



# UniCredit Group Disclosure (Pillar III) as at 31 December 2025



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# Introduction

## Regulatory framework

In 2010, the Basel III framework was adopted and consequently translated into the European Union (EU) into Regulation through the Capital Requirements Regulation (CRR) (Regulation (EU) 575/2013) and Capital Requirements 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.

On 19 June 2024, the Official Journal of the European Union published the final formal version of the standards updating the Capital Requirements Regulation (CRR3) and Capital Requirement Directive (CRD VI).

These new rules, issued as part of Basel III framework, have been transposed into the following regulatory products respectively:

- Regulation (EU) 2024/1623 of the European Parliament and of the Council amending Regulation (EU) 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor (**CRR3**), which enters into force on the twentieth day following publication in the Official Journal, and applies from 1 January 2025<sup>1</sup>;
- Directive (EU) 2024/1619 of the European Parliament and of the Council amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks (**CRD VI**).

Furthermore, the Commission Implementing Regulation (EU) 2024/3172 of 29 November 2024 laying down implementing technical standards for the application of Regulation (EU) 575/2013 of the European Parliament and of the Council with regard to public disclosures by institutions of the information referred to in Part Eight, Titles II and III, of that Regulation, and repealing Commission Implementing Regulation (EU) 2021/637, applies starting from 1 January 2025 (Pillar 3 Disclosure).

Regulation (EU) 2021/637 shall continue to apply until the new Fundamental Review of the Trading Book (FRTB) framework enters into force, with regard to article 15 and Annexes XXIX and XXX, pursuant to article 16 of Regulation (EU) 2024/3172, with reference to market risk disclosure.

On 23 February 2025, the EBA published the final draft Implementing Technical Standards (ITS) on the **Pillar 3 Data Hub (P3DH)** for large and other institutions, which centralises prudential disclosures by institutions through a single electronic access point on the EBA website. This requirement is part of the Banking Package laid down in the Capital Requirements Regulation (CRR3) and Capital Requirements Directive (CRD VI). The first application reference date, for large and other institutions, is 30 June 2025.

The EBA ITS also provides a transitional period (for the reference dates of 30 June, 30 September and 31 December 2025) in which the institutions can proceed with the publication of the Pillar 3 disclosure on their website and, subsequently, meet the requirement to submit the information to EBA in the technical format requested by the ITS<sup>2</sup>.

The following regulations are applicable as well<sup>3</sup>: (i) the European Commission Regulatory Technical Standards (RTS) or Implementing Technical Standards (ITS) issued on the proposal of the EBA and (ii) the guidelines issued by the EBA with reference to Pillar III disclosure from time to time in force.

<sup>1</sup> With the exception of some points of Art. 1, detailed in Art. 2, which will apply from 9 July 2024 (i.e. from its entry into force).

<sup>2</sup> According to the phased-in approach published on the EBA website, Pillar 3 Data Hub section (<https://www.eba.europa.eu/risk-and-data-analysis/pillar-3-data-hub>).

<sup>3</sup> The EDTF recommendations issued by the Enhanced Disclosure Task Force (EDTF) established by the Financial Stability Board, concerning a set of disclosure information mainly related to the following areas: (i) risk governance and risk management strategies/business model; (ii) capital adequacy and Risk Weighted Exposure Amounts; (iii) liquidity and funding; (iv) market risk; (v) credit risk, are progressively addressed by the Capital Requirements Regulation (CRR) and subsequent amendments. Therefore, a cross reference to the content of the disclosure is no longer published starting from Pillar 3 disclosure document as at 31 March 2025.

# Introduction

## **UniCredit internal regulation**

UniCredit prepares the Group Disclosure (Pillar III) on a consolidated basis, in accordance with the CRR3 and the CRD VI (and with the further regulatory framework described above).

The Pillar III disclosure is published on a quarterly basis according to CRR3 article 433a and it is prepared in accordance with a formal internal policy (Internal Regulation) adopted in the application of the CRR3 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 CRR3 articles 432 and 433). There is a formal process set up for the identification of the need for higher frequency than the minimum required by CRR 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 and submission to the EBA for Pillar 3 Data Hub purposes;
- evaluation related to Pillar III re-publication (and resubmission to the EBA), after the initial issuance, for alignment with the most recent submissions of regulatory reporting.

Furthermore, pursuant to article 431(3) of Part Eight of CRR3, 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 attests 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 and is published in English language only<sup>4</sup>.

## **Highlights**

*Developments in geopolitical tensions between Russian Federation and Ukraine*

- With reference to the Risk Weighted Exposure 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 to 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 2025, and in coherence with the approach adopted since the first quarter 2022, the Group is applying for an OTC foreign exchange rate provided by Electronic Broking Service (EBS). In this regard, it cannot be excluded that, once the ECB restarts listing RUB/EUR FX rate, these quotes might be different from EBS quotes, thus requiring the recognition of impacts in Net Equity and P&L.

## **General information**

The information provided in this document, starting from 1 January 2025, is prepared according to the models and instructions referred to in the Regulation (EU) 3172/2024 and taking into account the EBA mapping tool.

Therefore, the disclosure of data for previous periods shall not be required where data are disclosed for the first time.

Regarding the use of the information<sup>5</sup>, the Pillar III disclosure includes the template EU CCA - Main features of regulatory Own Funds instruments - published annually in Excel format on the UniCredit group website.

<sup>4</sup> Starting from the December 2025 reporting period.

<sup>5</sup> According to the Pillar 3 Data Hub application starting from 30 June 2025, the templates required by Regulation (EU) 3172/2024 shall be submitted to the EBA in XBRL-csv format, therefore they are no longer published in Excel format on the UniCredit group website.

# Introduction

It should be also noted that:

- all amounts in the PDF format document, unless otherwise specified, are expressed in millions of euro (therefore, the amounts lower than €0.5 million are reported with “0”); all quantitative templates submitted in the XBRL-csv format to the EBA in the Pillar 3 Data Hub are expressed in units of euro<sup>6</sup>;
- with reference to the numbering of rows of the templates required by Regulation (EU) 3172/2024, in order to allow the comparability between CRR3 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 shown 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 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 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>).

With reference to the last point, relating to the removal of UniCredit S.p.A. from the list of global systemically important banks (G-SIBs), the following is reported:

- according to the Press Release<sup>7</sup> 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 disappplied them starting from 1 January 2024, without prejudice to the application of the requirements stemming from the O-SII status.
- in particular, starting from the first quarter 2024:
  - article 92(a) CRR on “Requirements for own funds and eligible liabilities for G-SIBs” is no longer applicable, therefore UniCredit is not required to meet the TLAC requirement. As a 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<sup>8</sup>;
    - information on the eligible liabilities (TLAC instruments) and their main features<sup>9</sup>.
  - with the expiration of the transitional period related to Minimum Requirement for Own Funds and Eligible Liabilities, the MREL information is 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)<sup>10</sup>.

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

<sup>6</sup> According to the minimum precision set out in the EBA Filing rules and EBA FAQ B5 published on 16 December 2025 (<https://www.eba.europa.eu/risk-and-data-analysis/pillar-3-data-hub>).

<sup>7</sup> 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.

<sup>8</sup> Templates: Key metrics (EU KM2); Composition of Own Funds and Eligible Liabilities (EU TLAC1); Creditor ranking (EU TLAC3a).

<sup>9</sup> Information provided until 31 December 2023 in the Template EU CCA.

<sup>10</sup> Information is provided in the following templates: (i) EU KM2 (semiannual frequency); (ii) EU TLAC1 (annual frequency); (iii) EU TLAC3a (annual frequency).

# Introduction

## 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 CRR3

CRR3 ARTICLE	CONTENT	REFERENCE TO REG. (EU) 3172/2024	REFERENCE TO THE PRESENT DOCUMENT (CHAPTER)
435	Risk management objectives and policies	Table EU OVA Table EU OVB Table EU CRA Table EU MRA Table EU LIQA Table EU ORA	Qualitative disclosure section: Table EU OVA - Institution risk management approach Table EU OVB - Disclosure on governance arrangements Table EU CRA - General qualitative information about credit risk Table EU MRA - Qualitative disclosure requirements related to market risk Table EU LIQA - Liquidity risk management Table EU ORA - Qualitative information on operational risk
436	Scope of application	Table EU LIB Template EU LI3	Qualitative information on Scope of application
		Table EU LIA Template EU LI1 Template EU LI2 Template EU PV1	Scope of application
437	Own Funds	Template EU CC1 Template EU CC2	Own Funds
		Template EU CCA	Qualitative disclosure section: Template EU CCA - Main features of regulatory Own Funds instruments (including web link to the full terms and conditions of capital instruments according to CRR article 437; EU CCA also available in excel format to the link <a href="https://www.unicreditgroup.eu/en/investors/financial-reporting/pillar-3-disclosures.html">https://www.unicreditgroup.eu/en/investors/financial-reporting/pillar-3-disclosures.html</a> )
438	Own Funds requirements and risk-weighted exposure amounts	Template EU KM1 Template EU OV1 Template EU CMS1 Template EU CMS2	Key metrics and overview of Risk Weighted Exposure Amounts
		Template EU CR10	Key metrics and overview of Risk Weighted Exposure Amounts - Specialised lending and equity exposures
		Template EU CR8	Credit risk - Use of the IRB approach
		Template EU CCR7	Credit risk - Counterparty risk exposure
		Template EU MR2-B	Market risk
		Table EU OVC	Qualitative disclosure section: Table EU OVC - ICAAP information
439	Exposures to counterparty credit risk	Table EU CCRA	Qualitative disclosure section: Table EU CCRA - Qualitative disclosure related to CCR
		Template EU CCR1 Template EU CCR3 Template EU CCR4 (AIRB and FIRB) Template EU CCR5 Template EU CCR6 Template EU CCR8	Credit risk - Counterparty risk exposure
440	Countercyclical capital buffers	Template EU CCyB2 Template EU CCyB1	Own Funds - Countercyclical capital buffers
441	Indicators of global systemic importance	-	G-SIBs Disclosure document available in accordance to regulatory deadline on UniCredit website (link <a href="https://www.unicreditgroup.eu/en/investors/financial-reporting/financial-reports.html">https://www.unicreditgroup.eu/en/investors/financial-reporting/financial-reports.html</a> )
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	Credit risk - Exposures to credit risk, dilution risk and credit quality
		Table CRB	Qualitative disclosure section: Table EU CRB - Additional disclosure related to the credit quality of assets
443	Encumbered and unencumbered assets	Template EU AE1 Template EU AE2 Template EU AE3 Table EU AE4	Liquidity requirements - Encumbered and unencumbered assets

# Introduction

CRR3 ARTICLE	CONTENT	REFERENCE TO REG. (EU) 3172/2024	REFERENCE TO THE PRESENT DOCUMENT (CHAPTER)
444	Use of the standardised approach	Table EU CRD Template EU CR4 Template EU CR5	Credit risk - Use of the Standardised Approach
445 (CRR2)	Exposures to market risk	Template EU MR1	Market risk
445a	CVA risk	Table EU CVAA Table EU CVAB Template EU CVA2 Template EU CVA3 Template EU CVA4	Credit valuation adjustment
446	Operational risk	Table EU ORA	Qualitative section: Table EU ORA - Qualitative information on operational risk
		Template EU OR1 Template EU OR2 Template EU OR3	Operational risk
447	Key metrics	Template EU KM1	Key metrics and overview of Risk Weighted Exposure Amounts
448	Exposures to interest rate risk on positions not held in the trading book	Table EU IRRBBA	Qualitative section: Table EU IRRBBA - Qualitative information on interest rate risks of non-trading book activities
		Template EU IRRBB1	Market risk - Exposures to interest rate risk on positions not held in the trading book
449	Exposures to securitisation positions	Table EU SECA	Qualitative section: Table EU SECA - Qualitative disclosure requirements related to securitisation exposures
		Template EU SEC1 Template EU SEC3 Template EU SEC4 Template EU SEC5	Securitisation exposures
449a	Environmental, Social and Governance risks (ESG)	Template 1, 2, 3, 4, 5	Environmental, Social and Governance risks (ESG)
		Table 1, 2, 3	Qualitative section: Qualitative information on 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	Remuneration Policy Disclosure (as separate PDF document) <sup>11</sup>
451	Leverage ratio	Table LRA Template EU LR1 Template EU LR2 Template EU LR3	Leverage ratio
451a	Liquidity requirements	Template EU LIQ1 Table EU LIQB	Liquidity requirements - Liquidity Coverage Ratio
		Template EU LIQ2	Liquidity requirements - Net Stable Funding Ratio
		Table EU LIQA	Qualitative section: Table EU LIQA - Liquidity risk management
451b	Crypto-asset exposures and related activities	Template EU CAE1	Key metrics and overview of Risk Weighted Exposure Amounts - Crypto-asset exposures
452	Use of the IRB Approach to credit risk	Table EU CRE Template EU CR9 (AIRB and FIRB) Template EU CR6-A Template EU CR6 (AIRB and FIRB)	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	Credit risk - Use of credit risk mitigation techniques (CRM)
		Template EU CR4	Credit risk - Use of the Standardised Approach
		Table EU CRC	Qualitative section: Table EU CRC - Qualitative disclosure requirements related to CRM techniques
455 (CRR2)	Use of internal market risk models	Template EU MR2-A Template EU MR3 Template EU MR4	Market risk
		Table EU MRB	Qualitative section: Table EU MRB - Qualitative disclosure requirements for institutions using the internal market risk models

<sup>11</sup> Available in accordance to regulatory deadline: (i) as separate PDF document "P3REMDISDOCS" in the Pillar 3 Data Hub platform; (ii) in the UniCredit website, in the Remuneration policy document (<https://www.unicreditgroup.eu/en/governance/compensation.html>).

