIMATE CHANGE EVENTS	OF WHICH STAGE 2 EXPOSURES	OF WHICH NON-PERFORMING EXPOSURES		OF WHICH STAGE 2 EXPOSURES	OF WHICH NON-PERFORMING EXPOSURES
1	A - Agriculture, forestry and fishing	642	4	171	29	(41)	(18)	(17)
2	B - Mining and quarrying	239	10	-	10	(10)	-	(10)
3	C - Manufacturing	671	159	217	71	(54)	(13)	(38)
4	D - Electricity, gas, steam and air conditioning supply	721	8	11	0	(3)	(1)	(0)
5	E - Water supply; sewerage, waste management and remediation activities	36	53	1	0	(0)	(0)	(0)
6	F - Construction	585	133	118	32	(25)	(9)	(13)
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	536	30	87	28	(26)	(3)	(20)
8	H - Transportation and storage	115	34	65	4	(8)	(5)	(2)
9	L - Real estate activities	599	60	56	4	(4)	(2)	(0)
10	Loans collateralised by residential immovable property	3,015	-	531	31	(35)	(22)	(6)
11	Loans collateralised by commercial immovable property	1,666	5	362	108	(57)	(9)	(43)
12	Repossessed collaterals	0	-	-	-	-	-	-
13	Other relevant sectors	1,169	266	371	81	(54)	(25)	(25)
14	*of which: M - Professional, scientific and technical activities*	*661*	*58*	*42*	*1*	*(5)*	*(3)*	*(1)*
15	*of which: K - Financial and insurance activities*	*114*	*26*	*85*	*3*	*(5)*	*(3)*	*(2)*
16	*of which: J - Information and communication*	*65*	*3*	*6*	*28*	*(15)*	*(0)*	*(15)*
17	*of which: N - Administrative and support service activities*	*16*	*26*	*7*	*1*	*(1)*	*(0)*	*(1)*
18	*of which: I - Accommodation and food service activities*	*253*	*148*	*226*	*47*	*(27)*	*(18)*	*(7)*
	Subtotal at 31.12.2024							
	Sectors (sum rows 1 to 9 + row 13)	***5,313***	***756***	***1,096***	***259***	***(226)***	***(76)***	***(126)***
	Loans collateralised by immovable property (sum rows 10 + 11)	***4,681***	***5***	***892***	***139***	***(92)***	***(32)***	***(49)***
	Repossessed collateral (row 12)	***0***	***-***	***-***	***-***	***-***	***-***	***-***
	Subtotal at 30.06.2024							
	Sectors (sum rows 1 to 9 + row 13)	***5,268***	***986***	***1,171***	***372***	***(354)***	***(78)***	***(255)***
	Loans collateralised by immovable property (sum rows 10 + 11)	***4,392***	***3***	***943***	***84***	***(91)***	***(42)***	***(40)***
	Repossessed collateral (row 12)	***0***	***-***	***-***	***-***	***-***	***-***	***-***

Environmental, Social and Governance risks (ESG)

Template 6 - Summary of key performance indicators (KPIs) on the Taxonomy-aligned exposures

Description and metrics
Template 6 provides summary information for the Green Asset Ratio (GAR) indicators, shown in templates 7 and 8. GAR represents the level of alignment of the Group's assets for the climate change mitigation (CCM) and climate change adaptation (CCA) objectives, according to the European Taxonomy (Regulation EU 2020/852, in line with articles 10 and 11).
The indicators are represented:
- at the stock level, on balance sheet assets as of the date;
- at the flow level, focusing only on new assets in the second half 2024.

The methodology used, for the purpose of GAR elaboration, was developed in accordance with Commission Implementing Regulation EU 2022/2453 (hereinafter "Regulation") and reported in the section "UniCredit's approach developed to meet regulatory requirements" with reference to the template 7 below.

As at 31 December 2024, the Group's GAR is 1.33% of total assets[56] (€548 billion) and is mainly explained by exposures contributing to the climate change mitigation objective (whose GAR is 1.32%).
Compared to 30 June 2024, where the Group’s GAR was 1.06%, the increase (+ 27 bps) is mainly explained by the following:
- increase (+10 bps) due to the growth of eligibility and alignment KPIs related to Financial Corporations subject to NFRD[57];
- increase (+12 bps) due to the growth of alignment KPIs related to Non-Financial Corporations subject to NFRD;
- increase (+5 bps) due to the portfolio growth of loans collateralized by a residential immovable property aligned with EU Taxonomy.

Template 6 - Summary of key performance indicators (KPIs) on the Taxonomy-aligned exposures

	KEY PERFORMANCE INDICATORS (KPIs)			
DESCRIPTION	CLIMATE CHANGE MITIGATION (CCM)	CLIMATE CHANGE ADAPTATION (CCA)	TOTAL (CCM+CCA)	% COVERAGE (OVER TOTAL ASSETS)[1]
GAR Stock	1.32%	0.01%	1.33%	68.99%
GAR flow	1.29%	0.03%	1.31%	80.44%

Note:
1. Percentage of assets covered by the KPI over total assets.

56 The total assets (i.e.: total covered assets) includes: exposures towards financial and non-financial corporations, Households, Local government financing and other exposure (e.g., derivatives, on demand interbank loans, liquidity, goodwill). The difference from total banking assets is related to exposures towards States, Central banks, trading book.
57 Non-Financial Reporting Directive applies to large, listed companies, banks, or insurance companies that meet certain criteria, such as having a balance sheet total in excess of EUR 20 million, a turnover in excess of EUR 40 million, or an average number of employees in excess of 500 during the fiscal year.

Environmental, Social and Governance risks (ESG)

Template 7 - Mitigating actions: Assets for the calculation of GAR

Description and Metrics

Template 7 provides the gross book value, in terms of eligibility and alignment with the European Taxonomy, for loans and advances, debt securities, and equity instruments, with details by counterparty type (Financial corporations, Non-financial corporations, Households, Local governments, Repossessed).

Specifically:

- Eligibility: those activities that fall within the perimeter identified by the European Taxonomy, whether or not they meet the technical screening criteria;
- Alignment: those eligible activities that meet the following criteria:
  - substantial contribution of the activity to the climate change mitigation (CCM) or climate change adaptation (CCA) objectives;
  - compliance with the principle of no significant harm to other objectives (DNSH);
  - compliance with the principle of minimum safeguards (MSS), in line with the Organization for Economic Cooperation and Development (OECD) Guidelines, the United Nations Guiding Principles on Business and Human Rights, and the International Labor Organization (ILO) Declaration.

In addition, the level of asset alignment is detailed according to the following categories:

- Specialised lending, financing where the use of proceeds is known. For example, project finance or real estate;
- Transitional activities, those that cannot yet be replaced by low-carbon, technologically and economically accessible alternatives, but that contribute to climate change mitigation and can play an important role in the transition to a climate-neutral economy;
- Enabling activities, those that directly enable other activities to make a substantial contribution to an environmental objective;
- Adaptation activities, those activities capable of contributing substantially to climate adaptation solutions, either by reducing the risks of adverse climate effects or by preventing or reducing the risk of such effects on future generations and the environment.

UniCredit's approach developed to meet regulatory requirements

In accordance with the definitions provided by Implementing Regulation (EU) 2022/2453, UniCredit represented the perimeter of assets in the portfolio, as of December 2024, developing, for the calculation of GAR KPIs, differentiated approaches by portfolio.

In detail:

- Financial Corporations: eligible and aligned exposures in terms of turnover, (detailed for CCM and CCA) were computed by weighting Group exposures with taxonomy-eligible and taxonomy-aligned turnover indicators present in counterparties' Non-Financial Statement subject to NFRD[58];
- Non-financial Corporations: eligible and aligned exposures in terms of turnover, (detailed for CCM and CCA) were computed by weighting Group exposures with taxonomy-eligible and taxonomy-aligned turnover indicators present in counterparties' Non-Financial Statement subject to NFRD;
- Motor vehicles to Households: with regards to eligible exposure, loans granted to fund purchase of motor vehicles was considered; in terms of aligned exposures only loans to purchase low-emission vehicles were considered;
- Loan collateralized to Households: with regards to eligibility, the entire portfolio of mortgage loans was considered, with assets subject to energy efficiency rules. Related to the application of the EU Taxonomy criteria, the following approach was used:
  - Identification of the best performance buildings. Punctual EPC and PED data have been considered; collected for the stock both through targeted initiatives, thanks to the support of external providers, and through the process defined for new flows, which involves direct collection of information from the customer. With regard to the collection of alignment KPIs, on the Households portfolio, the Group focused on the "Acquisition" perimeter under Delegated Regulation 2021/2139;
  - Inclusion of physical risks in the Do Not Significant Harm (DNSH) assessment previously described in Template 5 "Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk".

At present time, the EU Taxonomy methodology does not allow banks to include exposures towards companies not subject to NFRD, exposures towards company outside EU, and some components of Households portfolio. Besides, the strict regulation does not foresee the use of any proxies (e.g. use of estimated energy efficiency KPIs). Specifically, in the €548 billion of Group's total covered assets in the denominator, €390 billion cannot be assessed in the numerator of the ratio. This structural characteristic of the GAR leads to large differences depending on each bank's business model, customer base and geographic footprint.

58 Non-Financial Reporting Directive applies to large, listed companies, banks, or insurance companies that meet certain criteria, such as having a balance sheet total in excess of EUR 20 million, a turnover in excess of EUR 40 million, or an average number of employees in excess of 500 during the fiscal year.

Environmental, Social and Governance risks (ESG)

Total eligible assets are about €111.2 billion, with an alignment level of about €7.3 billion.
In detail:

- out of €36.8 billion exposures to Financial Corporations[59], which are within the GAR calculation scope, €8.7 billion are considered eligible (+55.7% compared to June 2024) and €1.2 billion aligned (+87.7% compared to June 2024) derived from an overall improvement in the Counterparties' Taxonomy KPIs. On the Financial Corporations portfolio (amounting to €146 billion), €109 billion are out of GAR calculation scope as this exposure is towards counterparties not-subject to NFRD. The alignment is 3.2% if referring only to the perimeter (€36.8 billions) in GAR calculation scope;
- out of €22.7 billion exposures to Non-financial Corporations, which are within the GAR calculation scope, €7.8 billion are considered eligible (-18.3% compared to June 2024) and €3.3 billion aligned (+22.6% compared to June 2024). The decrease in eligibility is mainly due to the reduction in terms of NFC exposure subject to NFRD, while the increase in alignment is derived from an overall improvement in the counterparties' Taxonomy KPIs. On the Non-financial Corporations portfolio (amounting to €214 billion), €191 billion are out of GAR calculation scope as this exposure is towards counterparties not subject to NFRD. The alignment is 14.7% if referring only to the perimeter (€22.7 billion) in GAR calculation scope;
- the total Households portfolio, which falls within the GAR calculation scope, amounts to €97.5 billion, with an eligibility and alignment level of €94.6 billion (+5.3% compared to June 2024) and €2.8 billion (+9.5% compared to June 2024) respectively, thanks to an increase in the overall portfolio of Loans collateralized by Residential Immovable properties;
- the Local Governments: amounts to €0.06 billion. The corresponding eligibility and alignment levels show meaningless values, in line with the amounts as at June 2024.

59 For Insurances undertakings only the turnover-based KPIs on investments have been considered as the Annex X of EU 2021/2178 the eligibility percentage is not broken down by Climate Environmental Objectives.