# Introduction

## Notes to the table above “Cross reference to the information required by CRR3”:

- With reference to market risk disclosure, Regulation (EU) 2021/637 shall continue to apply until the new Fundamental Review of the Trading Book (FRTB) framework enters into force, with regard to article 15 and Annexes XXIX and XXX, pursuant to article 16 of Regulation (EU) 2024/3172.
- 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 at 31 December 2025, as:
  - the Group does not hold exposures as of reference date and previous period of publication (templates EU CR10.1, EU CR10.3, EU CR10.4, EU SEC2);
  - the Group NPL ratio is less than 5% (templates EU CQ2, EU CQ6, EU CQ8, EU CR2a - replaced, starting from 30 June 2024, by EU CR2);
  - the calculation for Own Funds requirements for CVA risk uses the Full Basic Approach in accordance with CRR article 382 (CVA1);
  - not applicable (EU CR9.1, EU INS1, EU INS2).
- With reference to ESG disclosure, the publication of templates 6, 7, 8, (GAR information), 9 (BTAR information voluntary requests) and 10 (information on other climate change mitigating actions not covered in Regulation (EU) 2020/852), as well as the exposures environmentally sustainable (CCM) reported in the templates 1 and 4, is suspended starting from 30 June 2025 until 31 December 2026 (entry in to force of the new ESG disclosure) according to the EBA/CP/2025/07 of 22 May 2025.

## Cross reference to the EBA and Regulation EU requirements

CONTENT	TEMPLATE	REFERENCE TO THE PRESENT DOCUMENT (CHAPTER)
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	Own Funds - Minimum Requirement for Own Funds and Eligible Liabilities (MREL)



# Quantitative disclosure section



# 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)

DESCRIPTION	a	b	c	d	e	f	g
	CARRYING VALUES AS REPORTED IN PUBLISHED FINANCIAL STATEMENTS	CARRYING VALUES UNDER SCOPE OF PRUDENTIAL CONSOLIDATION	CARRYING VALUES OF ITEMS				
			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 classes according to the balance sheet in the published financial statements							
1 Cash and cash balances	38,455	38,107	38,107	-	-	-	-
2 Financial assets at fair value through profit or loss:	98,840	68,755	5,903	33,643	54	62,690	108
3 a) Financial assets held for trading	62,715	62,716	-	33,394	26	62,690	-
4 a.1) Reverse Repos (Financial assets held for trading)	462	462	-	462	-	462	-
5 a.2) Derivatives instruments	32,307	32,308	-	32,282	26	32,282	-
6 b) Financial assets designated at fair value	269	269	269	124	-	-	-
7 c) Other financial assets mandatorily at fair value	35,855	5,770	5,634	125	28	-	108
8 Financial assets at fair value through other comprehensive income	93,201	77,396	76,716	20,003	680	-	-
9 Financial assets at amortised cost:	586,099	586,526	477,790	76,840	64,149	-	353
10 a) Loans and advances to banks	64,770	64,770	34,595	30,174	-	-	-
11 a.1) Reverse Repos (Loans and advances to banks)	27,835	30,174	-	30,174	-	-	-
12 b) Loans and advances to customers	521,330	521,756	443,195	14,060	64,149	-	353
13 b.1) Reverse Repos	14,508	14,060	-	14,060	-	-	-
14 Hedging derivatives	941	941	-	941	-	-	-
15 Changes in fair value of portfolio hedged items (+/-)	(3,495)	(3,495)	-	-	-	-	(3,495)
16 Equity investments	13,972	16,844	12,473	-	-	-	4,371
17 Insurance reserves charged to reinsurers	152	-	-	-	-	-	-
18 Property, plant and equipment	8,811	8,222	8,222	-	-	-	-
19 Intangible assets	2,940	2,387	633	-	-	-	1,736
20 of which: goodwill	843	293	-	-	-	-	293
21 Tax assets:	10,721	9,821	6,751	-	-	-	3,245
22 a) current	2,052	1,256	1,256	-	-	-	-
23 b) deferred	8,669	8,565	5,495	-	-	-	3,245
24 Non-current assets and disposal groups classified as held for sale	248	247	247	-	-	-	-
25 Other assets	19,353	18,495	18,455	-	-	-	39
<b>26 Total assets</b>	<b>870,238</b>	<b>824,245</b>	<b>645,298</b>	<b>131,426</b>	<b>64,883</b>	<b>62,690</b>	<b>6,357</b>
Breakdown by liability classes according to the balance sheet in the published financial statements							
1 Financial liabilities at amortised cost:	687,007	687,375	-	55,325	-	-	632,050
2 a) Deposits from banks	52,191	52,163	-	11,703	-	-	40,459
3 a.1) Repos	11,703	11,703	-	11,703	-	-	-
4 b) Deposits from customers	536,619	536,934	-	43,622	-	-	493,312
5 b.1) Repos	43,622	43,622	-	43,622	-	-	-
6 c) Debt securities in issue	98,198	98,279	-	-	-	-	98,279
7 Financial liabilities held for trading	38,443	38,443	-	30,887	-	38,443	-
8 a) Derivatives instruments	30,887	30,887	-	30,887	-	30,887	-
9 b) Repos	-	-	-	-	-	-	-
10 Financial liabilities designated at fair value	23,158	16,048	-	-	-	-	16,048
11 Hedging derivatives	1,317	1,317	-	1,317	-	-	-
12 Value adjustment of hedged financial liabilities (+/-)	(9,653)	(9,653)	-	-	-	-	(9,653)
13 Tax liabilities:	2,822	2,150	1,273	-	-	-	2,433
14 a) current	2,197	1,925	-	-	-	-	1,925
15 b) deferred	626	226	1,273	-	-	-	508
16 Liabilities associated with assets classified as held for sale	0	0	-	-	-	-	0
17 Other liabilities	12,863	12,661	-	-	-	-	12,661
18 Provision for employee severance pay	251	250	-	-	-	-	250
19 Provisions for risks and charges	7,548	7,533	-	-	-	-	7,533
20 Insurance liabilities	38,372	-	-	-	-	-	-
21 a) Insurance contracts issued that are liabilities	38,370	-	-	-	-	-	-
22 b) reinsurance contracts held that are liabilities	2	-	-	-	-	-	-
<b>23 Total liabilities</b>	<b>802,129</b>	<b>756,126</b>	<b>1,273</b>	<b>87,530</b>	<b>-</b>	<b>38,443</b>	<b>661,323</b>

## Scope of application

### Notes:

- Columns a and b: The differences between the amounts under the columns a) and b) substantially depend on the composition of IAS/IFRS versus regulatory perimeters (reference is made to the 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.
- Columns c to g: 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).
- Column g: the amount of Total Assets disclosed under the column g) equal to €6,357 million includes:
  - the item "Changes in fair value of portfolio hedged items" equal to -€3,495 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 chapter "Own Funds" of the present document, for an amount equal to €263 million due to the deduction related to the insufficient coverage for non-performing exposures according to CRR article 36(m) reported in item 27a - "Other regulatory adjustments";
  - for item "Intangible Assets" equal to €1,736 million reflect the deduction (i) software assets in line with CRR article 36(1) (b) and it is represented net of deferred tax liabilities (equal to €18 million) for reducing the amount of deduction (ii) goodwill equal to €293 million related to the Alpha Bank, Aion Bank and Vodeno acquisitions;
  - 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 € 661,323 million), (ii) the amount of deferred tax liabilities (equal to €508 million) are used for reducing the amount deferred tax assets which rely on future profitability and do not arise from temporary differences that 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)

DESCRIPTION	a	b				e
		ITEMS SUBJECT TO				
		CREDIT RISK FRAMEWORK	SECURITISATION FRAMEWORK	CCR FRAMEWORK	MARKET RISK FRAMEWORK	
	TOTAL					
1 Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	824,245	645,298	64,883	131,426	62,690	
2 Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	756,126	1,273	-	87,530	38,443	
3 Total net amount under the scope of prudential consolidation	841,608	645,298	64,883	131,426	62,690	
4 Off-balance-sheet amounts	371,172	371,172	-	-	-	
5 Differences in valuations	(493)	(493)	-	-	-	
6 Differences due to different netting rules, other than those already included in row 2 (A)	(90,852)	-	-	(90,852)	-	
7 Differences due to consideration of provisions (B)	7,173	7,173	-	-	-	
8 Differences due to the use of credit risk mitigation techniques (CRMs) (C)	(2,633)	(2,633)	-	-	-	
9 Differences due to credit conversion factors	(266,740)	(266,740)	-	-	-	
10 Differences due to Securitisation with risk transfer (D)	2,501	-	2,501	-	-	
11 Other differences (E)	(57,880)	(54,497)	(3,384)	-	-	
12 Exposure amounts considered for regulatory purposes	803,854	699,280	64,000	40,574	2,280	

### 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.

#### Notes:

- With reference to row 1 and 2, the amount disclosed under column a) corresponds to the total carrying value under the regulatory scope of consolidation as reported in column b) of template EU LI1 of the present section.
- With reference to column a), rows from 3 to 12, the amounts correspond to the carrying value under the regulatory scope of consolidation subject to a risk category, calculated as sum of columns 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 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 row 1 in columns from b) to e) 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.

#### 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 EPE models and SA-CCR approach for EAD calculation.

## Quantitative disclosure section

# Scope of application

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 differences" mainly refers to differences related to the credit risk framework and securitisation framework:

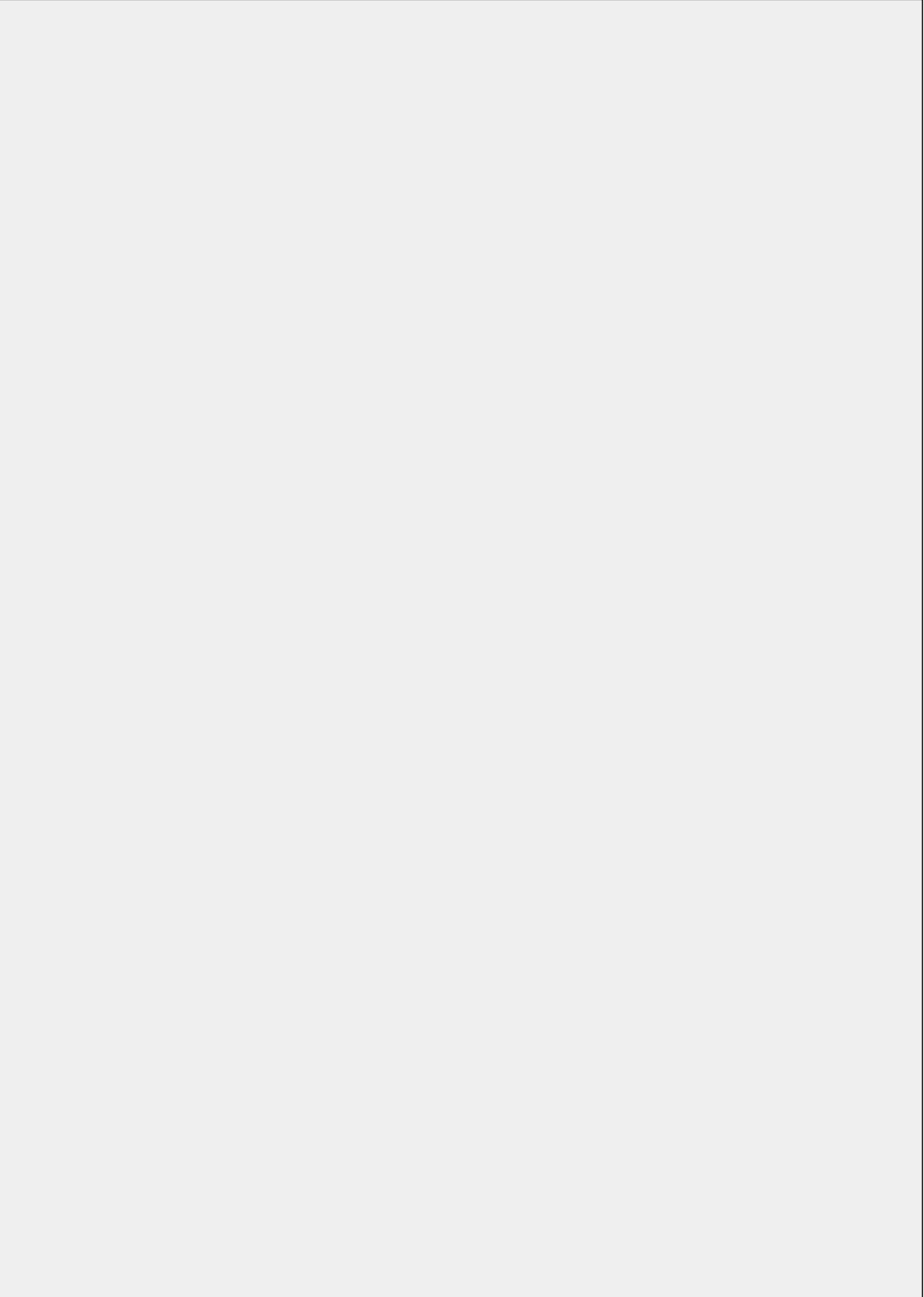
- collateral posted for OTC derivatives with negative fair value subject to master netting agreement, which amount is recognised in the EAD calculation for counterparty risk (ref. note A);
- assets posted as collateral to a CCP that are bankruptcy remote in the event that the CCP becomes insolvent (Segregated 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".

## Template EU PV1 - Prudent valuation adjustments (PVA)

(€ million)

CATEGORY LEVEL AVA	a	b	c	d	e	EU e1		EU e2		f		g		h			
						RISK CATEGORY					CATEGORY LEVEL AVA - VALUATION UNCERTAINTY		TOTAL CATEGORY LEVEL POST-DIVERSIFICATION				
						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	167	45	4	42	8	1	1	134	47	87	41	47				
2	Set not applicable in the EU																
3	Close-out cost	102	36	5	21	1	7	3	87	41	47	41	47				
4	Concentrated positions	15	0	-	6	-			20	-	20	-	20				
5	Early termination	-	-	-	-	-			-	-	-	-	-				
6	Model risk	177	4	0	71	9	8	1	206	28	179	28	179				
7	Operational risk	13	4	0	4	0			22	9	13	9	13				
8	Set not applicable in the EU																
9	Set not applicable in the EU																
10	Future administrative costs	12	4	6	1	0			23	22	2	22	2				
11	Set not applicable in the EU																
12	<b>Total Additional Valuation Adjustments (AVAs) as at 31.12.2025</b>								<b>493</b>	<b>146</b>	<b>347</b>	<b>146</b>	<b>347</b>				
	<b>Total Additional Valuation Adjustments (AVAs) as at 31.12.2024</b>								<b>353</b>	<b>145</b>	<b>208</b>	<b>145</b>	<b>208</b>				

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.