Environmental, Social and Governance risks (ESG)

Template 7 - Mitigating actions: Assets for the calculation of GAR

(€ million)

		a	b	c	d	e	f
			TOTAL GROSS CARRYING AMOUNT				
			CLIMATE CHANGE MITIGATION (CCM)				
			OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)			
	DESCRIPTION				OF WHICH SPECIALISED LENDING	OF WHICH TRANSITIONAL	OF WHICH ENABLING
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	157,089	110,535	7,238	-	3,223	2,002
2	**Financial corporations**	**36,802**	**8,161**	**1,155**	**-**	**39**	**260**
3	Credit institutions	23,860	5,882	412	-	29	23
4	Loans and advances	14,098	3,326	215	-	21	10
5	Debt securities, including UoP	6,586	1,771	146	-	5	7
6	Equity instruments	3,176	785	52		2	7
7	Other financial corporations	12,942	2,279	743	-	10	237
8	of which investment firms	1	-	-	-	-	-
9	Loans and advances	1	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-
12	of which management companies	423	81	14	-	0	0
13	Loans and advances	186	49	5	-	0	0
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	238	32	8		0	0
16	of which insurance undertakings	2,252	-	52	-	1	10
17	Loans and advances	161	-	3	-	0	1
18	Debt securities, including UoP	12	-	0	-	0	0
19	Equity instruments	2,078	-	49		1	10
20	**Non-financial corporations (subject to NFRD disclosure obligations)**	**22,752**	**7,695**	**3,278**	**-**	**379**	**1,742**
21	Loans and advances	20,398	7,196	2,971	-	354	1,607
22	Debt securities, including UoP	2,301	466	292	-	26	120
23	Equity instruments	53	32	15		0	15
24	**Households**	**97,477**	**94,634**	**2,804**	**-**	**2,804**	**-**
25	of which loans collateralised by residential immovable property	94,820	92,040	2,791	-	2,791	-
26	of which building renovation loans	2,247	2,195	-	-	-	-
27	of which motor vehicle loans	406	395	14	-	14	-
28	**Local governments financing**	**58**	**46**	**-**	**-**	**-**	**-**
29	Housing financing	10	2	-	-	-	-
30	Other local governments financing	49	43	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	314	58	-	-	-	-
32	**TOTAL GAR ASSETS**	**157,403**	**110,593**	**7,238**	**-**	**3,223**	**2,002**
	Assets excluded from the numerator for GAR calculation (covered in the denominator)						
33	**EU Non-financial corporations (not subject to NFRD disclosure obligations)**	**174,211**					
34	Loans and advances	172,603					
35	Debt securities	1,351					
36	Equity instruments	257					
37	**Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)**	**16,641**					
38	Loans and advances	16,626					
39	Debt securities	-					
40	Equity instruments	15					
41	Derivatives	1,351					
42	On demand interbank loans	6,874					
43	Cash and cash-related assets	3,853					
44	Other assets (e.g. Goodwill, tangible assets, etc.)	187,176					
45	**TOTAL ASSETS IN THE DENOMINATOR (GAR)**	**547,511**					
	Other assets excluded from both the numerator and denominator for GAR calculation						
46	Sovereigns	138,736					
47	Central banks exposure	52,263					
48	Trading book	55,083					
49	**TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR**	**246,082**					
50	**TOTAL ASSETS**	**793,593**					

Environmental, Social and Governance risks (ESG)

continued: Template 7 - Mitigating actions: Assets for the calculation of GAR

(€ million)

	DESCRIPTION	g	h	i	j	k
		TOTAL GROSS CARRYING AMOUNT				
		CLIMATE CHANGE ADAPTATION (CCA)				
			OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)		
				OF WHICH SPECIALISED LENDING	OF WHICH ADAPTATION	OF WHICH ENABLING
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	165	61	-	-	19
2	**Financial corporations**	**86**	**4**	**-**	**-**	**0**
3	Credit institutions	9	3	-	-	-
4	Loans and advances	7	3	-	-	-
5	Debt securities, including UoP	2	0	-	-	-
6	Equity instruments	-	-		-	-
7	Other financial corporations	77	1	-	-	0
8	of which investment firms	-	-	-	-	-
9	Loans and advances	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-
11	Equity instruments	-	-		-	-
12	of which management companies	2	0	-	-	-
13	Loans and advances	0	0	-	-	-
14	Debt securities, including UoP	-	-	-	-	-
15	Equity instruments	2	0		-	-
16	of which insurance undertakings	-	0	-	-	0
17	Loans and advances	-	0	-	-	0
18	Debt securities, including UoP	-	-	-	-	-
19	Equity instruments	-	0		-	0
20	**Non-financial corporations (subject to NFRD disclosure obligations)**	**79**	**57**	**-**	**-**	**19**
21	Loans and advances	67	47	-	-	9
22	Debt securities, including UoP	12	10	-	-	10
23	Equity instruments	0	0		-	0
24	**Households**					
25	of which loans collateralised by residential immovable property					
26	of which building renovation loans					
27	of which motor vehicle loans					
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-
30	Other local governments financing	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-
32	**TOTAL GAR ASSETS**	**165**	**61**	**-**	**-**	**19**
	Assets excluded from the numerator for GAR calculation (covered in the denominator)					
33	**EU Non-financial corporations (not subject to NFRD disclosure obligations)**					
34	Loans and advances					
35	Debt securities					
36	Equity instruments					
37	**Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)**					
38	Loans and advances					
39	Debt securities					
40	Equity instruments					
41	Derivatives					
42	On demand interbank loans					
43	Cash and cash-related assets					
44	Other assets (e.g. Goodwill, tangible assets, etc.)					
45	**TOTAL ASSETS IN THE DENOMINATOR (GAR)**					
	Other assets excluded from both the numerator and denominator for GAR calculation					
46	Sovereigns					
47	Central banks exposure					
48	Trading book					
49	**TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR**					
50	**TOTAL ASSETS**					

Environmental, Social and Governance risks (ESG)

continued: Template 7 - Mitigating actions: Assets for the calculation of GAR

(€ million)

		l	m	n	o	p
		TOTAL GROSS CARRYING AMOUNT				
		TOTAL (CCM + CCA)				
			OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)		
	DESCRIPTION			OF WHICH SPECIALISED LENDING	OF WHICH TRANSITIONAL/ADAPTATION	OF WHICH ENABLING
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	111,186	7,298	-	3,223	2,021
2	**Financial corporations**	**8,703**	**1,159**	**-**	**39**	**260**
3	Credit institutions	5,937	415	-	29	23
4	Loans and advances	3,334	217	-	21	10
5	Debt securities, including UoP	1,818	146	-	5	7
6	Equity instruments	785	52		2	7
7	Other financial corporations	2,766	744	-	10	237
8	of which investment firms	-	-	-	-	-
9	Loans and advances	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-
11	Equity instruments	-	-		-	-
12	of which management companies	84	14	-	0	0
13	Loans and advances	50	5	-	0	0
14	Debt securities, including UoP	-	-	-	-	-
15	Equity instruments	34	8		0	0
16	of which insurance undertakings	379	52	-	1	10
17	Loans and advances	25	3	-	0	1
18	Debt securities, including UoP	2	0	-	0	0
19	Equity instruments	351	49		1	10
20	**Non-financial corporations (subject to NFRD disclosure obligations)**	**7,804**	**3,335**	**-**	**379**	**1,760**
21	Loans and advances	7,294	3,017	-	354	1,616
22	Debt securities, including UoP	478	302	-	26	130
23	Equity instruments	32	15		0	15
24	**Households**	**94,634**	**2,804**	**-**	**2,804**	**-**
25	of which loans collateralised by residential immovable property	92,040	2,791	-	2,791	-
26	of which building renovation loans	2,195	-	-	-	-
27	of which motor vehicle loans	395	14	-	14	-
28	**Local governments financing**	**46**	**-**	**-**	**-**	**-**
29	Housing financing	2	-	-	-	-
30	Other local governments financing	43	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	60	-	-	-	-
32	**TOTAL GAR ASSETS**	**111,245**	**7,298**	**-**	**3,223**	**2,021**
	Assets excluded from the numerator for GAR calculation (covered in the denominator)					
33	**EU Non-financial corporations (not subject to NFRD disclosure obligations)**					
34	Loans and advances					
35	Debt securities					
36	Equity instruments					
37	**Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)**					
38	Loans and advances					
39	Debt securities					
40	Equity instruments					
41	Derivatives					
42	On demand interbank loans					
43	Cash and cash-related assets					
44	Other assets (e.g. Goodwill, tangible assets, etc.)					
45	**TOTAL ASSETS IN THE DENOMINATOR (GAR)**					
	Other assets excluded from both the numerator and denominator for GAR calculation					
46	Sovereigns					
47	Central banks exposure					
48	Trading book					
49	**TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR**					
50	**TOTAL ASSETS**					

Environmental, Social and Governance risks (ESG)

Template 8 - GAR (%)

Description and Metrics

Template 8 provides the eligibility and alignment levels of: loans and advances, debt securities, and equity instruments, for the different portfolios, compared to total assets[60], with detailed information for the stock and flows in the second half 2024.
In addition, the table also returns the percentage of assets considered for the GAR calculation out of total assets.
In light of the methodology described for the template 7 (refer to “UniCredit's Approach developed to meet regulatory requirements” paragraph), the percentage of eligibility, on the stock, is 20.32%, the alignment 1.33%. On the new flows, on the other hand, the eligibility level is equal to 7.21% with alignment equal to 1.31% (details of variations in KPIs of template 8 are described in the paragraph “UniCredit's approach developed to meet regulatory requirements” of Template 7 and Template 6).

Related to the specific portfolios:
- for Financial Corporations, at the stock level, the percentage of portfolio eligible for GAR calculation is 1.59%, with an alignment percentage of 0.21% Considering the flows of the second half, the percentage of eligibility and alignment are 3% and 0.36%, respectively. GAR is affected by limitations related to the applicability of the Regulation on the portfolio of Financial corporations;
- for Non-financial Corporations, at the stock level, the percentage of portfolio eligible for GAR calculation is 1.43%, with an alignment percentage of 0.61% Considering the flows of the second half, the percentage of eligibility and alignment are 1.71% and 0.95%, respectively. For Non-Financial Corporations as well, the ratio is affected by limitations related to the applicability of the Regulation;
- for Households, at the stock level, the percentage of the portfolio eligible for GAR calculation is 17.28%, with an alignment percentage of 0.51%. Considering the flows of the second half, the percentage of eligibility is 2.50% and the alignment level shows negligible results. The GAR is affected by the restrictions related to the retrieval of punctual EPC and PED data on portfolio stock, resulting from the limited accessibility of public databases and the non-compulsory collection of these documents in some Group countries.

60 The total assets (i.e.: total covered assets) includes exposures towards financial and non-financial corporations, Households, Local government financing and other exposure (e.g., derivatives, on demand interbank loans, liquidity, goodwill). The difference from total banking assets is related to exposures towards States, Central banks, trading book.

Environmental, Social and Governance risks (ESG)

Template 8 - GAR (%)

	% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)	a	b	c	d	e
		KPIs ON STOCK				
		CLIMATE CHANGE MITIGATION (CCM)				
		PROPORTION OF ELIGIBLE ASSETS FUNDING TAXONOMY RELEVANT SECTORS				
			OF WHICH ENVIRONMENTALLY SUSTAINABLE			
				OF WHICH SPECIALISED LENDING	OF WHICH TRANSITIONAL	OF WHICH ENABLING
1	**GAR**	**20.20%**	**1.32%**	**-**	**0.59%**	**0.37%**
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	20.19%	1.32%	-	0.59%	0.37%
3	Financial corporations	1.49%	0.21%	-	0.01%	0.05%
4	Credit institutions	1.07%	0.08%	-	0.01%	0.00%
5	Other financial corporations	0.42%	0.14%	-	0.00%	0.04%
6	of which investment firms	-	-	-	-	-
7	of which management companies	0.01%	0.00%	-	0.00%	0.00%
8	of which insurance undertakings	-	0.01%	-	0.00%	0.00%
9	Non-financial corporations subject to NFRD disclosure obligations	1.41%	0.60%	-	0.07%	0.32%
10	Households	17.28%	0.51%	-	0.51%	-
11	of which loans collateralised by residential immovable property	16.81%	0.51%	-	0.51%	-
12	of which building renovation loans	0.40%	-	-	-	-
13	of which motor vehicle loans	0.07%	0.00%	-	0.00%	-
14	Local government financing	0.01%	-	-	-	-
15	Housing financing	0.00%	-	-	-	-
16	Other local governments financing	0.01%	-	-	-	-
17	Collateral obtained by taking possession: residential and commercial immovable properties	0.01%	-	-	-	-

continued: Template 8 - GAR (%)

	% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)	f	g	h	i	j
		KPIs ON STOCK				
		CLIMATE CHANGE ADAPTATION (CCA)				
		PROPORTION OF ELIGIBLE ASSETS FUNDING TAXONOMY RELEVANT SECTORS				
			OF WHICH ENVIRONMENTALLY SUSTAINABLE			
				OF WHICH SPECIALISED LENDING	OF WHICH ADAPTATION	OF WHICH ENABLING
1	**GAR**	**0.03%**	**0.01%**	**-**	**-**	**0.00%**
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.03%	0.01%	-	-	0.00%
3	Financial corporations	0.02%	0.00%	-	-	0.00%
4	Credit institutions	0.00%	0.00%	-	-	-
5	Other financial corporations	0.01%	0.00%	-	-	0.00%
6	of which investment firms	-	-	-	-	-
7	of which management companies	0.00%	0.00%	-	-	-
8	of which insurance undertakings	-	0.00%	-	-	0.00%
9	Non-financial corporations subject to NFRD disclosure obligations	0.01%	0.01%	-	-	0.00%
10	Households					
11	of which loans collateralised by residential immovable property					
12	of which building renovation loans					
13	of which motor vehicle loans					
14	Local government financing					
15	Housing financing					
16	Other local governments financing	-	-	-	-	-
17	Collateral obtained by taking possession: residential and commercial immovable properties					