## Quantitative disclosure section

# Own Funds

The calculation of capital requirements is based on the regulatory framework known as “Basel 4”, adopted as a result of the Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation - CRR) and subsequent updates, 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 - CRD) and subsequent updates, also according to their adoption by Italian Laws.

Such regulation envisages 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).

### Capital requirements, buffers and ratios for UniCredit group

The scheme below outlines UniCredit group capital requirements and buffers applicable as at 31 December 2025, and it also provides evidence about the “Total SREP Capital Requirement” (TSCR) and the “Overall Capital Requirement” (OCR) related to the outcome of the SREP process held in 2024 and applicable for 2025.

#### Capital requirements and buffers for UniCredit group

REQUIREMENT	CET1	T1	TOTAL CAPITAL
<b>A) Pillar 1 requirements</b>	<b>4.50%</b>	<b>6.00%</b>	<b>8.00%</b>
<b>B) Pillar 2 requirements</b>	<b>1.13%</b>	<b>1.50%</b>	<b>2.00%</b>
<b>C) TSCR (A+B)</b>	<b>5.63%</b>	<b>7.50%</b>	<b>10.00%</b>
<b>D) Combined capital buffer requirement:</b>	<b>4.87%</b>	<b>4.87%</b>	<b>4.87%</b>
<i>of which:</i>			
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)	0.52%	0.52%	0.52%
4. Systemic risk buffer for UniCredit (SyRB)	0.35%	0.35%	0.35%
<b>E) OCR (C+D)</b>	<b>10.50%</b>	<b>12.37%</b>	<b>14.87%</b>

The following table shows UniCredit group transitional<sup>12</sup> capital ratios as at 31 December 2025 compared with previous periods.

#### Group transitional capital ratios

DESCRIPTION	31.12.2025			30.09.2025	30.06.2025	31.03.2025	31.12.2024
	RATIO	DELTA Q/Q	DELTA Y/Y				
CET1 Capital	14.75%	-0.02%	-1.21%	14.76%	16.02%	16.13%	15.96%
Tier 1 Capital	16.42%	-0.04%	-1.33%	16.46%	17.74%	18.20%	17.75%
<b>Total Capital</b>	<b>19.00%</b>	<b>-0.09%</b>	<b>-1.41%</b>	<b>19.09%</b>	<b>20.36%</b>	<b>20.72%</b>	<b>20.41%</b>

#### Transitional Capital ratios of UniCredit S.p.A.

The following table shows the transitional<sup>1</sup> capital ratios of UniCredit S.p.A. as at 31 December 2025 compared with previous periods.

#### Transitional capital ratios of UniCredit S.p.A.

DESCRIPTION	31.12.2025			30.09.2025	30.06.2025	31.03.2025	31.12.2024
	RATIO	DELTA Q/Q	DELTA Y/Y				
CET1 Capital	19.32%	-1.39%	-5.35%	20.71%	22.44%	23.23%	24.66%
Tier 1 Capital	21.64%	-1.50%	-5.99%	23.14%	24.96%	26.29%	27.63%
<b>Total Capital</b>	<b>25.02%</b>	<b>-1.65%</b>	<b>-6.50%</b>	<b>26.67%</b>	<b>28.57%</b>	<b>29.59%</b>	<b>31.52%</b>

<sup>12</sup> Until the first quarter 2025 the transitional adjustments were referred to the grandfathering of Additional Tier 1 and Tier 2 instruments, ended on 27 June 2025.

## Own Funds

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

- The Group consolidated net profit as at 31 December 2025 is equal to €10,915 million.
- As at 31 December 2025, the amount of the Group consolidated net profit to be included in the Own Funds is equal to €3,549 million; the reduction for €7,366 million is related to the approval by the UniCredit S.p.A. Board of Directors of the following items:
  - (i) cash dividend for €2,578 million that, summed up with €2,172 million interim dividend previously approved by the Board of Directors and paid in November 2025, stands at approximately 50% of Net Profit<sup>13</sup>, as per 2025 Dividend Policy;
  - (ii) share buy-back for €4,750 million;
  - (iii) allocation for €37.5 million to support social and charity activities.

### **Countercyclical Capital buffer (CCyB)**

According to the CRD article 130, the Countercyclical Capital buffer (CCyB) shall be calculated on a quarterly basis. With reference to the fourth quarter 2025, UniCredit group countercyclical capital reserve is equal to 0.52%.

### **Systemic Risk Buffer (SyRB)**

As at 31 December 2025, UniCredit group Systemic Risk Buffer (SyRB) capital reserve is equal to 0.35%, in relation to the applicability of the following requirements at consolidated level:

- 0.33% of capital reserve - related to the SyRB of 1.00% defined by Banca d'Italia - to be calculated on all credit and counterparty risk weighted exposures to Italian residents;
- 0.02% of capital reserve - related to the SyRB of 1.00% defined by the German Federal Financial Supervisory Authority (BaFin) - to be applied on (i) IRB exposures secured by residential immovable property located in Germany, and (ii) Standard Approach based exposures fully and completely secured by residential immovable property (as referred to in article 125(2) of CRR), 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.

### **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 2025, UniCredit exceeds for an amount of €2,193 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. UniCredit exceed for an amount of €465 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.

### **Atlante Fund and Italian Recovery Fund (former Atlante Fund II)**

As at 31 December 2025, the investment held by UniCredit in the quotes of Atlante Fund and Italian Recovery Fund (former Atlante Fund II), for approximately €182 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 2025 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).

<sup>13</sup> Defined as accounting net profit rectified for tax-losses carried forward sustainability test results, adjusted for one-offs related to strategic items.

Quantitative disclosure section

# Own Funds

Template EU CC1 - Composition of regulatory Own Funds

		(€ million)		
		a		b
DESCRIPTION		AMOUNTS AS AT 31.12.2025	AMOUNTS AS AT 30.09.2025	SOURCE BASED ON REFERENCE NUMBERS/LETTERS OF THE BALANCE SHEET UNDER THE REGULATORY SCOPE OF CONSOLIDATION
<b>Common Equity Tier 1 (CET1) capital: instruments and reserves</b>				
1	Capital instruments and the related share premium accounts (A)	20,853	20,853	31-32
	<i>of which: Ordinary shares</i>	20,853	20,853	
	<i>of which: Instrument type 2</i>	-	-	
	<i>of which: Instrument type 3</i>	-	-	
2	Retained earnings	31,978	31,978	29
3	Accumulated other comprehensive income (and other reserves) (B)	1,291	3,529	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)	152	146	35
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend (C)	3,549	850	36
6	<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>57,823</b>	<b>57,356</b>	
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>				
7	Additional value adjustments (negative amount)	(493)	(323)	38
8	Intangible assets (net of related tax liability) (negative amount) (D)	(3,607)	(3,877)	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)	(3,087)	(2,967)	10
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	244	274	17-21
12	Negative amounts resulting from the calculation of expected loss amounts	-	-	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	105	104	39
15	Defined-benefit pension fund assets (negative amount)	(39)	(41)	37
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	(3,629)	(3,609)	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) (E)	(2,193)	(2,752)	
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	(112)	(166)	
EU-20b	<i>of which: qualifying holdings outside the financial sector (negative amount)</i>	-	-	
EU-20c	<i>of which: securitisation positions (negative amount)</i>	(112)	(157)	41
EU-20d	<i>of which: free deliveries (negative amount)</i>	(0)	(9)	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) (E)	(465)	(144)	
23	<i>of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities</i>	(307)	(100)	1-2-3
24	Not applicable			
25	<i>of which: deferred tax assets arising from temporary differences</i>	(158)	(44)	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 (F)	(846)	(827)	44
28	<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>(14,123)</b>	<b>(14,328)</b>	
29	<b>Common Equity Tier 1 (CET1) capital</b>	<b>43,700</b>	<b>43,028</b>	

## Quantitative disclosure section

# Own Funds

continued: Template EU CC1 - Composition of regulatory Own Funds

		(€ million)		
		a	b	
DESCRIPTION		AMOUNTS AS AT 31.12.2025	AMOUNTS AS AT 30.09.2025	SOURCE BASED ON REFERENCE NUMBERS/LETTERS OF THE BALANCE SHEET UNDER THE REGULATORY SCOPE OF CONSOLIDATION
<b>Additional Tier 1 (AT1) capital: instruments</b>				
30	Capital instruments and the related share premium accounts	4,951	4,960	26
31	<i>of which: classified as equity under applicable accounting standards</i>	4,951	4,960	
32	<i>of which: classified as liabilities under applicable accounting standards</i>	-	-	
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	26	25	45
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	-	
36	<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	<b>4,977</b>	<b>4,985</b>	
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>				
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	(20)	(29)	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	<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>	<b>(20)</b>	<b>(29)</b>	
44	<b>Additional Tier 1 (AT1) capital</b>	<b>4,956</b>	<b>4,957</b>	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>48,656</b>	<b>47,985</b>	
<b>Tier 2 (T2) capital: instruments</b>				
46	Capital instruments and the related share premium accounts	6,965	6,970	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	55	55	48
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	-	
50	Credit risk adjustments	772	783	49
51	<b>Tier 2 (T2) capital before regulatory adjustments</b>	<b>7,793</b>	<b>7,808</b>	
<b>Tier 2 (T2) capital: regulatory adjustments</b>				
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	(59)	(59)	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)	(85)	(86)	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	<b>Total regulatory adjustments to Tier 2 (T2) capital</b>	<b>(145)</b>	<b>(146)</b>	
58	<b>Tier 2 (T2) capital</b>	<b>7,648</b>	<b>7,662</b>	
59	<b>Total capital (TC = T1 + T2)</b>	<b>56,304</b>	<b>55,647</b>	
60	<b>Total Risk exposure amount</b>	<b>296,327</b>	<b>291,467</b>	

## Quantitative disclosure section

# Own Funds

continued: Template EU CC1 - Composition of regulatory Own Funds

		(€ million)	
		a	b
DESCRIPTION		AMOUNTS AS AT 31.12.2025	AMOUNTS AS AT 30.09.2025
		SOURCE BASED ON REFERENCE NUMBERS/LETTERS OF THE BALANCE SHEET UNDER THE REGULATORY SCOPE OF CONSOLIDATION	
<b>Capital ratios and requirements including buffers</b>			
61	Common Equity Tier 1 capital	14.75%	14.76%
62	Tier 1 capital	16.42%	16.46%
63	Total capital	19.00%	19.09%
64	Institution CET 1 overall capital requirements (G)	10.50%	10.49%
65	<i>of which: capital conservation buffer requirement</i>	2.50%	2.50%
66	<i>of which: countercyclical capital buffer requirement</i>	0.52%	0.50%
67	<i>of which: systemic risk buffer requirement</i>	0.35%	0.36%
EU-67a	<i>of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement</i>	1.50%	1.50%
EU-67b	<i>of which: additional own funds requirements to address the risks other than the risk of excessive leverage</i>	1.13%	1.13%
68	<b>Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements (H)</b>	<b>8.92%</b>	<b>8.96%</b>
<b>National minima (if different from Basel III)</b>			
69	Not applicable		
70	Not applicable		
71	Not applicable		
<b>Amounts below the thresholds for deduction (before risk weighting)</b>			
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)	4,128	4,213
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)	4,381	4,544
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)	2,253	1,989
<b>Applicable caps on the inclusion of provisions in Tier 2</b>			
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)	1,468	1,526
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	772	783
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 January 2014 and 1 January 2022)</b>			
80	Current cap on CET 1 instruments subject to phase out arrangements	-	-
81	Amount excluded from CET 1 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 2025 if not otherwise specified.

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 CRR eligibility conditions currently in force.

B.

The change compared to 30 September 2025 (negative for €2,239 million) mainly refers to the payment of 2025 interim cash dividend for 2,172 million.

C.

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

D.

The change compared to 30 September 2025 (positive for €270 million) mainly refers to the decrease of the goodwill deduction following the PPA process conclusion in relation to the Insurance companies internalization.

## Own Funds

E.

Reference shall 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.

F.

The amount reported in this item (equal to €846 million) mainly includes:

- the additional deduction - equal to €518 million - due to article 3 of CRR in accordance with ECB guidance to banks on non-performing loans;
- the prudential filter, negative for €65 million, on fair value gains and losses arising from the institution's own credit risk related to derivative liabilities.

G.

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

H.

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: 14.75%): (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 2024 and with the application of article 104a.4 of CRD 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 through the CET1 capital (equal to 0.20%).

The change compared to 30 September 2025 mainly depends on the following items: (i) increase in Common Equity Tier 1 Capital for €672 million and (ii) increase in Risk Weighted Exposures Amounts for €4,860 million.