Environmental, Social and Governance risks (ESG)

continued: Template 8 - GAR (%)

	% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)	k	l	m	n	o	p
		KPIs ON STOCK					
		TOTAL (CCM + CCA)					
		PROPORTION OF ELIGIBLE ASSETS FUNDING TAXONOMY RELEVANT SECTORS					PROPORTION OF TOTAL ASSETS COVERED
			OF WHICH ENVIRONMENTALLY SUSTAINABLE				
				OF WHICH SPECIALISED LENDING	OF WHICH TRANSITIONAL/ADAPTATION	OF WHICH ENABLING	
1	**GAR**	**20.32%**	**1.33%**	**-**	**0.59%**	**0.37%**	**68.99%**
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	20.31%	1.33%	-	0.59%	0.37%	19.79%
3	Financial corporations	1.59%	0.21%	-	0.01%	0.05%	4.64%
4	Credit institutions	1.08%	0.08%	-	0.01%	0.00%	3.01%
5	Other financial corporations	0.51%	0.14%	-	0.00%	0.04%	1.63%
6	of which investment firms	-	-	-	-	-	0.00%
7	of which management companies	0.02%	0.00%	-	0.00%	0.00%	0.05%
8	of which insurance undertakings	0.07%	0.01%	-	0.00%	0.00%	0.28%
9	Non-financial corporations subject to NFRD disclosure obligations	1.43%	0.61%	-	0.07%	0.32%	2.87%
10	Households	17.28%	0.51%	-	0.51%	-	12.28%
11	of which loans collateralised by residential immovable property	16.81%	0.51%	-	0.51%	-	11.95%
12	of which building renovation loans	0.40%	-	-	-	-	0.28%
13	of which motor vehicle loans	0.07%	0.00%	-	0.00%	-	0.05%
14	Local government financing	0.01%	-	-	-	-	0.01%
15	Housing financing	0.00%	-	-	-	-	0.00%
16	Other local governments financing	0.01%	-	-	-	-	0.01%
17	Collateral obtained by taking possession: residential and commercial immovable properties	0.01%	-	-	-	-	0.04%

continued: Template 8 - GAR (%)

	% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)	q	r	s	t	u
		KPIs ON FLOWS				
		CLIMATE CHANGE MITIGATION (CCM)				
		PROPORTION OF NEW ELIGIBLE ASSETS FUNDING TAXONOMY RELEVANT SECTORS				
			OF WHICH ENVIRONMENTALLY SUSTAINABLE			
				OF WHICH SPECIALISED LENDING	OF WHICH TRANSITIONAL	OF WHICH ENABLING
1	**GAR**	**7.05%**	**1.29%**	**-**	**0.17%**	**0.64%**
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	7.05%	1.29%	-	0.17%	0.64%
3	Financial corporations	2.86%	0.36%	-	0.01%	0.11%
4	Credit institutions	2.36%	0.15%	-	0.01%	0.01%
5	Other financial corporations	0.50%	0.21%	-	0.00%	0.10%
6	of which investment firms	-	-	-	-	-
7	of which management companies	0.04%	0.00%	-	0.00%	0.00%
8	of which insurance undertakings	-	0.02%	-	0.00%	0.00%
9	Non-financial corporations subject to NFRD disclosure obligations	1.69%	0.92%	-	0.15%	0.54%
10	Households	2.50%	0.00%	-	0.00%	-
11	of which loans collateralised by residential immovable property	2.50%	0.00%	-	0.00%	-
12	of which building renovation loans	0.00%	-	-	-	-
13	of which motor vehicle loans	0.00%	0.00%	-	0.00%	-
14	Local government financing	-	-	-	-	-
15	Housing financing	-	-	-	-	-
16	Other local governments financing	-	-	-	-	-
17	Collateral obtained by taking possession: residential and commercial immovable properties	0.01%	-	-	-	-

Environmental, Social and Governance risks (ESG)

continued: Template 8 - GAR (%)

	% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)	v	w	x	y	z
		KPIs ON FLOWS				
		CLIMATE CHANGE ADAPTATION (CCA)				
		PROPORTION OF NEW ELIGIBLE ASSETS FUNDING TAXONOMY RELEVANT SECTORS				
			OF WHICH ENVIRONMENTALLY SUSTAINABLE			
				OF WHICH SPECIALISED LENDING	OF WHICH ADAPTATION	OF WHICH ENABLING
1	**GAR**	**0.04%**	**0.03%**	**-**	**-**	**0.01%**
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.04%	0.03%	-	-	0.01%
3	Financial corporations	0.02%	0.00%	-	-	0.00%
4	Credit institutions	0.00%	0.00%	-	-	-
5	Other financial corporations	0.01%	0.00%	-	-	0.00%
6	of which investment firms	-	-	-	-	-
7	of which management companies	0.00%	-	-	-	-
8	of which insurance undertakings	-	0.00%	-	-	0.00%
9	Non-financial corporations subject to NFRD disclosure obligations	0.03%	0.02%	-	-	0.01%
10	Households					
11	of which loans collateralised by residential immovable property					
12	of which building renovation loans					
13	of which motor vehicle loans					
14	Local government financing					
15	Housing financing					
16	Other local governments financing	-	-	-	-	-
17	Collateral obtained by taking possession: residential and commercial immovable properties					

continued: Template 8 - GAR (%)

	% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)	aa	ab	ac	ad	ae	af
		KPIs ON FLOWS					
		TOTAL (CCM + CCA)					
		PROPORTION OF NEW ELIGIBLE ASSETS FUNDING TAXONOMY RELEVANT SECTORS					PROPORTION OF TOTAL NEW ASSETS COVERED
			OF WHICH ENVIRONMENTALLY SUSTAINABLE				
				OF WHICH SPECIALISED LENDING	OF WHICH TRANSITIONAL/ADAPTATION	OF WHICH ENABLING	
1	**GAR**	**7.21%**	**1.31%**	**-**	**0.17%**	**0.66%**	**80.44%**
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	7.21%	1.31%	-	0.17%	0.66%	17.07%
3	Financial corporations	3.00%	0.36%	-	0.01%	0.11%	9.77%
4	Credit institutions	2.37%	0.15%	-	0.01%	0.01%	7.74%
5	Other financial corporations	0.63%	0.21%	-	0.00%	0.10%	2.03%
6	of which investment firms	-	-	-	-	-	-
7	of which management companies	0.04%	0.00%	-	0.00%	0.00%	0.13%
8	of which insurance undertakings	0.12%	0.02%	-	0.00%	0.00%	0.51%
9	Non-financial corporations subject to NFRD disclosure obligations	1.71%	0.95%	-	0.15%	0.55%	5.21%
10	Households	2.50%	0.00%	-	0.00%	-	2.09%
11	of which loans collateralised by residential immovable property	2.50%	0.00%	-	0.00%	-	2.09%
12	of which building renovation loans	0.00%	-	-	-	-	0.00%
13	of which motor vehicle loans	0.00%	0.00%	-	0.00%	-	0.00%
14	Local government financing	-	-	-	-	-	0.00%
15	Housing financing	-	-	-	-	-	-
16	Other local governments financing	-	-	-	-	-	0.00%
17	Collateral obtained by taking possession: residential and commercial immovable properties	0.01%	-	-	-	-	0.01%

Environmental, Social and Governance risks (ESG)

Template 10 - Other climate change mitigating actions that are not covered in Regulation (EU) 2020/852
The template 10 aims to report other Climate Change Mitigating actions and measures that are not Taxonomy-aligned as referred to the EU Regulation 2020/852, but still support the counterparties in their transition and adaptation process for the objectives of Climate Change Mitigation and Climate Change Adaptation.
The financial instruments included in the table, Bonds and Loans, contribute to the mitigation of transition and physical risk arising from Climate Change in alignment with the definitions described in the EU Regulation 2022/2453. Particularly, Bonds identified are issued by Financial Corporations, Non-Financial Corporations and other counterparties, while Loans identified are the ones granted to Financial and Non-Financial Corporations, Households and other counterparties.

UniCredit's approach developed to meet regulatory requirements

- For the **Bonds** section, UniCredit is providing information on investments in Bonds flagged "green" for market risk purpose in the Group's trading book. The standard considered are the Green Bonds Principles administrated by the International Capital Market Association (ICMA) and the green definitions of the Climate Bonds Initiative (CBI). In addition to Green Bonds, it is also reported Sustainability-Linked Bonds whose fixed income are down to the achievement of company's (issuer/borrower) sustainability targets.
- For **Loans** section, UniCredit is providing information on loans which are aligned with International Capital Market Association (ICMA) standard and environmental areas described as eligible projects in the Group Sustainability Bond Framework (refer to Group website, Sustainability Bonds section, to the link http://www.unicreditgroup.eu) and have not been considered EU Taxonomy-Aligned in the Template 7. In addition to those, it is also reported Sustainability-Linked Loans with sustainability KPIs agreed with the counterparties at Loan Origination.

Total **Bonds** are equal to €2.2 billion. The increase, compared to 30 June 2024, of €0.4 billion (+21.3%) is mainly due to new transactions (ICMA/CBI Bonds) with Financial Corporations.

Total **Loans** equal to €18.8 billion. The increase, compared to 30 June 2024, of €1.0 billion (+5.8%) is mainly due to the composition of two opposing effects: (i) a growth of ICMA and Sustainable-Linked Loans to Financial and Non-Financial Corporations (+€1.4 billion), and (ii) a decrease in ICMA Loans to Households collateralized by a residential immovable property (-€0.4 billion).

Template 10 - Other climate change mitigating actions that are not covered in Regulation (EU) 2020/852

(€ million)

	a	b	c	d	e	f
	TYPE OF FINANCIAL INSTRUMENT	TYPE OF COUNTERPARTY	GROSS CARRYING AMOUNT	TYPE OF RISK MITIGATED (CLIMATE CHANGE TRANSITION RISK)	TYPE OF RISK MITIGATED (CLIMATE CHANGE PHYSICAL RISK)	QUALITATIVE INFORMATION ON THE NATURE OF THE MITIGATING ACTIONS
1	Bonds (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	1,342	Yes	-	A
2		Non-financial corporations	41	Yes	-	B
3		of which Loans collateralised by commercial immovable property	-	-	-	-
4		Other counterparties	859	Yes	Yes	C
	Total bonds as at 31.12.2024		**2,242**			
5	Loans (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	2,245	Yes	-	D
6		Non-financial corporations	9,620	Yes	-	D
7		of which Loans collateralised by commercial immovable property	2,949	Yes	-	D
8		Households	6,813	Yes	-	D
9		of which Loans collateralised by residential immovable property	6,610	Yes	-	D
10		of which building renovation loans	-	-	-	-
11		Other counterparties	137	Yes	-	E
	Total loans as at 31.12.2024		**18,815**			
	Total bonds as at 30.06.2024		**1,848**			
	Total loans as at 30.06.2024		**17,787**			

Environmental, Social and Governance risks (ESG)

Qualitative information related to column f of the template above:
A. Including ICMA/CBI Green Bonds and Sustainability Linked Bonds.
B. Including Sustainability Linked Bonds.
C. Including ICMA/CBI Green Bonds.
D. Including mainly Sustainability-Linked-Loans and Green Activities related to the ICMA Principles categories (UniCredit S.p.A., UniCredit Bank GmbH, UniCredit Bank Austria).
E. Including mainly Green Activities related to the ICMA Principles categories (UniCredit S.p.A., UniCredit Bank Austria).

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, 14 March 2025

Bonifacio Di Francescantonio

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

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

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).

Annex 3 - Template EU LI3 - Outline of the differences in the scopes of consolidation

Basis of consolidation for accounting and prudential purposes - Consolidated entities as at 31 December 2024

		METHOD OF REGULATORY CONSOLIDATION				
NAME OF THE ENTITY	METHOD OF ACCOUNTING CONSOLIDATION	FULL CONSOLIDATION	PROPOTIONAL CONSOLIDATION	NEITHER CONSOLIDATED NOR DEDUCTED	DEDUCTED(**)	ENTITY CATEGORY
UNICREDIT SPA	Full consolidation	X				Bank
UNICREDIT BULBANK AD	Full consolidation	X				Bank
CORDUSIO SOCIETA' FIDUCIARIA PER AZIONI	Full consolidation	X				Financial
UNICREDIT LEASING SPA	Full consolidation	X				Financial
UNICREDIT FACTORING SPA	Full consolidation	X				Financial
UNICREDIT ALLIANZ ASSICURAZIONI S.P.A.	Equity method				X	Insurance
UNICREDIT ALLIANZ VITA S.P.A.	Equity method				X	Insurance
PAI MANAGEMENT LTD	Full consolidation	X				Financial
ZAGREBACKA BANKA D.D.	Full consolidation	X				Bank
ZB EPLUS	Full consolidation	X				Financial
FONDO AURORA	Full consolidation	X				Financial
REDEUS FUND	Full consolidation	X				Financial
ELEKTRA PURCHASE NO. 82 DAC	Full consolidation	X				Financial
ARABELLA FINANCE DAC	Full consolidation	X				Financial
ROSENKAVALIER 2008 GMBH	Full consolidation	X				Financial
PENSIONSKASSE DER HYPO VEREINSBANK VVAG	Full consolidation	X				Financial
EUROPA INGATLANBEFEKTETESI ALAP (EUROPE REAL-ESTATE INVESTMENT FUND)	Full consolidation	X				Financial
ELEKTRA PURCHASE NO. 28 DAC	Full consolidation	X				Financial
REAL INVEST EUROPE DER BANK AUSTRIA REAL INVEST IMMOBILIEN-KAPI	Full consolidation	X				Financial
ELEKTRA PURCHASE NO. 31 DAC	Full consolidation	X				Financial
UNICREDIT BPC MORTAGE SRL (COVERED BONDS)	Full consolidation	X				Financial
UNICREDIT OBG SRL (COVERED BONDS)	Full consolidation	X				Financial
CAPITAL MORTGAGE SRL (CARTOLARIZZAZIONE: CAPITAL MORTGAGE 2007 - 1)	Full consolidation	X				Financial
F-E MORTGAGES SRL (CARTOLARIZZAZIONE: F-E MORTGAGES 2005)	Full consolidation	X				Financial
ELEKTRA PURCHASE NO. 32 S.A. - COMPARTMENT 1	Full consolidation	X				Financial
ELEKTRA PURCHASE NO. 36 DAC	Full consolidation	X				Financial
ELEKTRA PURCHASE NO. 33 DAC	Full consolidation	X				Financial
COMPAGNIA FONDIARIA ROMANA - SOCIETA' A RESPONSABILITA' LIMITATA	Full consolidation	X				Non financial
BA/CA-LEASING BETEILIGUNGEN GMBH	Full consolidation	X				Financial
KAISERWASSER BAU- UND ERRICHTUNGS GMBH UND CO OG	Full consolidation			X		Non financial
PSA PAYMENT SERVICES AUSTRIA GMBH	Equity method				X	Financial
UNICREDIT OBG S.R.L.	Full consolidation	X				Financial
PIRTA VERWALTUNGS GMBH	Full consolidation			X		Non financial
WEALTHCAP ENTITY SERVICE GMBH	Full consolidation			X		Non financial
BACA KOMMUNALLEASING GMBH	Full consolidation	X				Financial
VISCONTI SRL	Full consolidation			X		Non financial
WEALTHCAP IMMOBILIENFONDS DEUTSCHLAND 38 KOMPLEMENTAR GMBH	Full consolidation			X		Non financial
BACA LEASING UND BETEILIGUNGSMANAGEMENT GMBH	Full consolidation	X				Financial
VERMIETUNGSGESELLSCHAFT MBH & CO OBJEKT MOC KG	Full consolidation			X		Non financial
ASSET BANCARI II	Equity method				X	Financial
UNICREDIT PEGASUS LEASING GMBH	Full consolidation	X				Financial
BF NINE HOLDING GMBH	Full consolidation			X		Non financial
COMPAGNIA AEREA ITALIANA S.P.A.	Equity method			X		Non financial
WEALTHCAP KAPITALVERWALTUNGSGESELLSCHAFT MBH	Full consolidation	X				Financial
UNICREDIT RE SERVICES S.P.A.	Full consolidation			X		Non financial
WEALTHCAP IMMOBILIEN 2 GMBH & CO. KG	Full consolidation	X				Non financial
UNICREDIT LEASING INSURANCE SERVICES S.R.O.	Full consolidation			X		Non financial
UNICREDIT INSURANCE BROKER GMBH	Full consolidation			X		Non financial
UNICREDIT FACTORING CZECH REPUBLIC AND SLOVAKIA, A.S.	Full consolidation	X				Financial
WEALTHCAP IMMOBILIEN 1 GMBH & CO. KG	Full consolidation	X				Non financial
BAL HESTIA IMMOBILIEN LEASING GMBH	Full consolidation	X				Financial
UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	Full consolidation	X				Financial
BAL HORUS IMMOBILIEN LEASING GMBH	Full consolidation	X				Financial
BAL HYPNOS IMMOBILIEN LEASING GMBH	Full consolidation	X				Financial
DUODEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
WEALTHCAP VORRATS-2 GMBH	Full consolidation	X				Non financial
EUROLEASE ANUBIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
EUROLEASE ISIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
EUROLEASE MARDUK IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
EUROLEASE RA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
EUROPA BEFEKTETESI ALAPKEZELOE ZRT (EUROPA INVESTMENT FUND MANAGEMENT LTD.)	Full consolidation	X				Financial
FACTORBANK AKTIENGESELLSCHAFT	Full consolidation	X				Financial
FIDES LEASING GMBH	Equity method				X	Financial
FOLIA LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
WEALTHCAP REAL ESTATE MANAGEMENT GMBH	Full consolidation	X				Financial
GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
GEBAEUDELEASING GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	Full consolidation	X				Financial
GEMEINDELEASING GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
GEMMA VERWALTUNGSGESELLSCHAFT MBH & CO. VERMIETUNGS KG	Full consolidation	X				Financial
GRUNDSTUECKSVERWALTUNG LINZ-MITTE GMBH	Full consolidation	X				Financial
WEALTHCAP INVESTMENT SERVICES GMBH	Full consolidation	X				Financial
H.F.S. IMMOBILIENFONDS GMBH	Full consolidation			X		Non financial
H.F.S. LEASINGFONDS DEUTSCHLAND 7 GMBH & CO. KG	Full consolidation	X				Financial

Annex 3 - Template EU LI3 - Outline of the differences in the scopes of consolidation

NAME OF THE ENTITY	METHOD OF ACCOUNTING CONSOLIDATION	METHOD OF REGULATORY CONSOLIDATION				ENTITY CATEGORY
		FULL CONSOLIDATION	PROPOTIONAL CONSOLIDATION	NEITHER CONSOLIDATED NOR DEDUCTED	DEDUCTED(**)	
H.F.S. LEASINGFONDS GMBH	Full consolidation			X		Non financial
WEALTHCAP IMMOBILIENFONDS DEUTSCHLAND 36 KOMPLEMENTAR GMBH	Full consolidation			X		Non financial
ELEKTRA PURCHASE NO. 37 DAC	Full consolidation	X				Financial
ELEKTRA PURCHASE NO. 38 DAC	Full consolidation	X				Financial
ROSENKAVALIER 2015 UG	Full consolidation	X				Financial
ELEKTRA PURCHASE NO. 43 DAC	Full consolidation	X				Financial
ELEKTRA PURCHASE NO. 46 DAC	Full consolidation	X				Financial
ICE CREEK POOL NO. 5 DAC	Full consolidation	X				Financial
MOMENTUM ALLWEATHER STRATEGIES - LONG TERM STRATEG	Full consolidation	X				Financial
ORBIT PERFORMANCE STRATEGIES - ORBIT US CLASSE I U	Full consolidation	X				Financial
MOMENTUM LONG TERM VALUE FUND	Full consolidation	X				Financial
ELEKTRA PURCHASE NO. 54 DAC	Full consolidation	X				Financial
ELEKTRA PURCHASE NO. 56 DAC	Full consolidation	X				Financial
ICE CREEK POOL NO.1 DAC	Full consolidation	X				Financial
ELEKTRA PURCHASE NO. 71 DAC	Full consolidation	X				Financial
ELEKTRA PURCHASE NO. 69 DAC	Full consolidation	X				Financial
WEALTHCAP SPEZIAL- AIF-SV BUERO 8	Full consolidation	X				Financial
ROSENKAVALIER 2020 UG	Full consolidation	X				Financial
H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 8 KG	Full consolidation	X				Non financial
H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 9 KG	Full consolidation	X				Non financial
H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 10 KG	Full consolidation	X				Non financial
H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 11 KG	Full consolidation	X				Non financial
H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 12 KG	Full consolidation	X				Non financial
ELEKTRA PURCHASE NO. 74 DAC	Full consolidation	X				Financial
EBS FINANCE S.R.L. (PATR.SEPARATO)	Full consolidation	X				Financial
ROSENKAVALIER 2022 UG	Full consolidation	X				Financial
ELEKTRA PURCHASE NO. 350 DAC	Full consolidation	X				Financial
PADEL FINANCE 01 DAC	Full consolidation	X				Financial
ARTS CONSUMER SRL (CARTOLARIZZAZIONE: CONSUMER IV)	Full consolidation	X				Financial
ARTS CONSUMER 2023 SRL (CARTOLARIZZAZIONE: CONSUMER 2023)	Full consolidation	X				Financial
ELEKTRA PURCHASE NO. 79 DAC	Full consolidation	X				Financial
UNICREDIT AURORA LEASING GMBH	Full consolidation	X				Financial
ALLIB LEASING S.R.O.	Full consolidation	X				Financial
UFFICIUM IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
UNI GEBAEUDEMANAGEMENT GMBH	Equity method			X		Non financial
UNICOM IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
UNIVERSALE INTERNATIONAL REALITAETEN GMBH	Full consolidation	X				Non financial
V.M.G. VERMIETUNGSGESELLSCHAFT MBH	Full consolidation			X		Non financial
VAPE COMMUNA LEASINGGESELLSCHAFT M.B.H.	Full consolidation	X				Financial
ALMS LEASING GMBH.	Full consolidation	X				Financial
CARD COMPLETE SERVICE BANK AG	Full consolidation	X				Financial
WOEM GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
Z LEASING ALFA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
Z LEASING ARKTUR IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
Z LEASING AURIGA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
Z LEASING DORADO IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
Z LEASING DRACO IMMOBILIEN LEASING GESELLSCHAFT M.B.H. IN LIQU.	Full consolidation	X				Financial
Z LEASING GAMA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
Z LEASING GEMINI IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
Z LEASING HEBE IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
Z LEASING HERCULES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
BACA HYDRA LEASING GMBH	Full consolidation	X				Financial
Z LEASING IPSILON IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
Z LEASING ITA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
Z LEASING JANUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
Z LEASING KALLISTO IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
Z LEASING KAPA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
Z LEASING LYRA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
Z LEASING NEREIDE IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
Z LEASING OMEGA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
Z LEASING PERSEUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
POLLUX IMMOBILIEN GMBH	Full consolidation	X				Instrumental
Z LEASING VENUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
ANTARES IMMOBILIEN LEASING GESELLSCHAFT M.B.H. IN LIQU.	Full consolidation	X				Financial
ZAPADNI TRGOVACKI CENTAR D.O.O.	Full consolidation			X		Non financial
UNICREDIT BANKA SLOVENIJA D.D.	Full consolidation	X				Bank
UNICREDIT BANK GMBH	Full consolidation	X				Bank
ARGENTAURUS IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH	Full consolidation			X		Non financial
ARNO GRUNDSTUECKSVERWALTUNGS GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
CAMFIN S.P.A.	Equity method			X		Non financial
CNP UNICREDIT VITA S.P.A.	Equity method				X	Insurance
NUOVA COMPAGNIA DI PARTECIPAZIONI SPA	Full consolidation	X				Non financial
BAL LETO IMMOBILIEN LEASING GMBH	Full consolidation	X				Financial
BAL OSIRIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
CASTELLANI LEASING GMBH	Full consolidation	X				Financial
UNICREDIT BANK S.A.	Full consolidation	X				Bank
LEASFINANZ ALPHA ASSETVERMIETUNG GMBH	Full consolidation			X		Non financial
UNICREDIT LEASING ALPHA ASSETVERMIETUNG GMBH	Full consolidation			X		Non financial
UNICREDIT HAMRED LEASING GMBH	Full consolidation	X				Financial
UNICREDIT KFZ LEASING GMBH	Full consolidation	X				Financial
WEICKER S.A R.L.*	Full consolidation			X		Non financial
UNICREDIT LEASED ASSET MANAGEMENT SPA	Full consolidation	X				Instrumental