Quantitative disclosure section

# Own Funds

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

(€ million)

DESCRIPTION	a		b			c	
	ACCOUNTING FIGURES (*)		AMOUNTS RELEVANT FOR OWN FUNDS PURPOSES (**)			REF. TO TEMPLATE EU CC1	NOTES (***)
	ACCOUNTING PERIMETER	REGULATORY PERIMETER	COMMON EQUITY TIER 1 (CET1)	ADDITIONAL TIER 1 (AT1)	TIER 2 (T2)		
<b>BALANCE SHEET - ASSETS</b>							
1	20 C. Financial assets at fair value through P&L mandatorily at fair value - Equity investments	332	332				
2	30. Financial assets at fair value through other comprehensive income - Equity investments	6,511	6,511	(2,500)	-	-	19-23 A
3	70. Investments in associates and joint ventures	13,972	16,844				
4	100. Intangible assets of which:	2,940	2,387	(3,607)	-	-	8
5	- Goodwill	843	293	(2,165)	-	-	B
6	- Other Intangible Assets	2,097	2,094	(1,442)	-	-	C
7	110. Deferred Tax assets of which mainly:	10,721	9,821	(3,245)	-	-	10-25 D
8	- Deferred tax assets that do not rely on future profitability	5,141	4,340	-	-	-	
9	- Multiple goodwill redemption	-	-	-	-	-	
10	- Deferred tax assets that rely on future profitability	5,580	5,481	(3,245)	-	-	
	<b>TOTAL ASSETS</b>	<b>870,238</b>	<b>824,245</b>				
<b>BALANCE SHEET - LIABILITIES</b>							
11	Subordinated Liabilities of which:						
12	- 10B. Deposits from customers						
13	- 10C. Debt securities issued	6,572	6,572	-	-	6,965	
14	- 30. Financial liabilities designated at fair value of which:						
15	- Eligible instruments	6,572	6,572	-	-	6,356	46 E
16	- Instruments subject to phase-out	-	-	-	-	-	EU-47b E
	<b>TOTAL LIABILITIES</b>	<b>802,129</b>	<b>756,126</b>				
<b>BALANCE SHEET - SHAREHOLDERS' EQUITY</b>							
17	120. Revaluation reserves of which mainly:	(4,172)	(4,262)	(4,028)	-	-	3-11 F
18	- Valuation reserves on debt and capital instruments at fair value through OCI	208	114	233	-	-	3
19	- Revaluation reserves of actuarial net losses	(2,572)	(2,572)	(2,587)	-	-	3
20	- Other positive items - Special revaluation laws and Property plant and equipment	1,864	1,856	1,893	-	-	3
21	- Cash flow hedge reserves	(262)	(262)	-	-	-	3-11
22	- Exchange differences	(3,363)	(3,363)	(3,439)	-	-	3
23	- Financial liabilities at fair value	(106)	(106)	(128)	-	-	3
24	- Reserves related to non-current assets held for sale and investments accounted for using the equity method	59	70	-	-	-	
25	140. Equity instruments of which:	4,952	4,952	-	4,951	-	
26	- Eligible instruments	4,952	4,952	-	4,951	-	30
27	- Instruments subject to grandfathering	-	-	-	-	-	EU-33b
28	150. Reserves of which:	37,573	37,573	37,541	-	-	
29	- Retained earnings	31,978	31,978	31,978	-	-	2
30	- Other reserves	5,594	5,594	5,563	-	-	3 F
31	160. Share premium	23	23	23	-	-	1
32	170. Issued capital	21,454	21,454	20,830	-	609	1
33	of which: Ordinary shares underlying the Usufruct contract (Cashes)	609	609	-	-	609	46 E
34	180. Treasury shares (-)	(2,934)	(2,934)	(3,629)	-	-	16
35	190. Minority interests	398	408	152	-	-	5 G
36	200. Net profit (loss) for the year (+/-)	10,915	10,915	3,549	-	-	EU-5a H
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>68,109</b>	<b>68,119</b>				
<b>OTHER ELEMENTS FOR RECONCILIATION WITH OWN FUNDS</b>							
	<b>Total other elements of which:</b>			<b>(1,387)</b>	<b>5</b>	<b>683</b>	
37	- Assets referred to defined benefit pension funds			(39)	-	-	15
38	- Additional value adjustments			(493)	-	-	7
39	- Prudential filters to Common Equity Tier 1 of which:			105	-	-	
40	- Own credit spread			105	-	-	14
41	- Deduction for securitisations			(112)	-	-	EU-20c
42	- Deduction for free deliveries			(0)	-	-	EU-20d
43	- Shortfall of expected losses vs provisions (IRB models)			-	-	-	12
44	- Other regulatory adjustments			(846)	-	-	27a I
45	- Instruments issued by subsidiaries included in Additional Tier 1			-	26	-	34
46	- Deduction for holdings in own Additional Tier 1 instruments			-	(20)	-	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			-	-	55	48
49	- Excess of provisions vs expected losses (IRB models)			-	-	772	50
50	- Deduction for holdings in own Tier 2 instruments			-	-	(59)	52
51	- Deduction for holdings of Tier 2 instruments of financial sector entities where the institution has a significant investment			-	-	(85)	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
	<b>Total transitional Own Funds</b>			<b>43,700</b>	<b>4,956</b>	<b>7,648</b>	

# Own Funds

**Notes:**

(\*) The differences between accounting and regulatory figures mainly depend on the composition of accounting (IFRS) and regulatory perimeters (Template EU LI3).

(\*\*) 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.

(\*\*\*) Notes related to column "Amounts relevant for Own Funds purposes".

The amounts reported as "TOTAL ASSETS", "TOTAL LIABILITIES" and "TOTAL SHAREHOLDERS' EQUITY" do not coincide with the sum the single items, where only those relevant for own funds calculation purposes are reported.

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

### A.

As at 31 December 2025, the amount of not significant investments in financial sector entities (Financial Sector Entity - FSE) does 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 €2,193 million) is deducted from the CET1 capital.

The amount of significant investments in financial sector entities (FSE) 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; hence, the exceedance (equal to €307 million) is deducted from the CET1 capital.

The overall amount of the deduction for significant investments in financial sector entities equal to €2,500 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.

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 2025, the amount of the deduction (equal to €2,165 million) is referred to (i) the goodwill incorporated into the valuation of significant investments and (ii) the goodwill generated from Alpha Bank, Aion Bank and Vodeno acquisitions.

### C.

The amount of deduction (equal to €1,442 million) refers to the methodology for the software assets CET1 capital deduction calculation in line with article 36(1)(b) of CRR (equal to €1,460 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 €3,245 million), expressed net of deferred tax liabilities based on CRR article 38, is related both to the deferred tax assets that do not arise from temporary differences and to the deferred tax assets that rely on future profitability and arise from temporary differences that exceed the regulatory thresholds for the CET1 deduction, together with the amount of significant investments in financial sector entities - ref. note A.

The amount of deduction (€3,245 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)" and "25. Amount exceeding the 17.65% threshold, of which: deferred tax assets arising from temporary differences" 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.

### E.

The amount of eligible instruments (equal to €6,965 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").

## Own Funds

This amount (equal to €6,965 million) is reconciled with the amount reported in Template EU CC1 - Composition of regulatory Own Funds and it is referred to:

- eligible instrument for €6,356 million and included in item “46. Capital instruments and the related share premium accounts” of the Template EU CC1 - Composition of regulatory 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 -€4,028 million) and “150. Reserves” for the component related to the “Other reserves” (equal to €5,563 million) is equal to €1,535 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 -€4,272 million) the prudential filter (equal to €244 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 €152 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 (negative for €846 million) is reconciled with item “27a Other regulatory adjustments” of Template EU CC1 - Composition of regulatory Own Funds and mainly includes:

- the additional deduction of CET1 Capital due to article 3 of CRR (equal to €518 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 €65 million).

Quantitative disclosure section

# Own Funds

## Countercyclical capital buffers

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

(€ million)

DESCRIPTION		a
1	Total risk exposure amount	296,327
2	Institution specific countercyclical capital buffer rate	0.52%
3	Institution specific countercyclical capital buffer requirement	1,541

# Own Funds

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

(€ million)

BREAKDOWN BY COUNTRY	a	b	c	d	e	f	g			h	i	j	k	l	m
	GENERAL CREDIT EXPOSURES		RELEVANT CREDIT EXPOSURES – MARKET RISK		SECURITISATION EXPOSURES VALUE FOR NON-TRADING BOOK	TOTAL EXPOSURE VALUE	31.12.2025			TOTAL	RISK-WEIGHTED EXPOSURE AMOUNTS	OWN FUNDS REQUIREMENT WEIGHTS (%)	COUNTERCYCLICAL CAPITAL BUFFER RATE (%)		
	EXPOSURE VALUE UNDER THE STANDARDISED APPROACH	EXPOSURE VALUE UNDER THE IRR APPROACH	SUM OF LONG AND SHORT POSITION OF TRADING BOOK FOR SA	VALUE OF TRADING BOOK EXPOSURE FOR INTERNAL MODELS			RELEVANT CREDIT RISK EXPOSURES - CREDIT RISK	RELEVANT CREDIT EXPOSURES – MARKET RISK	RELEVANT CREDIT EXPOSURES – SECURITISATION POSITIONS IN THE						
					NON-TRADING BOOK	TOTAL									
ABU DHABI	99	659	-	-	-	759	13	-	-	13	159	0.08	0.000%		
ALBANIA	1	0	-	-	-	1	0	-	-	0	1	0.00	0.500%		
ALGERIA	3	94	-	-	-	97	7	-	-	7	93	0.04	0.000%		
ARGENTINA	2	0	-	-	-	2	0	-	-	0	1	0.00	0.000%		
ARMENIA	0	3	-	-	-	3	0	-	-	0	1	0.00	1.750%		
AUSTRALIA	9	24	-	0	-	33	1	0	-	1	7	0.00	1.000%		
AUSTRIA	2,891	54,023	1	25	740	57,680	1,613	1	6	1,620	20,248	9.62	0.000%		
AZERBAIJAN	1	148	-	-	-	149	1	-	-	1	18	0.01	0.000%		
BAHAMA ISLANDS	2	-	-	-	-	2	0	-	-	0	1	0.00	0.000%		
BANGLADESH	0	7	-	-	-	7	1	-	-	1	6	0.00	0.000%		
BELARUS	0	19	-	-	-	19	0	-	-	0	2	0.00	0.000%		
BELGIUM	301	126	0	29	93	549	129	0	1	130	1,626	0.77	1.000%		
BERMUDA	895	18	-	-	-	913	6	-	-	6	77	0.04	0.000%		
BOSNIA AND HERCEGOVINA	3,652	0	-	-	-	3,652	204	-	-	204	2,550	1.21	0.000%		
BRAZIL	15	14	-	-	-	29	1	-	-	1	15	0.01	0.000%		
BRITISH VIRGIN ISLANDS	0	28	-	-	-	28	0	-	-	0	3	0.00	0.000%		
BULGARIA	10,871	1,091	-	2	1,996	13,959	575	0	17	592	7,405	3.52	2.000%		
CANADA	197	269	-	0	-	466	10	0	-	10	122	0.06	0.000%		
CAYMAN ISLANDS	90	-	-	-	-	90	8	-	-	8	106	0.05	0.000%		
CHILE	0	0	-	-	-	1	0	-	-	0	0	0.00	0.500%		
CHINA	25	0	-	-	-	25	1	-	-	1	12	0.01	0.000%		
COLOMBIA	3	6	-	-	-	10	1	-	-	1	7	0.00	0.000%		
CROATIA	12,332	309	-	-	-	12,642	642	-	-	642	8,026	3.81	1.500%		
CUBA	0	4	-	-	-	4	0	-	-	0	0	0.00	0.000%		
CYPRUS	20	290	-	-	-	310	13	-	-	13	158	0.08	1.000%		
CZECH REPUBLIC	1,865	18,303	-	8	797	20,974	615	1	6	622	7,776	3.70	1.250%		
DENMARK	140	815	0	16	-	971	123	0	-	123	1,536	0.73	2.500%		
ECUADOR	0	1	-	-	-	1	0	-	-	0	1	0.00	0.000%		
EGYPT	209	257	-	-	-	466	4	-	-	4	50	0.02	0.000%		
ESTONIA	1	0	-	-	-	1	0	-	-	0	0	0.00	1.500%		
ETHIOPIA	99	0	-	-	-	99	0	-	-	0	0	0.00	0.000%		
FINLAND	12	742	0	31	-	785	25	0	-	25	310	0.15	0.000%		
FRANCE	487	6,128	0	412	4,604	11,631	162	8	35	205	2,562	1.22	1.000%		
GEORGIA	2	4	-	-	-	6	1	-	-	1	7	0.00	1.000%		
GERMANY	4,488	102,379	1	221	16,620	123,709	2,561	7	138	2,706	33,820	16.07	0.750%		
GREECE	842	12	-	2	1	857	66	0	0	66	826	0.39	0.250%		
GUATEMALA	5	-	-	-	-	5	0	-	-	0	2	0.00	0.000%		
GUERNSEY	19	24	0	-	-	43	2	0	-	2	20	0.01	0.000%		

# Own Funds

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

(€ million)