Annex 3 - Template EU LI3 - Outline of the differences in the scopes of consolidation

NAME OF THE ENTITY	METHOD OF ACCOUNTING CONSOLIDATION	METHOD OF REGULATORY CONSOLIDATION				ENTITY CATEGORY
		FULL CONSOLIDATION	PROPOTIONAL CONSOLIDATION	NEITHER CONSOLIDATED NOR DEDUCTED	DEDUCTED(**)	
UNICREDIT GUSTRA LEASING GMBH	Full consolidation	X				Financial
CASH SERVICE COMPANY AD	Equity method			X		Non financial
IDEA FIMIT SGR FONDO SIGMA IMMOBILIARE	Full consolidation	X				Financial
DA VINCI S.R.L.	Equity method			X		Non financial
WEALTHCAP INVESTORENBETREUUNG GMBH	Full consolidation	X				Instrumental
BA CA SECUND LEASING GMBH	Full consolidation	X				Financial
BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	Full consolidation	X				Financial
BA-CA ANDANTE LEASING GMBH	Full consolidation	X				Financial
UNICREDIT BPC MORTGAGE S.R.L.	Full consolidation	X				Financial
COMTRADE GROUP GMBH	Equity method			X		Non financial
UNICREDIT CONSUMER FINANCING IFN S.A.	Full consolidation	X				Financial
BA-CA LEASING DREI GARAGEN GMBH	Full consolidation	X				Financial
BA-CA LEASING MAR IMMOBILIEN LEASING GMBH	Full consolidation	X				Financial
RISANAMENTO SPA*	Equity method			X		Non financial
UNICREDIT TECHRENT LEASING GMBH	Full consolidation	X				Financial
UNICREDIT LUNA LEASING GMBH	Full consolidation	X				Financial
UNICREDIT POLARIS LEASING GMBH	Full consolidation	X				Financial
BA-CA PRESTO LEASING GMBH	Full consolidation	X				Financial
UCTAM RU LIMITED LIABILITY COMPANY	Full consolidation			X		Non financial
UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
BA GEBAEUDEVERMIETUNGSGMBH	Full consolidation	X				Instrumental
UNICREDIT LEASING TECHNIKUM GMBH	Full consolidation	X				Financial
KUTRA GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
LAGEV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
LARGO LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
LEASFINANZ GMBH	Full consolidation	X				Financial
LEGATO LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
LELEV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
LIPARK LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
LIVA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
M. A. V. 7., BANK AUSTRIA LEASING BAUTRAEGER GMBH & CO.OG.	Full consolidation	X				Financial
MBC IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
MENUETT GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	Full consolidation	X				Financial
BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	Full consolidation	X				Financial
NAGE LOKALVERMIETUNGSGESELLSCHAFT M.B.H.	Full consolidation	X				Financial
NOTARTREUHANDBANK AG	Equity method				X	Financial
UNICREDIT BANK A.D. BANJA LUKA	Full consolidation	X				Bank
OBERBANK AG	Equity method				X	Bank
OCT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H	Full consolidation	X				Financial
OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT	Equity method				X	Bank
OLG HANDELS- UND BETEILIGUNGSVERWALTUNGSGESELLSCHAFT M.B.H.	Full consolidation	X				Financial
OMNIA GRUNDSTUCKS-GMBH & CO. OBJEKT HAIDENAUPLATZ KG	Full consolidation			X		Non financial
OOO UNICREDIT LEASING	Full consolidation	X				Financial
OESTERREICHISCHE WERTPAPIERDATEN SERVICE GMBH	Equity method				X	Non financial
OTHMARSCHEN PARK HAMBURG GMBH & CO. GEWERBEPARK KG	Full consolidation			X		Non financial
PALAIS ROTHSCHILD VERMIETUNGS GMBH & CO OG	Full consolidation	X				Instrumental
PALATIN GRUNDSTUECKVERWALTUNGS GESELLSCHAFT M.B.H. IN LIQU.	Equity method				X	Financial
FINN ARSENAL LEASING GMBH	Full consolidation	X				Financial
PAYTRIA UNTERNEHMENSBETEILIGUNGEN GMBH	Full consolidation	X				Financial
PELOPS LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
PIANA LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
WEALTHCAP MANAGEMENT SERVICES GMBH	Full consolidation	X				Financial
POSATO LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
PROJEKT-LEASE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
QUADEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
QUART Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
QUINT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H	Full consolidation	X				Financial
RANA-LIEGENSCHAFTSVERWERTUNG GMBH	Full consolidation			X		Non financial
REAL-LEASE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
REAL-RENT LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
RCI FINANCIAL SERVICES S.R.O.	Equity method				X	Financial
ROLIN GRUNDSTUCKSPLANUNGS- UND - VERWALTUNGSGESELLSCHAFT MBH	Full consolidation			X		Non financial
SCHOELLERBANK AKTIENGESELLSCHAFT	Full consolidation	X				Bank
SCHOELLERBANK INVEST AG	Full consolidation	X				Financial
SECA-LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
SEDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. IN LIQU.	Full consolidation	X				Financial
SEXT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H	Full consolidation	X				Financial
UNICREDIT MOBILIEN UND KFZ LEASING GMBH	Full consolidation	X				Financial
SIGMA LEASING GMBH	Full consolidation	X				Financial
SPECTRUM GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
STEWE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
T & P FRANKFURT DEVELOPMENT B.V.	Full consolidation			X		Non financial
T & P VASTGOED STUTTGART B.V.	Full consolidation			X		Non financial
ALLEGRO LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG	Full consolidation			X		Non financial
TERZ Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
WEALTHCAP IMMOBILIENANKAUF KOMPLEMENTAER GMBH	Full consolidation			X		Non financial
WEALTHCAP OBJEKT STUTTGART III GMBH & CO. KG	Full consolidation			X		Non financial
WEALTHCAP OBJEKT-VORRAT 35 GMBH & CO. KG	Full consolidation	X				Non financial
UNICREDIT LEASING (AUSTRIA) GMBH	Full consolidation	X				Financial

Annex 3 - Template EU LI3 - Outline of the differences in the scopes of consolidation

NAME OF THE ENTITY	METHOD OF ACCOUNTING CONSOLIDATION	METHOD OF REGULATORY CONSOLIDATION				ENTITY CATEGORY
		FULL CONSOLIDATION	PROPOTIONAL CONSOLIDATION	NEITHER CONSOLIDATED NOR DEDUCTED	DEDUCTED(**)	
BANK AUSTRIA CREDITANSTALT LEASING IMMOBILIENANLAGEN GMBH	Full consolidation	X				Financial
WEALTHCAP OBJEKT-VORRAT 37 GMBH & CO. KG	Full consolidation	X				Non financial
WEALTHCAP IMMOBILIEN 43 KOMPLEMENTAER GMBH	Full consolidation			X		Non financial
UNICREDIT STERNECK LEASING GMBH	Full consolidation	X				Financial
UNICREDIT OK1 LEASING GMBH	Full consolidation	X				Financial
BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH	Full consolidation	X				Financial
BANK AUSTRIA REAL INVEST IMMOBILIEN-KAPITALANLAGE GMBH	Full consolidation	X				Financial
UCLA AM WINTERHAFEN 11 IMMOBILIENLEASING GMBH & CO OG	Full consolidation	X				Financial
UNICREDIT ACHTERHAUS LEASING GMBH	Full consolidation	X				Financial
EBS FINANCE S.R.L.	Full consolidation	X				Financial
BANK AUSTRIA WOHNBAUBANK AG	Full consolidation	X				Financial
MONNET 8-10 S.A R.L.*	Full consolidation	X				Instrumental
BAHBETA INGATLANHASZNOSITO KFT.	Full consolidation	X				Financial
ALPHA BANK ROMANIA S.A.	Full consolidation	X				Bank
BANK AUSTRIA LEASING ARGO IMMOBILIEN LEASING GMBH	Full consolidation	X				Financial
BANK AUSTRIA LEASING IKARUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
BANK AUSTRIA LEASING MEDEA IMMOBILIEN LEASING GMBH IN LIQU.	Full consolidation	X				Financial
UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	Full consolidation	X				Non financial
BANK FUER TIROL UND VORARLBERG AKTIENGESELLSCHAFT	Equity method				X	Bank
BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	Full consolidation	X				Financial
UNICREDIT CENTER AM KAISERWASSER GMBH	Full consolidation			X		Non financial
WEALTHCAP LEASING GMBH	Full consolidation	X				Financial
BKS BANK AG	Equity method				X	Bank
WEALTHCAP EQUITY GMBH	Full consolidation	X				Financial
WEALTHCAP EQUITY MANAGEMENT GMBH	Full consolidation			X		Non financial
WEALTHCAP FONDS GMBH	Full consolidation	X				Financial
WEALTHCAP INITIATOREN GMBH	Full consolidation	X				Financial
WEALTHCAP INVESTMENTS INC.	Full consolidation			X		Non financial
BREWO GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
CA-LEASING OVUS S.R.O.	Full consolidation	X				Financial
CA-ZETA REAL ESTATE DEVELOPMENT LIMITED LIABILITY COMPANY	Full consolidation			X		Non financial
CABET-HOLDING GMBH	Full consolidation	X				Financial
CABO BETEILIGUNGSGESELLSCHAFT M.B.H.	Full consolidation	X				Financial
UNICREDIT FLEET MANAGEMENT S.R.O.	Full consolidation			X		Non financial
UNICREDIT FLEET MANAGEMENT S.R.O.	Full consolidation			X		Non financial
UNICREDIT LEASING SLOVAKIA A.S.	Full consolidation	X				Financial
UNICREDIT LEASING CZ, A.S.	Full consolidation	X				Financial
UNICREDIT POJISTOVACI MAKLERSKA SPOL.S R.O.	Full consolidation			X		Non financial
UNICREDIT BROKER S.R.O.	Full consolidation			X		Non financial
CALG 307 MOBILIEN LEASING GMBH	Full consolidation	X				Financial
CALG 443 GRUNDSTUECKVERWALTUNG GMBH	Full consolidation	X				Financial
CALG 445 GRUNDSTUECKVERWALTUNG GMBH	Full consolidation	X				Financial
CALG ALPHA GRUNDSTUECKVERWALTUNG GMBH	Full consolidation	X				Financial
CALG ANLAGEN LEASING GMBH	Full consolidation	X				Financial
CALG ANLAGEN LEASING GMBH, WIEN & CO. GRUNDSTUECKSVERMIETUNG UND -VERWALTUNG KG	Full consolidation	X				Financial
CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	Full consolidation	X				Financial
CALG GAMMA GRUNDSTUECKVERWALTUNG GMBH	Full consolidation	X				Financial
CALG GRUNDSTUECKVERWALTUNG GMBH	Full consolidation	X				Financial
CALG IMMOBILIEN LEASING GMBH	Full consolidation	X				Financial
CALG MINAL GRUNDSTUECKVERWALTUNG GMBH	Full consolidation	X				Financial
CBD INTERNATIONAL SP.ZO.O.	Equity method			X		Non financial
CHARADE LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
CHEFREN LEASING GMBH	Full consolidation	X				Financial
CIVITAS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
AO UNICREDIT BANK	Full consolidation	X				Bank
COMMUNA - LEASING GRUNDSTUECKSVERWALTUNGSGESELLSCHAFT M.B.H.	Full consolidation	X				Financial
CONTRA LEASING-GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
DIRANA LIEGENSCHAFTSVERWERTUNGSGESELLSCHAFT M.B.H.	Full consolidation			X		Non financial
DLV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
PAI (BERMUDA) LIMITED	Full consolidation	X				Financial
ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJE OBVEZNIM I DOBROVOLJNIM MIROVINSKIM FONDOVIMA	Equity method				X	Financial
UNICREDIT BANK D.D.	Full consolidation	X				Bank
OOO UNICREDIT GARANT	Full consolidation	X				Instrumental
UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA	Full consolidation	X				Bank
UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.	Full consolidation	X				Bank
UNICREDIT BANK HUNGARY ZRT.	Full consolidation	X				Bank
UNICREDIT BANK SERBIA JSC	Full consolidation	X				Bank
UNICREDIT CAPITAL MARKETS LLC	Full consolidation	X				Financial
UNICREDIT DIRECT SERVICES GMBH	Full consolidation	X				Instrumental
WEALTHCAP PEIA MANAGEMENT GMBH	Full consolidation	X				Financial
ALPHA RENT DOO BEOGRAD	Full consolidation			X		Non financial
UNICREDIT LEASING EAD	Full consolidation	X				Financial
HVB IMMOBILIEN AG	Full consolidation	X				Financial
UNICREDIT LEASING FINANCE GMBH	Full consolidation	X				Bank
UNICREDIT JELZALOGBANK ZRT.	Full consolidation	X				Bank
UNICREDIT LEASING CROATIA D.O.O. ZA LEASING	Full consolidation	X				Financial
UNICREDIT LEASING SRBIJA D.O.O. BEOGRAD	Full consolidation	X				Financial
UNICREDIT LEASING GMBH	Full consolidation	X				Financial
UNICREDIT LEASING HUNGARY ZRT	Full consolidation	X				Financial
UNICREDIT LEASING FLEET MANAGEMENT S.R.L.	Full consolidation			X		Non financial
UNICREDIT INSURANCE BROKER EOOD	Full consolidation			X		Non financial