BREAKDOWN BY COUNTRY	31.12.2025												
	GENERAL CREDIT EXPOSURES		RELEVANT CREDIT EXPOSURES – MARKET RISK		SECURITISATION EXPOSURES VALUE FOR NON-TRADING BOOK	TOTAL EXPOSURE VALUE	OWN FUNDS REQUIREMENTS				RISK-WEIGHTED EXPOSURE AMOUNTS	OWN FUNDS REQUIREMENT WEIGHTS (%)	COUNTERCYCLICAL CAPITAL BUFFER RATE (%)
	EXPOSURE VALUE UNDER THE STANDARDISED APPROACH	EXPOSURE VALUE UNDER THE IRR APPROACH	SUM OF LONG AND SHORT POSITION OF TRADING BOOK FOR SA	VALUE OF TRADING BOOK EXPOSURE FOR INTERNAL MODELS			RELEVANT CREDIT RISK EXPOSURES - CREDIT RISK	RELEVANT CREDIT EXPOSURES – MARKET RISK	RELEVANT CREDIT EXPOSURES – SECURITISATION POSITIONS IN THE				
					NON-TRADING BOOK								
GUINEA	4	-	-	-	-	4	0	-	-	0	0	0.00	0.000%
HONDURAS	0	5	-	-	-	5	0	-	-	0	0	0.00	0.000%
HONG KONG	5	33	-	-	-	38	3	-	-	3	35	0.02	0.500%
HUNGARY	4,506	3,774	-	2	-	8,282	324	0	-	324	4,048	1.92	1.000%
ICELAND	1	0	-	-	-	1	0	-	-	0	0	0.00	2.500%
INDIA	30	1	-	-	-	31	2	-	-	2	24	0.01	0.000%
INDONESIA	2	2	-	-	-	4	0	-	-	0	2	0.00	0.000%
IRAN	0	1	-	-	-	1	0	-	-	0	0	0.00	0.000%
IRAQ	0	18	-	-	-	18	1	-	-	1	12	0.01	0.000%
IRELAND	493	1,184	0	15	6,326	8,018	46	0	94	140	1,750	0.83	1.500%
ISRAEL	11	55	-	-	-	66	2	-	-	2	22	0.01	0.000%
ITALY	28,607	120,374	5	232	29,217	178,434	5,885	15	462	6,362	79,523	37.80	0.000%
JAPAN	9	29	-	2	-	39	1	0	-	1	7	0.00	0.000%
JERSEY	108	1	-	-	-	108	2	-	-	2	24	0.01	0.000%
JORDAN	0	6	-	-	-	6	1	-	-	1	7	0.00	0.000%
KAZAKHSTAN	12	5	-	-	-	17	1	-	-	1	19	0.01	0.000%
KENYA	1	0	-	-	-	1	0	-	-	0	1	0.00	0.000%
KUWAIT	0	7	-	-	-	7	0	-	-	0	3	0.00	0.000%
LATVIA	4	5	-	2	-	11	0	0	-	1	6	0.00	1.000%
LEBANON	1	1	-	-	-	2	0	-	-	0	2	0.00	0.000%
LIBERIA	0	271	-	-	-	271	7	-	-	7	93	0.04	0.000%
LIECHTENSTEIN, PRINCIPALITY OF	19	162	0	-	-	181	5	0	-	5	64	0.03	0.000%
LITHUANIA	2	0	-	-	-	2	0	-	-	0	1	0.00	1.000%
LUXEMBOURG	2,490	6,947	8	10	151	9,606	236	4	2	242	3,022	1.44	0.500%
MACEDONIA	1	0	-	-	-	1	0	-	-	0	1	0.00	1.750%
MALAYSIA	27	4	-	-	-	31	1	-	-	1	11	0.01	0.000%
MALTA	55	5	-	-	-	60	1	-	-	1	15	0.01	0.000%
MARSHALL ISLANDS	21	-	-	-	-	21	2	-	-	2	20	0.01	0.000%
MEXICO	30	160	-	3	-	193	6	0	-	6	74	0.04	0.000%
MONTENEGRO	1	0	-	-	-	1	0	-	-	0	1	0.00	0.500%
MOROCCO	13	82	-	-	-	96	6	-	-	6	69	0.03	0.000%
NETHERLANDS	446	6,922	-	108	799	8,275	177	0	6	184	2,301	1.09	2.000%
NEW ZEALAND	2	0	-	-	-	2	0	-	-	0	1	0.00	0.000%
NIGERIA	0	4	-	-	-	4	0	-	-	0	4	0.00	0.000%
NORWAY	87	754	-	35	-	876	12	0	-	13	157	0.07	2.500%
OMAN	0	13	-	-	-	13	1	-	-	1	10	0.00	0.000%
PAKISTAN	0	9	-	-	-	9	1	-	-	1	11	0.01	0.000%
PANAMA	416	304	-	-	-	720	5	-	-	5	59	0.03	0.000%

# Own Funds

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

(€ million)

BREAKDOWN BY COUNTRY	31.12.2025												
	GENERAL CREDIT EXPOSURES		RELEVANT CREDIT EXPOSURES – MARKET RISK		SECURITISATION EXPOSURES VALUE FOR NON-TRADING BOOK	TOTAL EXPOSURE VALUE	OWN FUNDS REQUIREMENTS				RISK-WEIGHTED EXPOSURE AMOUNTS	OWN FUNDS REQUIREMENT WEIGHTS (%)	COUNTERCYCLICAL CAPITAL BUFFER RATE (%)
	EXPOSURE VALUE UNDER THE STANDARDISED APPROACH	EXPOSURE VALUE UNDER THE IRRB APPROACH	SUM OF LONG AND SHORT POSITION OF TRADING BOOK FOR SA	VALUE OF TRADING BOOK EXPOSURE FOR INTERNAL MODELS			RELEVANT CREDIT RISK EXPOSURES - CREDIT RISK	RELEVANT CREDIT EXPOSURES – MARKET RISK	RELEVANT CREDIT EXPOSURES – SECURITISATION POSITIONS IN THE				
					NON-TRADING BOOK								
PERU	4	2	-	-	-	5	0	-	-	0	2	0.00	0.000%
PHILIPPINES	1	5	-	-	-	6	0	-	-	0	5	0.00	0.000%
POLAND	516	1,298	-	3	-	1,817	321	0	-	321	4,015	1.91	1.000%
PORTUGAL	13	164	-	16	66	259	4	0	1	5	58	0.03	0.000%
QATAR	2	161	-	-	-	163	3	-	-	3	37	0.02	0.000%
ROMANIA	13,307	119	-	2	-	13,429	703	0	-	703	8,785	4.18	1.000%
RUSSIA	726	971	-	0	-	1,696	72	0	-	72	906	0.43	0.500%
SAN MARINO	5	15	-	-	-	19	1	-	-	1	13	0.01	0.000%
SAUDI ARABIA	8	120	-	-	-	128	1	-	-	1	16	0.01	0.000%
SENEGAL	0	9	-	-	-	9	0	-	-	0	2	0.00	0.000%
SERBIA	3,921	730	-	0	-	4,651	260	0	-	260	3,252	1.55	0.000%
SINGAPORE	348	906	-	15	-	1,269	20	-	-	20	255	0.12	0.000%
SLOVAKIA	816	7,038	-	1	628	8,482	203	0	5	208	2,604	1.24	1.500%
SLOVENIA	1,758	718	-	-	-	2,476	93	-	-	93	1,162	0.55	1.000%
SOUTH AFRICAN REPUBLIC	3	1	-	14	-	18	1	0	-	1	7	0.00	0.000%
SOUTH KOREA	4	0	-	2	-	6	0	0	-	0	5	0.00	1.000%
SPAIN	166	3,158	-	119	1,250	4,693	93	2	12	106	1,330	0.63	0.500%
SWEDEN	33	1,440	-	47	-	1,519	35	0	-	35	437	0.21	2.000%
SWITZERLAND	424	6,059	0	19	-	6,502	143	0	-	144	1,798	0.85	0.000%
TAIWAN	4	7	-	-	-	11	1	-	-	1	7	0.00	0.000%
TANZANIA	0	2	-	-	-	2	0	-	-	0	1	0.00	0.000%
THAILAND	1	23	-	-	-	24	3	-	-	3	33	0.02	0.000%
TUNISIA	13	29	-	-	-	42	3	-	-	3	38	0.02	0.000%
TURKEY	103	272	-	-	-	375	10	-	-	10	122	0.06	0.000%
U. S. A.	1,238	8,032	0	154	13	9,437	235	5	0	240	2,999	1.43	0.000%
UKRAINE	0	4	-	-	-	5	0	-	-	0	2	0.00	0.000%
UNITED KINGDOM	3,581	7,990	-	320	66	11,956	234	2	4	239	2,991	1.42	2.000%
URUGUAY	0	22	-	-	-	22	0	-	-	0	4	0.00	0.000%
UZBEKISTAN	0	76	-	-	-	76	1	-	-	1	10	0.00	0.000%
VIET-NAM	1	13	-	-	-	14	1	-	-	1	12	0.01	0.000%
Other States	250	6	0	0	2,963	3,220	12	0	30	42	528		

# 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 recapitalise 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 2025, 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:
  - 22.18% of total risk exposure amount (TREA) to which the combined capital reserve applicable to the UniCredit group (4.87%) at the reference date is added; therefore, the total minimum requirement applicable as at 31 December 2025 is 27.05%;
  - 5.98% of the total exposure measure (TEM).  
As at 31 December 2025 the applicable requirement to the UniCredit group is based on TREA.
- **MREL subordinated requirement**, equal to the maximum between:
  - 14.49% TREA to which the combined capital reserve applicable to the UniCredit group (4.87%) at the reference date is added; therefore, the total minimum requirement applicable as at 31 December 2025 is 19.36%;
  - 5.98% of the total exposure measure TEM.  
As at 31 December 2025 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 2025 for the amount related to the regulatory amortization not included in the Own Funds, according to CRR 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 CRR article 72b.

### MREL requirements (at resolution Group level)

The resolution strategy for UniCredit group is the Single Point of Entry (SPE) and it is 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 2025 amounts to:

- 30.59% in terms of TREA and it is above the applicable requirement at the same date equal to 27.05%;
- 10.00% in terms of TEM and it is above the applicable requirement at the same date equal to 5.98%.

The subordinated MREL ratio as at 31 December 2025 amounts to:

- 22.71% in terms of TREA and it is above the applicable requirement at the same date equal to 19.36%;
- 7.42% in terms of TEM and it is above of the applicable requirement of 5.98%.

## Quantitative disclosure section

# Own Funds

### Template EU KM2 - Key metrics

		(€ million)
		31.12.2025
		MINIMUM REQUIREMENT FOR OWN FUNDS AND ELIGIBLE LIABILITIES (MREL)
		a
<b>OWN FUNDS AND ELIGIBLE LIABILITIES, RATIOS AND COMPONENTS</b>		31.12.2025
1	Own Funds and eligible liabilities	90,655
EU-1a	<i>of which Own Funds and subordinated liabilities</i>	67,295
2	Total risk exposure amount of the resolution group (TREA)	296,327
3	Own Funds and eligible liabilities as a percentage of TREA	30.59%
EU-3a	<i>of which Own Funds and subordinated liabilities</i>	22.71%
4	Total exposure measure (TEM) of the resolution group	906,925
5	Own Funds and eligible liabilities as percentage of the TEM	10.00%
EU-5a	<i>of which Own Funds or subordinated liabilities</i>	7.42%
<b>Minimum requirement for Own Funds and eligible liabilities (MREL)</b>		
EU-7	MREL expressed as percentage of the TREA	27.05%
EU-8	<i>of which to be met with Own Funds or subordinated liabilities</i>	19.36%
EU-9	MREL expressed as percentage of the TEM	5.98%
EU-10	<i>of which to be met with Own Funds or subordinated liabilities</i>	5.98%

### Template EU TLAC1 - Composition (at resolution group level)

		(€ million)
		31.12.2025
		MINIMUM REQUIREMENT FOR OWN FUNDS AND ELIGIBLE LIABILITIES (MREL)
<b>Own Funds and eligible liabilities and adjustments</b>		
1	Common Equity Tier 1 capital (CET1)	43,700
2	Additional Tier 1 capital (AT1)	4,956
6	Tier 2 capital (T2)	7,648
11	<b>Own Funds for the purpose of articles 92a CRR and 45 BRRD arising from regulatory capital instruments (A)</b>	<b>56,304</b>
<b>Own Funds and eligible liabilities: Non-regulatory capital elements</b>		
12	Eligible liabilities instruments issued directly by the resolution entity that are subordinated to excluded liabilities (not grandfathered) (B)	11,221
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)	24,275
EU13a	Eligible liabilities that are not subordinated to excluded liabilities, issued prior to 27 June 2019 and grandfathered (pre-cap)	482
14	Amount of non subordinated eligible liabilities instruments, where applicable after application of article 72b (3) CRR (C)	24,757
17	<b>Eligible liabilities items before adjustments</b>	<b>35,978</b>
EU17a	<i>of which subordinated liabilities items</i>	11,221
<b>Own Funds and eligible liabilities: Adjustments to non-regulatory capital elements</b>		
18	Own Funds and eligible liabilities items before adjustments	92,283
19	(Deduction of exposures between MPE resolution groups)	-
20	(Deduction of investments in other eligible liabilities instruments) (D)	(1,627)
22	<b>Own Funds and eligible liabilities after adjustments</b>	<b>90,655</b>
EU-22a	<i>Of which own funds and subordinated</i>	67,295
<b>Risk-weighted exposure amount and Leverage exposure measure of the resolution group</b>		
23	Total risk exposure amount (TREA)	296,327
24	Total exposure measure (TEM)	906,925
<b>Ratio of Own Funds and eligible liabilities</b>		
25	Own Funds and eligible liabilities as a percentage of TREA	30.59%
EU-25a	<i>Of which own funds and subordinated</i>	22.71%
26	Own funds and eligible liabilities as a percentage of TEM	10.00%
EU-26a	<i>Of which own funds and subordinated</i>	7.42%
27	CET1 (as a percentage of TREA) available after meeting the resolution group's requirements (E)	8.33%

## Quantitative disclosure section

# 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 €11,221 million, related to the MREL subordinated eligible liabilities issued by UniCredit S.p.A., includes Senior non-Preferred instruments.

C.

The amount of €24,757 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 €1,627 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 2025 - 30 September 2026 for an amount equal to €2,000 million (€250 million for the Senior non-Preferred and €1,750 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	
DESCRIPTION OF THE INSOLVENCY RANKING	EQUITY	SUBORDINATED DEBTS (D)	SENIOR UNPREFERRED DEBTS	UNSECURED DEBTS	TOTAL
1 Liabilities and Own Funds (B)	49,723	11,595	11,553	92,896	165,768
2 of which: excluded liabilities	-	-	-	64	64
3 Liabilities and Own Funds less excluded liabilities	49,723	11,595	11,553	92,832	165,703
4 Subset of liabilities and Own Funds less excluded liabilities that are Own Funds and liabilities potentially eligible for meeting MREL - of which:(C)	49,723	11,307	11,221	24,275	96,527
5 - residual maturity ≥ 1 year < 2 years	-	-	2,556	5,548	8,104
6 - residual maturity ≥ 2 year < 5 years	-	-	3,837	9,369	13,206
7 - residual maturity ≥ 5 years < 10 years	-	5,340	4,827	8,536	18,704
8 - residual maturity ≥ 10 years but excluding perpetual securities	-	1,016	-	822	1,838
9 - perpetual securities	49,723	4,951	-	-	54,674

### 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 inclusive 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.