Annex 3 - Template EU LI3 - Outline of the differences in the scopes of consolidation

NAME OF THE ENTITY	METHOD OF ACCOUNTING CONSOLIDATION	METHOD OF REGULATORY CONSOLIDATION				ENTITY CATEGORY
		FULL CONSOLIDATION	PROPOTIONAL CONSOLIDATION	NEITHER CONSOLIDATED NOR DEDUCTED	DEDUCTED(**)	
UNICREDIT INSURANCE BROKER SRL	Full consolidation			X		Non financial
HVB PROJEKT GMBH	Full consolidation	X				Instrumental
STRUCTURED INVEST SOCIETE ANONYME	Full consolidation	X				Financial
HVB TECTA GMBH	Full consolidation	X				Non financial
UNICREDIT U.S. FINANCE LLC	Full consolidation	X				Financial
HVB VERWA 4 GMBH	Full consolidation	X				Financial
UNICREDIT BANK AUSTRIA AG	Full consolidation	X				Bank
HVB VERWA 4.4 GMBH	Full consolidation	X				Financial
WEALTH MANAGEMENT CAPITAL HOLDING GMBH	Full consolidation	X				Financial
UNICREDIT LEASING CORPORATION IFN S.A.	Full consolidation	X				Financial
WEALTHCAP PEIA KOMPLEMENTAR GMBH	Full consolidation			X		Non financial
UNICREDIT FLEET MANAGEMENT EOOD	Full consolidation	X				Instrumental
UNICREDIT SERVICES GMBH I.L. (IN LIQUIDATION)	Full consolidation	X				Instrumental
INTRO LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
ISB UNIVERSALE BAU GMBH IN LIQUIDATION	Full consolidation			X		Non financial
JAUSERN-LEASING GESELLSCHAFT M.B.H.	Full consolidation	X				Financial
WKBG WIENER KREDITBUERGSCHAFTS- UND BETEILIGUNGSBANK AG	Equity method				X	Financial
UNICREDIT CONSUMER FINANCING EAD	Full consolidation	X				Financial

Notes:
(*) Company classified in the Financial Statements as "non-current assets and disposal groups classified as held for sale" according to IFRS5 and therefore valued at minor between fair value net of cost to sell and booking value. The latter is determined by interrupting the valuation at Equity starting from the date of IFRS5 classification.
(**) Reference should be made to paragraph “Deductions connected to investments in financial sector entities and deferred tax asse ts that rely on future profitability and arise from temporary differences” in the introductory section of Own Funds chapter.

Annex 3 - Template EU LI3 - Outline of the differences in the scopes of consolidation

Names of all subsidiaries not included in the basis of consolidation and aggregate amount of their capital deficiencies with respect to any mandatory capital requirements.

Here follows a list of the banking, financial and instrumental companies directly or indirectly controlled by UniCredit S.p.A. registered in the Banking Group that are held at cost due to immateriality.
As at 31 December 2024, for these companies no capital deficiencies with respect to the any mandatory capital requirements were disclosed.

		HEADQUARTER	
COMPANY NAME	TYPE	TOWN	COUNTRY
ALPINE CAYMAN ISLANDS LTD.	FINANCIAL COMPANIES	GEORGE TOWN	CAYMAN ISLANDS
B.I. INTERNATIONAL LIMITED	FINANCIAL COMPANIES	GEORGE TOWN	CAYMAN ISLANDS
BA ALPINE HOLDINGS, INC.	FINANCIAL COMPANIES	WILMINGTON	U.S.A.
BA CA LEASING (DEUTSCHLAND) GMBH	FINANCIAL COMPANIES	HAMBURG	GERMANY
BIL LEASING-FONDS GMBH & CO VELUM KG	FINANCIAL COMPANIES	GRUENWALD	GERMANY
DCCS, S.R.O.	FINANCIAL COMPANIES	BRATISLAVA	SLOVAKIA
FOOD & MORE GMBH	OTHER COMPANIES/ INSTRUMENTAL COMPANIES	MUNICH	GERMANY
HUMAN RESOURCES SERVICE AND DEVELOPMENT GMBH	OTHER COMPANIES/ INSTRUMENTAL COMPANIES	VIENNA	AUSTRIA
HVB EXPORT LEASING GMBH	FINANCIAL COMPANIES	MUNICH	GERMANY
HVB HONG KONG LIMITED	FINANCIAL COMPANIES	HONG KONG	CHINA
HVB SECUR GMBH	OTHER COMPANIES/ INSTRUMENTAL COMPANIES	MUNICH	GERMANY
PALAIS ROTHSCHILD VERMIETUNGS GMBH	OTHER COMPANIES/ INSTRUMENTAL COMPANIES	VIENNA	AUSTRIA
REDSTONE MORTGAGES LIMITED	FINANCIAL COMPANIES	LONDON	UNITED KINGDOM
UNICREDIT INVEST BH DRUSTVO ZA UPRAVLJANJE FONDOVIMA D.O.O.	FINANCIAL COMPANIES	MOSTAR	BOSNIA AND HERZEGOVINA
UNICREDIT MYAGENTS SRL	FINANCIAL COMPANIES	BOLOGNA	ITALY
WEALTHCAP STIFTUNGSTREUHAND GMBH	OTHER COMPANIES/ INSTRUMENTAL COMPANIES	MUNICH	GERMANY
ZAGREB NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNINAMA	OTHER COMPANIES/ INSTRUMENTAL COMPANIES	ZAGREB	CROATIA
ZANE BH DOO	OTHER COMPANIES/ INSTRUMENTAL COMPANIES	SARAJEVO	BOSNIA AND HERZEGOVINA
ZB INVEST D.O.O. ZA UPRAVLJANJE UCITS FONDOVIMA	FINANCIAL COMPANIES	ZAGREB	CROATIA

Glossary

ITEM	DESCRIPTION
ABCP Conduits - Asset Backed Commercial Paper Conduits	Asset Backed Commercial Paper Conduits are a type of “SPV - Special Purpose Vehicle” (refer to item) set up to securitise various types of assets and financed by Commercial Paper. Commercial Paper generally matures in 270 days, with payment of principal and interest depending on the cash flow generated by the underlying assets. ABCP Conduits may be single-sellers or multi-sellers according to the number of issues they make. Conduits generally require several SPVs. The first-level vehicles issue the Commercial Paper and finance one or more second-level vehicles or Purchase Companies (see item) which purchase the assets to be securitised. An ABCP Conduit will have the following: • issues of short-term paper creating a maturity mismatch between the assets held and the paper issued; • liquidity lines covering the maturity mismatch; and • security covering default risk in respect of both specific assets and the entire programme.
ABS - Asset Backed Securities	Debt securities, generally issued by an “SPV - Special Purpose Vehicle” (refer to item) guaranteed by assets of various types such as mortgage loans, consumer credits, credit card receivables, etc. Principal and interest payments are subject to the performance of the securitised assets and the existence of any further security guaranteeing the bond. ABSs are divided into tranches (senior, mezzanine and junior) according to the priority with which principal and interest will be paid.
Acquisition finance	Finance for business acquisition operations. The most common form of Acquisition finance is the leveraged buy-out (refer to item "Leveraged finance").
Allocated capital	It represents the amount of capital absorbed by the Group and the Divisions to perform their business activities and to cover all the types of related risks. It is measured by Regulatory Capital obtained by multiplying (i) risk-weighted assets by (ii) target Common Equity tier 1 ratio, plus certain regulatory deductions (e.g. shortfall and securitisations).
ALM - Asset & Liability Management	Integrated management of assets and liabilities, designed to allocate resources in such a manner as to optimise the risk/return ratio.
AMA - Advanced Measurement Approach	Applying this methodology the operational risk requirement is obtained with calculation models based on operational loss data and other evaluation elements collected and processed by the bank. Admittance threshold and specific suitability requirements have been provided for the use of the standardised and advanced approaches. For the AMA approach the requirements concern, beside the management system, also the measurement system.
AVA - Additional value adjustments	Deduction from Common Equity Tier 1 capital, in accordance to article 34 of the Regulation (EU) 575/2013 (CRR) setting that “Institutions shall apply the requirements of article 105 to all their assets measured at fair value when calculating the amount of their own funds and shall deduct from Common Equity Tier 1 capital the amount of any additional value adjustments necessary”.
Back-testing	Statistical technique which entails the comparison of model estimates of risk parameters with the ex-post empirical evidences.
Bad Loans	Exposures to borrowers in a state of insolvency (even when not recognised in a court of law) or in an essentially similar situation, regardless of any loss forecasts made by the bank (e.g. irrespective of the presence of any protection covering the exposures).
Banking Book	Portfolio that identifies the technical forms of lending and funding typical of the core business of the bank, including consumer and residential loans, investments in securities, deposits, etc.
Basel 2	New international capital agreement redefining the guidelines for determining the minimum capital requirements for banks. Such prudential regulation, which came into force in Italy in 2008, is based on three pillars. Pillar 1 While the objective of a level of capitalization equivalent to 8% of the risk-weighted exposures remains unchanged, a new set of rules has been defined for measuring the typical risks associated with banking and financial activities (credit risk, counterparty risk, market risk and operational risk) which provides for alternative calculation methods characterised by different levels of complexity, with the ability to use internally developed models subject to prior authorization by the Regulatory Authority; Pillar 2 This requires the banks to have processes and tools for determining the adequate level of total internal capital (Internal Capital Adequacy Assessment Process - ICAAP) for covering all types of risk, including risks other than those covered by the overall capital requirement (Pillar 1), within the framework of an evaluation of current and future exposure that takes account of strategies and of changes in the reference context. It is the Regulatory Authority's task to examine the ICAAP process, formulate an overall judgment and, where necessary, apply the appropriate corrective measures; Pillar 3 It refers to the obligations to publish information concerning capital adequacy, exposure to risks, and the general characteristics of the systems used for identifying, measuring and managing those risks.