Quantitative disclosure section

# Key metrics and overview of Risk Weighted Exposure Amounts

Template EU KM1 - Key metrics

(€ million)

DESCRIPTION	a	b	c	d	e
	31.12.2025	30.09.2025	30.06.2025	31.03.2025	31.12.2024
<b>Available Own Funds (amounts)</b>					
1 Common Equity Tier 1 (CET1) capital	43,700	43,028	46,096	46,288	44,221
2 Tier 1 capital	48,656	47,985	51,056	52,238	49,176
3 Total capital	56,304	55,647	58,594	59,482	56,554
<b>Risk-weighted exposure amounts</b>					
4 Total risk exposure amount	296,327	291,467	287,743	287,021	277,093
4a Total risk exposure pre-floor	296,327	291,467	287,743	287,021	
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>					
5 Common Equity Tier 1 ratio (%)	14.75%	14.76%	16.02%	16.13%	15.96%
5a <i>Not applicable</i>					
5b Common Equity Tier 1 ratio considering unfloored TREA (%)	14.75%	14.76%	16.02%	16.13%	
6 Tier 1 ratio (%)	16.42%	16.46%	17.74%	18.20%	17.75%
6a <i>Not applicable</i>					
6b Tier 1 ratio considering unfloored TREA (%)	16.42%	16.46%	17.74%	18.20%	
7 Total capital ratio (%)	19.00%	19.09%	20.36%	20.72%	20.41%
7a <i>Not applicable</i>					
7b Total capital ratio considering unfloored TREA (%)	19.00%	19.09%	20.36%	20.72%	
<b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</b>					
EU 7d 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 7e <i>Of which: to be made up of CET1 capital (%)</i>	1.13%	1.13%	1.13%	1.13%	1.13%
EU 7f <i>Of which: to be made up of Tier 1 capital (%)</i>	1.50%	1.50%	1.50%	1.50%	1.50%
EU 7g Total SREP own funds requirements (%)	10.00%	10.00%	10.00%	10.00%	10.00%
<b>Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)</b>					
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 (%)	0.52%	0.50%	0.46%	0.46%	0.46%
EU 9a Systemic risk buffer (%)	0.35%	0.36%	0.37%	0.23%	0.20%
10 Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a Other Systemically Important Institution buffer (%)	1.50%	1.50%	1.50%	1.50%	1.50%
11 Combined buffer requirement (%)	4.87%	4.86%	4.84%	4.70%	4.66%
EU 11a Overall capital requirements (%)	14.87%	14.86%	14.84%	14.70%	14.66%
12 CET1 available after meeting the total SREP own funds requirements (%)	8.92%	8.96%	10.24%	10.50%	10.25%
<b>Leverage ratio</b>					
13 Total exposure measure	906,925	919,776	896,716	884,800	878,288
14 Leverage ratio (%)	5.36%	5.22%	5.69%	5.90%	5.60%
<b>Additional Own Funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)</b>					
EU 14a Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU 14b <i>of which: to be made up of CET1 capital (percentage points)</i>	-	-	-	-	-
EU 14c Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>					
EU 14d Leverage ratio buffer requirement (%)	-	-	-	-	-
EU 14e Overall leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
<b>Liquidity Coverage Ratio</b>					
15 Total high-quality liquid assets (HQLA) (Weighted value-average)	157,729	158,200	158,368	161,131	162,603
EU 16a Cash outflows - Total weighted value	169,430	167,333	166,830	166,016	166,295
EU 16b Cash inflows - Total weighted value	58,238	56,260	55,131	53,577	53,592
16 Total net cash outflows (adjusted value)	111,192	111,073	111,699	112,439	112,703
17 Liquidity Coverage Ratio (%)	142%	142%	142%	143%	144%
<b>Net Stable Funding Ratio</b>					
18 Total available stable funding	552,502	551,049	546,635	535,551	537,152
19 Total required stable funding	442,573	431,298	427,841	420,569	419,551
20 NSFR ratio (%)	125%	128%	128%	127%	128%

Notes:

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

## Quantitative disclosure section

# Key metrics and overview of Risk Weighted Exposure Amounts

As at fourth quarter 2025, the amount of Group RWEA stood at €296.3 billion, showing an increase vs the third quarter 2025 by +€4.9 billion, as result of the following items:

- Credit and Counterparty risk RWEAs rose by +€1.4 billion (rows 1, 6, 16) as result of: (i) increase in Credit risk for +€1.9 billion, mainly driven by higher commercial volumes, partially offset by new securitisations in Italy and Austria; (ii) decrease in Counterparty risk for -€0.6 billion, mostly following lower derivative exposures in Germany under IMM approaches;
- Market risk RWEAs increased by +€0.5 billion (rows 10, 15, 20), mainly relating to the IMA Approach principally driven by portfolio changes in Italy and Germany;
- Operational risk RWEAs raised by +€3.0 billion (row 24), driven by the growth in the 3-year average Group P&L items (included in the Business Indicator) for the period 2023-2025.

### Template EU OV1 - Overview of total risk exposure amounts

DESCRIPTION		TOTAL RISK EXPOSURE AMOUNTS (TREA)		TOTAL OWN FUNDS REQUIREMENTS
		a	b	c
		31.12.2025	30.09.2025	31.12.2025
1	<b>Credit risk (excluding CCR)</b>	<b>218,797</b>	<b>216,862</b>	<b>17,504</b>
2	<i>Of which the standardised approach</i>	87,016	84,904	6,961
3	<i>Of which the foundation IRB (F-IRB) approach</i>	46,908	47,182	3,753
4	<i>Of which slotting approach</i>	1,911	1,757	153
EU 4a	<i>Of which equities under the simple risk weighted approach</i>	-	-	-
5	<i>Of which the advanced IRB (A-IRB) approach</i>	71,031	72,311	5,682
6	<b>Counterparty credit risk - CCR</b>	<b>6,479</b>	<b>7,098</b>	<b>518</b>
7	<i>Of which the standardised approach</i>	1,218	1,308	97
8	<i>Of which internal model method (IMM)</i>	4,675	5,050	374
EU 8a	<i>Of which exposures to a CCP</i>	450	562	36
9	<i>Of which other CCR</i>	136	178	11
10	<b>Credit valuation adjustments risk - CVA risk</b>	<b>956</b>	<b>975</b>	<b>77</b>
EU 10a	<i>Of which the standardised approach (SA)</i>	735	807	59
EU 10b	<i>Of which the basic approach (F-BA and R-BA)</i>	221	168	18
EU 10c	<i>Of which the simplified approach</i>	-	-	-
11	<i>Not applicable</i>			
12	<i>Not applicable</i>			
13	<i>Not applicable</i>			
14	<i>Not applicable</i>			
15	<b>Settlement risk</b>	<b>12</b>	<b>17</b>	<b>1</b>
16	<b>Securitisation exposures in the non-trading book (after the cap)</b>	<b>9,936</b>	<b>9,885</b>	<b>795</b>
17	<i>Of which SEC-IRBA approach</i>	4,350	4,165	348
18	<i>Of which SEC-ERBA (including IAA)</i>	2,836	2,832	227
19	<i>Of which SEC-SA approach</i>	2,441	2,483	195
EU 19a	<i>Of which 1250%/deduction</i>	-	-	-
	<i>Of which Specific treatment for senior tranches of qualifying NPE securitisations</i>	309	405	25
20	<b>Position, foreign exchange and commodities risks (Market risk)</b>	<b>9,818</b>	<b>9,303</b>	<b>785</b>
21	<i>Of which the Alternative standardised approach (A-SA)</i>			
EU 21a	<i>Of which the Simplified standardised approach (S-SA)</i>			
22	<i>Of which the Alternative Internal Models Approach (A-IMA)</i>			
EU 22a	<b>Large exposures</b>	-	-	-
23	<b>Reclassifications between the trading and non-trading books</b>	-	-	-
24	<b>Operational risk</b>	<b>50,291</b>	<b>47,303</b>	<b>4,023</b>
EU 24a	<b>Exposure to crypto assets</b>	<b>37</b>	<b>24</b>	<b>3</b>
25	<b>Amounts below the thresholds for deduction (subject to 250% risk weight)</b>	<b>16,595</b>	<b>16,344</b>	<b>1,328</b>
26	<b>Output floor applied (%)</b>	<b>50.00%</b>	<b>50.00%</b>	
27	<b>Floor adjustment (before application of transitional cap)</b>	-	-	
28	<b>Floor adjustment (after application of transitional cap)</b>	-	-	
29	<b>Total</b>	<b>296,327</b>	<b>291,467</b>	<b>23,706</b>

# Key metrics and overview of Risk Weighted Exposure Amounts

## Notes to the template EU OV1:

1. With reference to the row "Of which Specific treatment for senior tranches of qualifying NPE securitisations", in June 2022, the EBA published the updated Reporting framework (DPM 3.2), requiring specific reporting information about Risk Weighted Exposures Amounts of the senior tranche of NPE securitisation qualifying for specific prudential purposes (Common Reporting - COREP). In this regard, starting from June 2023 UniCredit group discloses RWEA and Own Funds requirements 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).

## Template EU CMS1 - Comparison of modelled and standardised risk weighted exposure amounts at risk level

		(€ million)				
DESCRIPTION		a	b	c	d	EU d
		RWEAs FOR MODELLED APPROACHES THAT BANKS HAVE SUPERVISORY APPROVAL TO USE	RWEAs FOR PORTFOLIOS WHERE STANDARDISED APPROACHES ARE USED	TOTAL ACTUAL RWEAs (a + b)	RWEAs CALCULATED USING FULL STANDARDISED APPROACH	RWEAs THAT IS THE BASE OF THE OUTPUT FLOOR
1	Credit risk (excluding counterparty credit risk)	123,882	87,016	210,898	315,099	290,365
2	Counterparty credit risk	4,836	1,643	6,479	22,585	18,271
3	Credit valuation adjustment		956	956	956	956
4	Securitisation exposures in the banking book	5,145	4,790	9,936	19,769	13,999
5	Market risk	3,695	6,038	9,733	16,412	16,412
6	Operational risk		50,291	50,291	50,291	50,291
7	Other risk weighted exposure amounts		435	435	435	435
<b>8</b>	<b>Total as at 31.12.2025</b>	<b>137,558</b>	<b>151,169</b>	<b>288,728</b>	<b>425,547</b>	<b>390,730</b>
	<b>Total as at 30.09.2025</b>	<b>138,628</b>	<b>145,938</b>	<b>284,566</b>	<b>416,526</b>	<b>381,924</b>

The template EU CMS1 provides an overview of the Group Risk Weighted Exposure Amounts split by risk type, showing the comparison between:

- actual RWEAs, calculated with internal models approved by the Competent Authority (column a);
- actual RWEAs, calculated with standardised approaches (column b);
- total RWEA differs from the amount disclosed in the EU OV1 template (row 29 – column a) as the template EU CMS1 excludes "Other risk weighted exposure amounts" for Modelled Approaches in line with Commission implementing Regulation (EU) 2024/3172;
- full standard RWEAs fully-loaded (column d), which include the calculation of the overall portfolio by adopting the standard approach (also IRB exposures are treated with standard approach) according to article 92(5) and without taking into account the following transitional provisions introduced by article 465 CRR3:
  - unrated corporates: application of the 65% risk weight with PD estimates lower than 0.5%
  - derivatives: alpha factor by 1 instead of 1.4 in the calculation of the exposure value;
  - securitisations: lower "p" factors (from 1 to 0.5/0.25) applied on STS (Simple, Transparent, Standardised), i.e. securitisations admitted to a preferential risk weight, and no-STs securitisation;
  - exposures secured by mortgages on residential property: preferential risk weights on specific exposures secured by mortgages;
  - output floor %: corresponds to the output floor percentage, which will be fixed at 72.5% starting from 2030. Until 2030 this percentage will be subject to a transitional provision according to article 465 (e.g. 50% in 2025);
- RWEAs that are the base of the output floor ("full standard transitional" in column EU d), which include the calculation of the overall portfolio with standard approach (also IRB exposures are treated with standard approach) according to article 92(5) and taking into account the above-mentioned transitional provisions introduced by article 465 CRR3.

RWEAs calculated according to the criteria of the full standard transitional (2025) and full standard fully-loaded (2033) are based on static exposures, without considering evolution related to the balance sheet of the Bank.