Glossary

ITEM	DESCRIPTION
Basel 3	As a consequence of the crisis that, since 2008 has hit the financial markets, the Basel Committee on Banking Supervision has approved the substantial enhancement of the minimum capital requirements and the changes to the rules on the liquidity of banks (Basel 3) by providing for the gradual introduction of the new prudential requirements as at 1 January 2014. These rules have been implemented at the European level through the CRD IV “Package”.
Best practice	Behaviour commensurated with the most significant experience and/or the best level of knowledge achieved in relation to a given technical or professional field.
BRRD -Bank Recovery and Resolution Directive	European Directive that introduced harmonised rules on the recovery and resolution of credit institutions and investment firms.
CCF - Credit Conversion Factor	The ratio of the currently undrawn amount of a commitment that could be drawn and that would therefore be outstanding at default to the currently undrawn amount of the commitment.
CDS - Credit Default Swap	A derivative in which a seller of protection engages, for a fee, to pay the buyer of protection a fixed amount should a certain event indicating a deterioration of the creditworthiness of a reference entity occur.
CIU - Collective Investment Undertakings	Collective Investment Undertaking means an "UCITS - Undertakings for Collective Investment in Transferable Securities" (refer to item) that may be constituted in accordance with contract law as common funds (managed by management companies), trust law (as unit trusts), or statute as investment companies, AIF (Alternative Investments Fund) or non-EU AIF.
Collateral Posted	It represents the amount of collateral that the Bank is posting to the counterparty to mitigate exposure arising from derivatives and SFT.
Collateral RECEIVED	It represents the amount of collateral that the Bank is receiving from the counterparty to mitigate exposure arising from derivatives and SFT.
Commodity risk	The risk that the value of the instrument decreases due to commodity prices (e.g. gold, crude oil) changes.
COREP - Common Reporting	There are the prudential regulatory requirements schemes introduced by EBA by Implementing Technical Standards - ITS, containing Pillar I in term of credit, counterparty, market risk, operational risk, own funds and capital adequacy indexes, structured in a standard template.
Corporate	Customer segment consisting of medium to large businesses.
Cost of risk	Based on reclassified P&L and Balance sheet, it is calculated as the annualised ratio between loan loss provisions and average net volumes of loans and receivables with customers (including active repos, excluding debt securities and IFRS5 reclassified assets). It is one of the indicators of the bank assets’ level of risk: the lower the ratio, the less risky the bank assets.
Counterparty Credit Risk	The risk that the counterparty to a transaction involving financial instruments might default prior to completing all agreed cash-flows exchanges.
Covered bond	A bond which, as well as being guaranteed by the issuing bank, is also covered by a portfolio of mortgages or other high-quality loans transferred, to this end, to a suitable SPV (refer to item).
CRD - Capital Requirement Directive	Directives (EU) 2006/48 and 2006/49, incorporated into Banca d’Italia Circular 263/2006 of 27 December 2006 as amended. The CRD IV “Package” has replaced the two aforementioned Directives and consists of the Directive (EU) 2013/36 on the taking up of the business of credit institutions and prudential supervision and the Regulation (EU) 575/2013 on prudential requirements, incorporated into Banca d’Italia Circular 285 of 17 December 2013 as amended.
CRD V	Directive (EU) 2019/878 of 20 May 2019 amending Directive 2013/36/EU (CRD IV).
Credit Quality Step (or creditworthiness)	Classification of counterparties used to assign risk weights under external rating based approaches for credit risk.
Credit risk	The risk that a change in the creditworthiness of a counterparty, the value of the guarantees provided by it or the margins used by it in the event of insolvency might produce an unexpected change in the value of the bank's credit position.
Creditworthiness (or Credit quality step)	Refer to item "Credit quality step".
CRM	Credit Risk Mitigation is a set of techniques, contracts accessories to the loan or other instruments (e.g. securities, guarantees), which allows a reduction of the credit risk capital requirements.

Glossary

ITEM	DESCRIPTION
Cross-product netting	Means the inclusion of transactions of different product categories within the same netting set pursuant to the cross-product netting rules.
CRR - Capital Requirements Regulation	Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013, and subsequently amendment in Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 (CRR2), on prudential requirements for credit institutions and investment firms and that amending Regulation (EU) 648/2012.
CRR2	Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 (CRR2) amending Regulation (EU) 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) 648/2012 (refer also to CRR definition).
Currency risk	The risk that the value of the instrument decreases due to foreign exchange rates changes.
CVA - Credit Valuation Adjustment	Adjustment to the valuation of a portfolio of transactions reflecting the market value of the counterparties' credit risk.
Cyber security risk	Cyber security risk is the probability of exposure or loss resulting from a cyber-attack or data breach on the organization.
Daily VaR	It reflects the Value at Risk risk measures calibrated to a 1-day holding period to compare with the 99% confidence level with its trading outcomes.
Default	A party's declared inability to honor its debts and/or the payment of the associated interest.
Duration	This is generally calculated as the weighted average of the maturities for payment of the interest and capital associated with a bond, and represents an indicator of the interest rate risk to which a security or a bond portfolio is subject.
EAD - Exposure At Default	With reference to the on-balance and off-balance sheet positions, EAD is defined as the estimation of the future value of an exposure at the time of the debtor's default. Only banks that meet the requirements for adopting the "IRB - Internal Rating Based" (refer to item) advanced approach are allowed to estimate EAD. Other banks are required to refer to regulatory estimations.
Earnings at risk	The change in interest rates affects earnings by changing the net interest income and, depending on the accounting treatment of the individual balance sheet items, it can be reflected directly in equity, following the change in their market value.
EBA - European Banking Authority	The European Banking Authority is an independent EU Authority which works to ensure effective and consistent prudential regulation and supervision across the European banking sector. Its overall objectives are to maintain financial stability in the EU and to safeguard the integrity, efficiency and orderly functioning of the banking sector.
ECB - European Central Bank	Central bank for Europe's single currency, the euro. The ECB's main task is to preserve the purchasing power of the single currency thus ensuring the maintenance of price stability in the Euro area.
Economic capital	Measure of risk representing the estimate of the capital necessary to cover the unexpected losses (i.e., losses in excess of the expected ones) that could occur with a certain confidence level and time horizon.
Economic value (interest rate risk)	In the interest rate risk the economic value can be viewed as the present value of expected cash flows stemming from interests bearing assets and liabilities. Changes in the interest rates can impact their present value and, in turn, can cause changes of the economic value.
EL - Expected Losses	Amount of credit risk exposures expected to be lost for a default event of the obligor in a time horizon of one year.
Eligible Collateral	Refers to collateral which allows a reduction of the credit risk capital requirements.
ELOR - Expected Losses on Revenues	ELOR is a ratio estimated, for the Group and for the main legal entities, with a statistical model, based on the historical losses time series, forward looking factors and the budget revenues.
Equity risk	The risk that the value of the instrument decreases due to stock or index prices changes.
ESG - Environmental, Social and Governance	Refers to criteria used to measure the environmental, social and governance impact of the company and highlight the sustainability of its initiatives.
EU Paris-aligned Benchmarks (PAB)	Paris-aligned benchmarks are indices whose constituent companies are aligned with the Paris Agreement, which sees to limit the rise in global temperatures to well below 2°C above pre-industrial levels, and to pursue efforts to keep the rise to 1.5°C. An EU Paris-aligned benchmark is made of underlying assets that are selected in such a manner that the resulting benchmark portfolio's greenhouse gases emissions are aligned with the long-term global warming target of the Paris Climate Agreement and is also constructed in accordance with the minimum standards laid down in the delegated acts.
EU Taxonomy	The EU Taxonomy is a classification system, establishing a list of environmentally sustainable economic activities. The Taxonomy Regulation was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020.

Glossary

ITEM	DESCRIPTION
EVA - Economic Value Added	EVA indicates the value created by a company. It expresses the ability to create value in monetary terms and it is equal to the difference between the Net Profit after AT1/Cashes (refer to item) and the cost of the Allocated Capital. A corrective factor is applied to divisional Net Profit after AT1/Cashes where capitalization is higher than Group's target.
Expected Shortfall	Risk measure representing the expected loss of a portfolio or a counterparty calculated in the scenarios of loss exceeding the VaR.
Fair value	The sum for which, in a freely competitive market, an item can be exchanged or a liability extinguished between aware and independent parties.
FINREP	Reporting framework with statistical and financial data defined from the European Banking Authority, an independent EU Authority which works to ensure a consistent level of prudential regulation and supervision across the European banking sector.The aim of FINREP is to gather data used from Supervisory Authorities and the European Central Banks for their supervisory activities.
FL - Forward looking	IFRS9 adjustment that allows to reflect in the credit parameters the expectations about the future evolution of the economic cycle.
Forbearance/Forborne exposures	According to EBA Implementing Technical Standards, forborne exposures consist of exposures to which forbearance measures have been extended, i.e. concessions towards a debtor who is facing or about to face difficulties in meeting its financial commitments ("financial difficulties").
Foreign exchange movements	Changes arising from foreign currency exchange rate volatility.
Forwards	Forward contracts on interest rates, exchange rates or share indices, generally traded on "OTC - Over-the-Counter" (refer to item) markets, in which the conditions are fixed when the contract is agreed but execution will take place at a predetermined future date, by means of the collection or payment of differentials calculated with reference to various market parameters according to the subject of the contract.
Full Revaluation Approach	A methodology behind the historical simulation approach for VaR calculation, when the value of a portfolio is estimated by the complete revaluation of its value according to the simulation results.
Funding	Provision, in various forms, of the funds necessary to finance business activities or particular financial transactions.
Futures	Standardised contracts whereby the parties undertake to exchange money, transferable securities or goods at a present price at a future date. These contracts are traded on regulated markets, where their execution is guaranteed.
FVtOCI	Financial asset at Fair Value through Other Comprehensive Income.
FVtPL	Financial Assets at Fair Value through Profit and Loss.
GAR - Green Asset Ratio	Green asset ratio (GAR), which shows the proportion of exposures related to Taxonomy-aligned activities (Reg. (EU) 2020/852 supplemented by Reg. (EU) 2021/2178) compared to the total assets of those credit institutions.
G-SIIs Institutions	Institutions classified as "Global Systemically Important Institutions", in accordance with the article 131 of Directive 2013/36/EU. These institutions represent a higher risk for the financial system and their failure may have potential impact on the taxpayers.
GW BANKS	IRB calculation model - Group Wide model Financial Institution & Banks.
GW MNC	IRB calculation model - Group Wide Multinational Corporate.
Hedge Fund	Speculative mutual investment fund adopting hedging techniques which generally are not used by ordinary mutual funds, in order to deliver a constant performance, which is only hardly linked to reference markets. Hedge Funds are distinguished by a limited number of partners and require a high minimum level of investment.
HQLA - High Quality Liquid Assets	Assets that must: (i) be a property, right, entitlement or interest, held by a credit institution, that may provide cash within 30 days; (ii) not be issued by the credit institution itself or by other bodies such as investment firms, insurance undertakings or financial holding companies; (iii) be able to have their value determined on the basis of easily available market prices; (iv) be listed on a recognised exchange, or tradable by a direct sale or simple repurchase agreement.

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ITEM	DESCRIPTION
IAS/IFRS	International accounting standards issued by the International Accounting Standard Board (IASB), a private international body established in April 2001, involving representatives of the accounting professions of the principal countries and, as observers, the European Union, IOSCO (International Organisation of Securities Commissions) and the Basel Committee. This body is the successor of the International Accounting Standards Committee (IASC), set up in 1973 to promote harmonisation of the rules for the preparation of company accounts. When the IASC became the IASB, it was decided, among other things, to name the new accounting principles "International Financial Reporting Standards" (IFRS). At international level, work is currently underway to harmonise the IAS/IFRS with the US GAAP - United States Generally Accepted Accounting Principles (Accounting principles issued by the Financial Accounting Statement Board-"FASB", generally accepted in the USA).
ICAAP - Internal Capital Adequacy Assessment Process	The discipline of the so-called “Pillar 2” requires banks to implement processes and systems to determine the level of internal capital adequate to face any type of risk, also different from those provided by the capital requirements (Pillar 1) rules; in the scope of an assessment of the exposure, actual and future, that has to consider also the strategies and the evolution of the reference environment.
ILC - Italian Large Corporate	IRB calculation model - Italian Large Corporate.
IMA - Internal Model Approach	Internal Models Approach is an approach to calculate market risk capital requirement using internal models.
Impairment	Within the framework of the IAS/IFRS (refer to item), this refers to the loss of value of a balance sheet asset, recorded when the book value is greater than the recoverable value, i.e. the sum that can be obtained by selling or using the asset.
Initial margin	Margin posted or received to reduce future exposure to a certain counterparty in connection with OTC derivatives or SFTs. It is used to protect against potential losses arising from movements in the market value of positions in the time interval between the last margin call and the liquidation of positions following counterparty default.
Interest rate risk - (IRR)	Interest rate risk expresses the exposure to unfavorable changes in interest rates on the economic value of the equity and on the net interest income.
Investor	Any entity other than the "Sponsor" (refer to item) or Originator (refer to item) with exposure to a securitisation.
IRB - Internal Rating Based	Method for determining the capital needed to cover credit risk within the framework of Pillar 1 of "Basel 2" (refer to item). The rules are applied to the exposures of the banking portfolio. Furthermore, in the IRB methods the risk weightings of the assets are determined on the basis of the bank's own internal evaluations of the debtors (or, in some cases, of the transactions). Using systems based on internal ratings, the banks determine the weighted risk exposure. The IRB methods consist of a basic method and an advanced method, which differ in terms of the risk parameters that the bank must estimate: in the basic method, the banks use their own estimates for "PD - Probability of Default” and the regulatory values for the other risk parameters; in the advanced method, the banks use their own estimates for "PD - Probability of Default", "LGD - Loss Given Default", "CCF - Credit Conversion Factor" and, where provided for, "M - Maturity" (refer to item). The use of IRB methods for the calculation of capital requirements is subject to authorisation from Banca d’Italia.
IRC - Incremental Risk Charge	Incremental Risk Charge is a measure of potential losses arising from default and migration risks of unsecuritised credit products over a 1-year capital horizon at a 99.9% confidence level, taking into account the liquidity horizons of individual positions.
Junior, Mezzanine and Senior exposures	In a securitisation transaction, the exposures may be classified as follows: • junior exposures are the last to be repaid, and consequently absorb the first loss produced by the securitisation transaction; • mezzanine exposures are those with medium repayment priority, between senior and junior; • senior exposures are the first to be repaid.
KPI - Key Performance Indicators	Set of indicators used to evaluate the performance of a business activity or process.
LCR - Liquidity Coverage Ratio	Ratio of a credit institution’s liquidity buffer to its net liquidity outflows over a 30 calendar day stress period.
Leverage ratio	Is a measure which allows for the assessment of institutions’ exposure to the risk of excessive leverage.
Leveraged finance/Leveraged buy-out	Loans provided mainly to Private Equity funds in order to finance the acquisition of a company through a financial transaction based on the cash flow generation capacity of such target company. This can result in a higher level of debt and therefore a higher level of risk. L6y76everaged finance may be syndicated.
LGD - Loss Given Default	Expected value (which may be conditional upon adverse scenarios) of the ratio, expressed as a percentage, between the loss giving rise to the default and the amount of exposure at the time of the default “EAD - Exposure At Default”, (refer to item).

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ITEM	DESCRIPTION
Liquidity risk	The risk of the company being unable to meet its payment commitments due to the inability to mobilise assets or obtain adequate funding from the market (funding liquidity risk) or due to the difficulty/impossibility of easily liquidating positions in financial assets without significantly and unfavourably affecting the price because of insufficient depth or temporary malfunction of the financial market (market liquidity risk).
M - Maturity	The average, for a given exposure, of the residual contractual maturities, each weighted for the relevant amount.
Market risk	The effect that changes in market variables might have on the economic value of the Group's portfolio, where this includes both the assets held in the Trading Book and those entered in the Banking Book, or the operations connected with the characteristic management of the commercial bank and its strategic investment choices.
MREL - Minimum requirement for eligible liabilities	Minimum requirements for own funds and eligible liabilities, is designed to ensure that there are sufficient resources to write down or convert into equity relevant financial instruments if a bank or other financial institution is in crisis. This allows the competent Authorities to intervene quickly in order to maintain the critical operations of that institution, without using tax money.
Notch	Level, referred to a scale.
NPE - Non-performing exposures	According to EBA Implementing Technical Standards, non-performing exposures are debt instruments and off-balance sheet exposures which satisfy either or both of the following criteria: (i) material exposures which are more than 90 days past-due; (ii) the debtor is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless of the existence of any past-due amount or of the number of days past due.
Operational risk	The risk of losses due to errors, infringements, interruptions, damages caused by internal processes or personnel, systems, or caused by external events. This definition includes legal and compliance risks but excludes strategic and reputational risk. For example, losses arising from the following can be defined as operational: internal or external fraud, employment practices and workplace safety, client claims, products distribution, fines and penalties due to regulation breaches, damages to the company’s physical assets, business disruption and system failures, process management.
Originator	The entity that originated or acquired from third parties the assets to be securitised.
OTC - Over The Counter	Over the counter (OTC) trading consists of the exchange of financial instruments such as shares, bonds, derivatives or goods directly between two counterparties. The OTC markets do not have standardised contracts or buying/selling procedures and are not associated with a set of rules (admissions, controls, obligations of information, etc.) like those that govern the official markets.
Past Due	Problematic exposures that, at the reporting date, are more than 90 days past due on any material obligation, as required by the relevant prudential regulation. Past due can be determined either at individual debtor or at single transaction level according to the relevant local prudential regulation.
Payout ratio	It indicates the percentage of “Net Profit” (refer to iem) distributed or to be distributed to shareholders and is determined on the basis of the company’s self-financing needs and of the return expected by shareholders. Within the "UniCredit Unlocked" Strategic Plan, the Shareholders remuneration is defined as a combination of dividends and Share Buy-Backs and the pay-out is computed also as share of the Organic Capital generation
PD - Probability of Default	Probability of a counterparty entering into a situation of "default" (refer to item) within a time horizon of one year.
Preference shares	Capital instruments that associate forms of remuneration tied to market rates with particularly pronounced subordination conditions, such as non-recovery in subsequent years of the interest not paid by the bank and bearing a share of its losses in the event that these produce a significant reduction in the capital requirements. The regulatory authorities set the conditions under which preference shares may be counted among the core capital of banks and banking groups.
Prefunded default fund contributions	Pre-funded contribution to the default fund of a CCP means a contribution to the default fund of a CCP that is paid in by an institutions. Default Fund means a fund established by a CCP in accordance with article 42 of Regulation (EU) 648/2012 and used in accordance with article 45 of that Regulation.
Private equity	Investments in the risk capital of companies, generally unlisted but with high growth potential and the ability to generate constant cash flows. Investments in private equity include a wide range of operations that vary according to both the development phase of the company concerned and the investment techniques used. These techniques include closed-end private equity funds.

Glossary

ITEM	DESCRIPTION
Purchase companies	"SPV - Special Purpose Vehicle" (refer to item) used by "ABCP Conduits - Asset Backed Commercial Paper Conduits" (refer to item) to purchase the assets to be securitised and which are in turn financed by the Conduit vehicle issuing the commercial papers.
PVA (Prudent Valuation)	Standards for valuation of the all trading book positions and non-trading book positions measured at fair value, specified in the article 105 of the Regulation (EU) 575/2013 (CRR) as amended by Regulation (EU) 2019/876 (CRR2).
RACE	Indicator of Risk Adjusted Credit Efficiency.
Rating	Evaluation of the quality of a company or its issues of debt securities on the basis of the company's financial soundness and prospects. This evaluation is made either by specialist agencies or by the bank on the basis of internal models.
Replacement cost	In general, replacement cost represents the actual or hypothetical cost which the non-defaulting counterparty would incur in order to replace the terminated contract, after taking into account any collateral posted or received.
Reputational risk	Reputational risk is defined as the current or prospective risk to earnings and capital arising from the adverse perception of the image of the financial institution on the part of customers, counterparties (including also debt-holders, market analysts, other relevant parties), shareholders/investors, regulators or employees (stakeholders). Reputational risk is a secondary risk generated as a "knock-on effect" from risk categories, such as credit, market, operational and liquidity risks and all others risks types (e.g., business risk, strategy risk, ESG risk which considers the environmental, social and governance aspects of responsible investments). Reputational risk could also be generated from material events.
Retail	Customer segment consisting principally of private individuals, self-employed professionals, traders and artisans.
RIC	IRB calculation model - Integrated Corporate Rating.
RIP	IRB calculation model - Integrated Private Rating.
RISB	IRB calculation model - Rating Integrated Small Business (Small Business Integrate Rating).
RNIME - Risk Not in the Model Engines	Framework that provides an estimate on the completeness of the risk factors included in VaR, SVaR and IRC.
RTS	Regulatory Technical Standards supplementing Regulation (EU) 575/2013 (CRR) and Directive 2013/36/EU (CRD).
RWEA - Risk Weighted Exposure Amounts	Risk Weighted Exposure Amounts of on-balance sheet assets and off-balance sheet items (credit derivatives and guarantees) is calculated applying to all exposures, unless deducted from own funds, the risk weights in accordance with the CRR and based on the exposure class to which the exposure is assigned and its credit quality in order to define the capital requirements.
Scope 1 - Greenhouse Gases (GHG) emissions	Emissions are direct emissions from owned or controlled sources.
Scope 2 - Greenhouse Gases (GHG) emissions	Emissions are indirect emissions from the generation of purchased energy.
Scope 3 - Greenhouse Gases (GHG) emissions	Emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company.
Securitisation	Transfer of a portfolio of assets to an "SPV - Special Purpose Vehicle" (refer to item) and the issue of securities with various levels of seniority to meet any default by the underlying assets. Securitisations can be: • traditional: method of securitisation whereby transfer of the assets is by means of sale of the portfolio to the "SPV - Special Purpose Vehicle" (refer to item); • synthetic: method of securitisation whereby the transfer of assets is by means of credit derivatives or similar security enabling the risk of the portfolio to be transferred.
Segregated Collateral	Refers to collateral that is held in a bankruptcy-remote manner
Sensitivity	The greater or lesser degree of sensitivity with which certain assets or liabilities react to changes in rates or other reference parameters.
SFTs	Any repurchase transactions, securities or commodities lending or borrowing transactions in accordance with the applicable accounting framework that has its exposure value calculated in accordance with Part Three, Title II, Chapter 6 of the CRR.
Sponsor	An entity other than the "Originator" (refer to item) and the "Investor" (refet to item) which sets up and manages an "ABCP Conduits - Asset Backed Commercial Paper Conduits" (refer to item) programme or other securitisation scheme where assets to be securitised are acquired from third parties.

Glossary

ITEM	DESCRIPTION
SPV - Special Purpose Vehicle	An entity, partnership, limited company or trust, set up to carry out a set object, such as isolating financial risk or obtaining special regulatory or tax treatment for specific portfolios of financial assets. SPV's operations are accordingly limited by a set of rules designed for this purpose. In general SPVs' sponsors do not hold equity in them. The equity is held by other entities in order to ensure that there is no shareholder relationship with the "Sponsor" (refer to item). SPVs are usually bankruptcy-remote, in that their assets cannot be claimed by the creditors of the sponsor, even if the latter becomes insolvent.
Stress Test	Assessment of bank' vulnerabilities either in terms of capital or liquidity position in case of possible adverse events, both of an idiosyncratic nature and related to macroeconomic scenarios.
Subprime (Residential Mortgages)	Although Subprime has no univocal definition, this category includes mortgages granted to borrowers who have had repayment difficulties in the past, e.g. delayed installments, insolvency or bankruptcy, or who are more likely to default than the average due to high loan-to-value and installment-to-income ratios.
SVaR - Stressed VaR	Stressed VaR is a quantification of exposures to particular extreme losses that can be inflicted to a Bank during market tensions, by modeling the portfolio response conditional on historical data from a (continuous 12-month) period of significant financial stress.
Swap	A transaction that generally consists of the exchange of financial streams between operators according to different contractual arrangements. In the case of an interest rate swap (IRS), the counterparties exchange payment streams that may or may not be linked to interest rates, calculated on a notional principal amount (for example, one counterparty pays a stream on the basis of a fixed rate, while the other does so on the basis of a variable rate). In the case of a currency swap, the counterparties exchange specific amounts in two different currencies, with these amounts being exchanged back in due course according to predefined arrangements that may concern both the capital (notional) and the streams of interest payments.
TLAC -Total Loss Absorbing Capacity	TLAC represents the indicator of the Total Loss Absorbing Capacity, a new Pillar I requirement established by the Regulation (EU) 2019/876 (CRR2), entered into force on 27 June 2019, for Global Systemically Important Banks (G-SIBs). The TLAC standard requires G-SIBs, to hold a sufficient amount of highly loss absorbing liabilities.
TLTRO - Target Long Term Refinancing operations	Target Long Term Refinancing operations. Non-regular open market operations conducted by the ECB. Operations that provide financing to credit institutions for periods of up to four years. They offer long-term funding at attractive conditions to credit institutions in order to further ease private sector credit conditions and stimulate bank lending to the real economy.
TTC - Through the cycle	Calibration type of the credit parameters on a horizon that considers the entire economic cycle.
UCITS - Undertakings for Collective Investment in Transferable Securities	This term covers open-end real estate investment funds, both Italian and foreign, and investment companies with variable capital. The latter are joint stock companies that have the sole purpose of collective investment of the assets gathered through a public offer of their own shares.
UGRM - UniCredit global Risk Monitor	The pool of software applications, IT structure and database used by the Group for the financial risk analysis.
UL - Unexpected Losses	Unexpected Losses are the losses exceeding the expected losses.
Unfunded default fund contributions	Contributions that an institution acting as a clearing member has contractually committed to provide to a CCP after the CCP has depleted its default fund to cover the losses it incurred following the default of one or more of its clearing members.
Unlikely to Pay	The classification in this category is the result of the judgment of the bank about the unlikeliness, without recourse to actions such as realising collaterals, that the obligor will pay in full (principal and/or interest) its credit obligations. This assessment should be carried out independently of the presence of any amount (or rate) past due and unpaid.
Unrated Exposure	Exposures for which a credit assessment by a nominated ECAI is not available.
Unsegregated Collateral	Refers to collateral that is not held in a bankruptcy-remote manner.
VaR - Value at Risk	A measure of the risk of potential loss, under a given level of confidence and time horizon, which could occur on a position or a portfolio.