## Key metrics and overview of Risk Weighted Exposure Amounts

## Template EU CMS2 - Comparison of modelled and standardised risk weighted exposure amounts for credit risk at asset class level

(€ million)

DESCRIPTION	a	b	c	d	EU d	
	RISK WEIGHTED EXPOSURE AMOUNTS (RWEAs)					
	RWEAs FOR MODELLED APPROACHES THAT INSTITUTIONS HAVE SUPERVISORY APPROVAL TO USE	RWEAs FOR COLUMN (a) IF RE-COMPUTED USING THE STANDARDISED APPROACH	TOTAL ACTUAL RWEAs	RWEAs CALCULATED USING FULL STANDARDISED APPROACH	RWEAs THAT IS THE BASE OF THE OUTPUT FLOOR	
1	Central governments and central banks	1,348	1,112	14,781	14,544	14,544
EU 1a	Regional governments or local authorities	-	7	424	432	432
EU 1b	Public sector entities	282	443	1,398	1,560	1,560
EU 1c	Categorised as Multilateral Development Banks in SA	-	-	-	-	-
EU 1d	Categorised as International organisations in SA	-	-	-	-	-
2	Institutions	6,007	4,877	6,899	5,769	5,769
3	Equity	-	-	14,282	14,282	14,282
4	Not applicable					
5	Corporates	80,378	95,804	101,132	137,253	116,558
5.1	<i>of which: F-IRB is applied</i>	40,659	69,155	40,659	84,660	69,155
5.2	<i>of which: A-IRB is applied</i>	39,719	69,788	39,719	73,215	69,788
EU 5a	<i>of which: Corporates - General</i>	73,828	89,033	93,060	109,728	89,033
EU 5b	<i>of which: Corporates - Specialised lending</i>	5,384	6,771	6,906	8,293	8,293
EU 5c	<i>of which: Corporates - Purchased receivables</i>	1,166	3,917	1,166	5,385	3,917
6	Retail	31,834	20,596	42,823	31,584	31,584
6.1	<i>of which: Retail - Qualifying revolving</i>	723	435	723	435	435
EU 6.1a	<i>of which: Retail - Purchased receivables</i>	-	-	-	-	-
EU 6.1b	<i>of which: Retail - Other</i>	14,661	15,269	14,661	15,269	15,269
6.2	<i>of which: Retail - Secured by residential real estate</i>	16,450	18,430	16,450	18,430	18,430
7	Not applicable					
EU 7a	Categorised as secured by immovable properties and ADC exposures in SA	-	66,068	13,359	83,465	79,427
EU 7b	Collective investment undertakings (CIU)	125	94	2,911	2,880	2,880
EU 7c	Categorised as exposures in default in SA	-	5,340	1,037	6,378	6,378
EU 7d	Categorised as subordinated debt exposures in SA	-	0	28	28	28
EU 7e	Categorised as covered bonds in SA	-	3,090	4	3,095	3,095
EU 7f	Categorised as claims on institutions and corporates with a short-term credit assessment in SA	-	2,011	309	2,320	2,320
8	Others	3,908	3,907	11,511	11,510	11,510
9	<b>Total as at 31.12.2025</b>	<b>123,882</b>	<b>203,350</b>	<b>210,898</b>	<b>315,099</b>	<b>290,365</b>
	<b>Total as at 30.09.2025</b>	<b>125,145</b>	<b>198,709</b>	<b>210,050</b>	<b>307,752</b>	<b>283,613</b>

The template EU CMS2 provides an overview of the Group Risk Weighted Exposure Amounts focusing only on credit risk, reporting the breakdown by exposure class as defined in article 147 CRR3.

The information reported in the columns is the same as in template EU CMS1, except for column b, which includes actual RWEAs arising from IRB exposures, re-calculated with standardised approaches (instead of the actual RWEAs calculated with standardised approaches).

## Quantitative disclosure section

# Key metrics and overview of Risk Weighted Exposure Amounts

## Specialised lending and equity exposures

### Template EU CR10 - Specialised lending and equity exposures (CR10.2)

(€ million)

SPECIALISED LENDING: INCOME-PRODUCING REAL ESTATE AND HIGH VOLATILITY COMMERCIAL REAL ESTATE (SLOTING APPROACH)							
REGULATORY CATEGORIES	REMAINING MATURITY	ON-BALANCE SHEET EXPOSURE	OFF-BALANCE SHEET EXPOSURE	RISK WEIGHT	EXPOSURE VALUE	RISK WEIGHTED EXPOSURE AMOUNT	EXPECTED LOSS AMOUNT
		a	b	c	d	e	f
Category 1	Less than 2.5 years	487	85	50%	521	254	-
	Equal to or more than 2.5 years	537	17	70%	541	375	2
Category 2	Less than 2.5 years	790	506	70%	992	681	4
	Equal to or more than 2.5 years	385	109	90%	405	345	3
Category 3	Less than 2.5 years	161	44	115%	178	204	5
	Equal to or more than 2.5 years	19	-	115%	19	19	1
Category 4	Less than 2.5 years	2	29	250%	13	33	1
	Equal to or more than 2.5 years	-	-	250%	-	-	-
Category 5	Less than 2.5 years	0	-	-	0	-	0
	Equal to or more than 2.5 years	-	-	-	-	-	-
<b>Total as at 31.12.2025</b>	<b>Less than 2.5 years</b>	<b>1,439</b>	<b>665</b>		<b>1,704</b>	<b>1,173</b>	<b>10</b>
	<b>Equal to or more than 2.5 years</b>	<b>941</b>	<b>126</b>		<b>965</b>	<b>738</b>	<b>6</b>
<b>Total as at 30.06.2025</b>	<b>Less than 2.5 years</b>	<b>1,694</b>	<b>739</b>		<b>1,730</b>	<b>1,225</b>	<b>15</b>
	<b>Equal to or more than 2.5 years</b>	<b>822</b>	<b>99</b>		<b>837</b>	<b>635</b>	<b>5</b>

The template EU CR10.1 "Specialised lending: project finance (slotting approach)", template EU CR10.3 "Specialised lending: Object Finance (slotting approach) and EU CR10.4 "Specialised lending: commodities finance (slotting approach)" are not reported as the Group does not hold exposures as at 31 December 2025.

### Template EU CR10 - Specialised lending and equity exposures (CR10.5)

(€ million)

Equity exposures under Articles 133 (3) to (6) and 495a(3) CRR			
Equity exposures	ON-BALANCE SHEET EXPOSURE	OFF-BALANCE SHEET EXPOSURE	RISK WEIGHTED EXPOSURE AMOUNT
	a	b	c
Total as at 31.12.2025	7,884	5	14,282
Total as at 30.06.2025	8,496	6	15,453

# Key metrics and overview of Risk Weighted Exposure Amounts

## Crypto-asset exposures

### Template EU CAE1 - Exposures to crypto-assets

(€ million)

TYPE OF EXPOSURES	EXPOSURE VALUE	RISK WEIGHTED EXPOSURES AMOUNTS (RWEA)	OWN FUNDS REQUIREMENTS
	a	b	c
1 Tokenised traditional assets	-	-	-
2 Asset referenced tokens	-	-	-
3 Exposures to other crypto assets	3	37	3
<b>4 Total as at 31.12.2025</b>	<b>3</b>	<b>37</b>	<b>3</b>
<b>Memorandum item</b>			
5 Exposures to other crypto assets expressed as a percentage of the institutions's T1 capital	0.01%		

The direct and indirect exposure amounts in relation to crypto-assets at the end of December 2025 are reported below:

- Long Delta Equivalent: €4.205 million;
- Short Delta Equivalent: -€4.198 million;
- Net Delta Equivalent: €0.007 million.

Exposure to crypto assets is classified as FVTPL (Fair Value Through Profit and Loss).

In the context of crypto-assets, the Bank's commercial activity is primarily focused on the issuance of capital-protected structured financial instruments, specifically 100% capital-protected notes linked to ETPs (Exchange Traded Products) referencing crypto-assets or related indices. Indirect access to crypto-related securities is offered by UniCredit Brokerage in two forms:

- Listed Derivatives eligible clients can trade in regulated markets through brokerage; market access is offered in Bitcoin and Ether-related futures, listed on EUREX<sup>14</sup> and CME<sup>15</sup>. Total client activity has been zero in the last 12 months;
- ETP (Exchange Traded Products)/ETN (Exchange Traded Note)/ETC (Exchange Traded Commodity) eligible clients can trade on regulated markets a large number of securities, related to crypto-currencies in various degrees.

The policies, controls and risk-management methodologies applicable to crypto-asset exposures are integrated within the Group's Market Risk Framework, covered by the Global Policy "Group Market Risk Governance Guidelines". This integration ensures that crypto-asset positions are subject to the same prudential criteria applied to other market-risk factors, including the processes for identifying, measuring, monitoring and controlling risk.

<sup>14</sup> EUREX (European Exchange) is one of the main derivatives exchanges for financial contracts like Exchange traded funds, options, futures.

<sup>15</sup> CME (Chicago Mercantile Exchange) is an American derivatives marketplace.



# Credit risk

## Exposures to credit risk, dilution risk and credit quality

### Template EU CQ1 - Credit quality of forborne exposures

(€ million)

DESCRIPTION	GROSS CARRYING AMOUNT/NOMINAL AMOUNT OF 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 FORBORN EXPOSURES	
	PERFORMING FORBORNE	NON-PERFORMING FORBORNE		ON PERFORMING FORBORNE EXPOSURES	ON NON-PERFORMING FORBORNE EXPOSURES		OF WHICH COLLATERAL AND FINANCIAL GUARANTEES RECEIVED ON NON-PERFORMING EXPOSURES WITH FORBEARANCE MEASURES	
		OF WHICH DEFAULTED	OF WHICH IMPAIRED					
005 Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010 Loans and advances	5,563	4,097	4,097	4,088	(388)	(1,705)	4,279	1,402
020 Central banks	-	-	-	-	-	-	-	-
030 General governments	14	10	10	10	(0)	(7)	0	-
040 Credit institutions	-	-	-	-	-	-	-	-
050 Other financial corporations	465	62	62	55	(32)	(36)	309	5
060 Non-financial corporations	4,615	3,389	3,389	3,388	(313)	(1,446)	3,328	1,088
070 Households	470	635	635	635	(43)	(216)	643	310
080 Debt Securities	9	5	5	5	(0)	(2)	5	2
090 Loan commitments given	745	321	321	321	7	62	207	23
100 Total as at 31.12.2025	6,317	4,422	4,422	4,414	(395)	(1,769)	4,492	1,427
Total as at 30.06.2025	6,579	4,194	4,194	4,182	(431)	(1,714)	4,854	1,425

**Note:**

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

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

(€ million)

DESCRIPTION	GROSS CARRYING AMOUNT/NOMINAL AMOUNT					
	PERFORMING EXPOSURES			NON-PERFORMING EXPOSURES		
	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	44,330	44,274	57	106	63	-
010 Loans and advances	469,572	467,984	1,588	12,111	6,544	776
020 Central banks	10,486	10,486	0	0	0	-
030 General governments	28,108	27,562	546	205	33	2
040 Credit institutions	28,281	28,280	1	30	4	-
050 Other financial corporations	51,395	51,384	11	171	122	5
060 Non-financial corporations	212,004	211,497	507	9,018	5,201	379
070 of which SMEs	67,196	67,041	154	3,742	1,767	230
080 Households	139,298	138,776	522	2,688	1,184	390
090 Debt securities	177,248	177,248	-	218	209	5
100 Central banks	447	447	-	-	-	-
110 General governments	119,084	119,084	-	-	-	-
120 Credit institutions	29,823	29,823	-	0	0	-
130 Other financial corporations	24,384	24,384	-	208	208	-
140 Non-financial corporations	3,509	3,509	-	10	0	5
150 Off balance sheet exposures	369,156			3,122		
160 Central banks	395			0		
170 General governments	9,217			22		
180 Credit institutions	22,590			0		
190 Other financial corporations	42,395			16		
200 Non-financial corporations	277,669			3,032		
210 Households	16,890			52		
220 Total as at 31.12.2025	1,060,306	689,506	1,644	15,557	6,815	780
Total as at 31.12.2024	1,039,606	674,742	1,705	14,557	6,318	806

## Quantitative disclosure section

# Credit risk

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

(€ million)

DESCRIPTION	GROSS CARRYING AMOUNT/NOMINAL AMOUNT						OF WHICH DEFAULTED
	NON-PERFORMING EXPOSURES						
	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		
005 Cash balances at central banks and other demand deposits	44	-	-	-	-	-	106
010 Loans and advances	1,366	1,234	1,417	316	459	12,111	
020 Central banks	-	-	-	-	-	0	
030 General governments	1	23	143	0	3	205	
040 Credit institutions	1	20	1	-	4	30	
050 Other financial corporations	33	8	1	0	1	171	
060 Non-financial corporations	995	910	963	227	343	9,018	
070 of which SMEs	455	505	504	88	193	3,742	
080 Households	336	272	310	89	107	2,688	
090 Debt securities	4	0	-	0	-	218	
100 Central banks	-	-	-	-	-	-	
110 General governments	-	-	-	-	-	-	
120 Credit institutions	-	-	-	-	-	0	
130 Other financial corporations	-	-	-	0	-	208	
140 Non-financial corporations	4	0	-	-	-	10	
150 Off balance sheet exposures						3,122	
160 Central banks						0	
170 General governments						22	
180 Credit institutions						0	
190 Other financial corporations						16	
200 Non-financial corporations						3,032	
210 Households						52	
220 Total as at 31.12.2025	1,414	1,234	1,417	316	459	15,557	
Total as at 31.12.2024	1,161	1,226	1,231	370	421	14,557	

### Note:

The template above does not include the held for trading portfolio.

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

(€ million)

DESCRIPTION	GROSS CARRYING/NOMINAL AMOUNT					PROVISIONS ON OFF-BALANCE SHEET COMMITMENTS AND FINANCIAL GUARANTEES GIVEN	ACCUMULATED NEGATIVE CHANGES IN FAIR VALUE DUE TO CREDIT RISK ON NON-PERFORMING EXPOSURES
	a	b		d	e		
		OF WHICH NON-PERFORMING	OF WHICH DEFAULTED				
010 In balance sheet exposures	703,585	12,435	12,435	700,494	(8,932)		(132)
020 Italy	216,280	4,541	4,541	215,969	(3,677)		(95)
030 Germany	128,770	2,831	2,831	128,000	(1,258)		-
040 Austria	68,734	1,633	1,633	68,336	(990)		-
050 Romania	19,330	535	535	19,307	(611)		-
060 Bulgaria	17,490	429	429	17,459	(422)		(30)
070 Other Countries	252,982	2,466	2,466	251,423	(1,974)		(7)
080 Off balance sheet exposures	372,278	3,122	3,122			1,091	
090 Italy	130,797	1,702	1,702			358	
100 Germany	83,413	638	638			312	
110 Austria	33,176	325	325			169	
120 Sweden	1,224	186	186			1	
130 Hungary	5,484	62	62			35	
140 Other Countries	118,184	210	210			215	
150 Total as at 31.12.2025	1,075,864	15,557	15,557	700,494	(8,932)	1,091	(132)
Total as at 30.06.2025	1,087,419	14,828	14,828	709,727	(9,211)	965	(123)

### Notes:

- In line with the UniCredit group approach, the non-performing exposures are equal to defaulted exposures.
- The template above does not include the held for trading portfolio.
- Countries included are the ones with higher non-performing exposures in the UniCredit group.
- Starting from 30 June 2025 the item "In balance sheet exposure" also includes the portfolio "Cash balances at Central Banks and other demand deposits" as required by the regulatory update (mapping tool).

## Quantitative disclosure section

# Credit risk

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

(€ million)

DESCRIPTION	a	b		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	3,498	192	192	3,498	(160)	-
020 Mining and quarrying	951	19	19	951	(28)	-
030 Manufacturing	50,456	3,003	3,003	50,442	(2,198)	(1)
040 Electricity, gas, steam and air conditioning supply	11,856	85	85	11,856	(135)	-
050 Water supply	2,093	75	75	2,093	(59)	-
060 Construction	13,418	858	858	13,281	(639)	-
070 Wholesale and retail trade	38,251	1,936	1,936	38,221	(1,273)	(30)
080 Transport and storage	11,422	218	218	11,421	(228)	-
090 Accommodation and food service activities	4,388	272	272	4,388	(220)	-
100 Information and communication	9,056	131	131	8,627	(104)	-
110 Financial and insurance activities	4,603	110	110	4,568	(87)	-
120 Real estate activities	41,623	1,043	1,043	41,606	(574)	-
130 Professional, scientific and technical activities	17,569	679	679	17,564	(318)	-
140 Administrative and support service activities	5,377	166	166	5,374	(95)	-
150 Public administration and defense, compulsory social security	1,236	5	5	1,236	(4)	-
160 Education	318	33	33	318	(21)	-
170 Human health services and social work activities	1,759	57	57	1,759	(49)	-
180 Arts, entertainment and recreation	1,004	19	19	1,004	(16)	-
190 Other services	2,142	118	118	2,142	(62)	-
<b>200 Total as at 31.12.2025</b>	<b>221,022</b>	<b>9,018</b>	<b>9,018</b>	<b>220,349</b>	<b>(6,268)</b>	<b>(31)</b>
<b>Total as at 30.06.2025</b>	<b>217,437</b>	<b>8,570</b>	<b>8,570</b>	<b>216,560</b>	<b>(6,215)</b>	<b>(23)</b>

#### Notes:

- In line with the UniCredit group approach, the non-performing exposures are equal to defaulted exposures.
- 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	428	(262)		
030 Residential immovable property	6	(1)		
040 Commercial immovable property	380	(127)		
050 Movable property	11	(2)		
060 Equity and debt instruments	31	(131)		
070 Other collateral	-	-		
<b>080 Total as at 31.12.2025</b>	<b>429</b>	<b>(262)</b>		
<b>Total as at 30.06.2025</b>	<b>506</b>	<b>(281)</b>		

# Credit risk

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

(€ million)

DESCRIPTION	GROSS CARRYING AMOUNT/NOMINAL AMOUNT					
	PERFORMING EXPOSURES			NON-PERFORMING EXPOSURES		
	a	b	c	d	e	f
	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	44,330	43,870	461	106		73
010 Loans and advances	469,572	418,121	49,651	12,111		11,873
020 Central banks	10,486	7,391	3,094	0		0
030 General governments	28,108	26,022	1,658	205		205
040 Credit institutions	28,281	27,674	538	30		30
050 Other financial corporations	51,395	48,660	2,680	171		159
060 Non-financial corporations	212,004	183,307	28,054	9,018		8,822
070 of which SMEs	67,196	56,761	10,393	3,742		3,699
080 Households	139,298	125,066	13,627	2,688		2,658
090 Debt securities	177,248	171,632	4,446	218		119
100 Central banks	447	447	-	-		-
110 General governments	119,084	116,926	1,351	-		-
120 Credit institutions	29,823	28,474	1,271	0		-
130 Other financial corporations	24,384	22,354	1,746	208		110
140 Non-financial corporations	3,509	3,431	78	10		10
150 Off-balance-sheet exposures	369,156	240,129	19,545	3,122		2,383
160 Central banks	395	5	-	0		0
170 General governments	9,217	7,724	624	22		22
180 Credit institutions	22,590	12,181	464	0		0
190 Other financial corporations	42,395	32,062	1,179	16		15
200 Non-financial corporations	277,669	176,240	16,370	3,032		2,312
210 Households	16,890	11,916	908	52		34
<b>220 Total as at 31.12.2025</b>	<b>1,060,306</b>	<b>873,751</b>	<b>74,102</b>	<b>15,557</b>		<b>14,448</b>
<b>Total as at 30.06.2025</b>	<b>1,072,591</b>	<b>873,653</b>	<b>72,656</b>	<b>14,828</b>		<b>13,713</b>

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

(€ million)

DESCRIPTION	ACCUMULATED IMPAIRMENT, ACCUMULATED IMPAIRMENT 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
	OF WHICH: STAGE 1		OF WHICH: STAGE 2		OF WHICH: STAGE 2		OF WHICH: STAGE 3				
	g	h	i	j	k	l	m	n	o		
005 Cash balances at central banks and other demand deposits	(4)	(4)	(0)	(79)		(54)			-	-	
010 Loans and advances	(3,408)	(820)	(2,588)	(5,316)		(5,253)	(573)		267,049	3,897	
020 Central banks	(9)	(0)	(9)	(0)		(0)	-		6,394	-	
030 General governments	(22)	(5)	(17)	(30)		(30)	(1)		5,791	156	
040 Credit institutions	(26)	(18)	(8)	(8)		(8)	-		25,179	19	
050 Other financial corporations	(124)	(37)	(87)	(83)		(75)	(0)		25,473	11	
060 Non-financial corporations	(2,252)	(515)	(1,737)	(4,047)		(3,995)	(396)		102,909	2,708	
070 of which SMEs	(1,068)	(250)	(818)	(1,853)		(1,837)	(137)		47,054	1,517	
080 Households	(974)	(244)	(730)	(1,150)		(1,145)	(176)		101,303	1,003	
090 Debt securities	(79)	(18)	(61)	(178)		(84)	-		161	2	
100 Central banks	(0)	(0)	-	-		-	-		-	-	
110 General governments	(60)	(9)	(51)	-		-	-		-	-	
120 Credit institutions	(8)	(2)	(6)	(0)		-	-		-	-	
130 Other financial corporations	(6)	(6)	(1)	(172)		(78)	-		24	-	
140 Non-financial corporations	(4)	(1)	(3)	(6)		(6)	-		138	2	
150 Off-balance-sheet exposures	349	127	212	741		679	-		45,901	394	
160 Central banks	0	0	-	-		-	-		-	-	
170 General governments	5	1	4	3		3	-		1,142	-	
180 Credit institutions	7	5	1	-		-	-		2,422	-	
190 Other financial corporations	17	10	6	5		5	-		8,896	1	
200 Non-financial corporations	295	100	186	731		669	-		31,576	385	
210 Households	26	12	14	3		3	-		1,866	8	
<b>220 Total as at 31.12.2025</b>	<b>(3,840)</b>	<b>(969)</b>	<b>(2,861)</b>	<b>(6,314)</b>		<b>(6,070)</b>	<b>(573)</b>		<b>313,111</b>	<b>4,294</b>	
<b>Total as at 30.06.2025</b>	<b>(4,111)</b>	<b>(1,095)</b>	<b>(3,013)</b>	<b>(6,189)</b>		<b>(5,992)</b>	<b>(661)</b>		<b>338,533</b>	<b>4,257</b>	

Note:

The template above does not include the held for trading portfolio.

## Quantitative disclosure section

# 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 31.12.2024	11,232
020	Inflows to non-performing portfolios	7,877
030	Outflows from non-performing portfolios	(6,998)
040	Outflows due to write-offs	(692)
050	Outflow due to other situations	(6,306)
060	Final stock of non-performing loans and advances as at 31.12.2025	12,111

**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)

DESCRIPTION	NET EXPOSURE VALUE						
	a	b	c	d	e	f	
	ON DEMAND	<= 1 YEAR	> 1 YEAR <= 5 YEARS	> 5 YEARS	NO STATED MATURITY	TOTAL	
1	Loans and advances	56,618	94,715	129,115	196,832	6,521	483,801
2	Debt securities	211	17,018	71,793	93,665	0	182,687
3	Total as at 31.12.2025	56,829	111,733	200,908	290,497	6,521	666,488
	Total as at 30.06.2025	49,138	127,188	202,254	292,001	6,547	677,128

## Credit risk

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

(€ million)

EXPOSURE CLASSES		EXPOSURES BEFORE CCF AND BEFORE CRM		EXPOSURES POST CCF AND POST CRM		RWEAs AND RWEAs DENSITY	
		ON-BALANCE SHEET EXPOSURES	OFF-BALANCE SHEET EXPOSURES	ON-BALANCE SHEET EXPOSURES	OFF-BALANCE SHEET EXPOSURES	RWEAs	RWEAs DENSITY (%)
		a	b	c	d	e	f
1	Central governments or central banks	137,118	3,513	167,475	2,509	13,432	7.90%
2	Non-central government public sector entities	41,167	4,234	43,702	1,270	1,541	3.43%
EU 2a	Regional government or local authorities	26,572	3,147	30,660	1,114	424	1.34%
EU 2b	Public sector entities	14,594	1,087	13,042	157	1,117	8.46%
3	Multilateral development banks	3,339	207	4,512	38	-	-
EU 3a	International organisations	14,373	0	14,373	0	-	-
4	Institutions	1,045	1,825	1,072	428	892	59.48%
5	Covered bonds	20	-	20	-	4	21.45%
6	Corporates	29,144	36,935	26,097	4,707	20,754	67.37%
6.1	<i>of which: Specialised Lending</i>	1,978	542	1,684	101	1,522	85.25%
7	Subordinated debt exposures and equity	7,906	8	7,901	6	14,310	180.96%
EU 7a	Subordinated debt exposures	22	3	17	1	28	150.00%
EU 7b	Equity exposures	7,884	5	7,884	5	14,282	181.04%
8	Retail	16,502	5,615	14,470	1,104	10,988	70.55%
9	Secured by mortgages on immovable property and ADC exposures	25,114	3,688	24,790	554	13,359	52.71%
9.1	Secured by mortgages on residential immovable property - non IPRE	13,545	411	13,518	83	4,331	31.84%
9.2	Secured by mortgages on residential immovable property - IPRE	49	1	47	1	27	56.52%
9.3	Secured by mortgages on commercial immovable property - non IPRE	7,036	2,438	6,936	301	5,272	72.84%
9.4	Secured by mortgages on commercial immovable property - IPRE	3,921	307	3,757	47	2,813	73.94%
9.5	Acquisition, Development and Construction (ADC)	564	529	532	122	916	140.23%
10	Exposures in default	1,053	261	905	19	1,037	112.25%
EU 10a	Exposures to institutions and corporates with a short-term credit assessment	1,108	71	1,002	7	309	30.60%
EU 10b	Units or shares in collective investment undertakings	1,923	234	1,837	234	2,786	134.59%
EU 10c	Other items	10,754	0	10,755	0	7,603	70.69%
11	Not applicable						
12	<b>Total as at 31.12.2025</b>	<b>290,565</b>	<b>56,591</b>	<b>318,912</b>	<b>10,876</b>	<b>87,016</b>	<b>26.39%</b>
	<b>Total as at 30.06.2025</b>	<b>283,043</b>	<b>53,481</b>	<b>311,365</b>	<b>10,235</b>	<b>86,371</b>	<b>26.86%</b>

## Credit risk

## Template EU CR5 - Standardised approach

(€ million)

EXPOSURE CLASSES		RISK WEIGHT						
		0%	2%	4%	10%	20%	30%	35%
		a	b	c	d	e	f	g
1	Central governments or central banks	157,170	-	120	3,175	1	5	-
2	Non-central government public sector entities	41,372	-	-	-	2,573	-	-
EU 2a	Regional government or local authorities	30,041	-	-	-	1,620	-	-
EU 2b	Public sector entities	11,330	-	-	-	953	-	-
3	Multilateral development banks	4,550	-	-	-	-	-	-
EU 3a	International organisations	14,373	-	-	-	-	-	-
4	Institutions	-	-	-	-	300	252	-
5	Covered bonds	-	-	-	-	19	-	-
6	Corporates	-	-	-	-	9,670	-	23
6.1	<i>of which: Specialised Lending</i>	-	-	-	-	-	-	-
7	Subordinated debt exposures and equity	375	-	-	-	-	-	-
EU 7a	Subordinated debt exposures	-	-	-	-	-	-	-
EU 7b	Equity	375	-	-	-	-	-	-
8	Retail exposures	-	-	-	-	-	-	1
9	Secured by mortgages on immovable property and ADC exposures	6	-	-	-	10,968	13	1
9.1	Secured by mortgages on residential immovable property - non IPRE	3	-	-	-	10,954	-	-
9.1.1	No loan splitting applied	3	-	-	-	-	-	-
9.1.2	loan splitting applied (secured)	-	-	-	-	10,954	-	-
9.1.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-
9.2	Secured by mortgages on residential immovable property - IPRE	-	-	-	-	8	13	1
9.3	Secured by mortgages on commercial immovable property - non IPRE	3	-	-	-	6	-	-
9.3.1	No loan splitting applied	3	-	-	-	6	-	-
9.3.2	loan splitting applied (secured)	-	-	-	-	-	-	-
9.3.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-
9.4	Secured by mortgages on commercial immovable property - IPRE	-	-	-	-	-	-	-
9.5	Acquisition, Development and Construction (ADC)	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	-
EU 10a	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	738	-	-
EU 10b	Collective investment undertakings (CIU)	79	-	-	-	-	0	-
EU 10c	Other items	2,640	-	-	-	598	-	-
11	Not applicable	-	-	-	-	-	-	-
EU 11c	<b>Total exposure value as at 31.12.2025</b>	<b>220,565</b>	<b>-</b>	<b>120</b>	<b>3,175</b>	<b>24,866</b>	<b>269</b>	<b>25</b>
	<b>Total exposure value as at 30.06.2025</b>	<b>214,668</b>	<b>-</b>	<b>134</b>	<b>2,625</b>	<b>23,747</b>	<b>426</b>	<b>23</b>

## Credit risk

continued: Template EU CR5 - Standardised approach

(€ million)

EXPOSURE CLASSES		RISK WEIGHT						
		40%	45%	50%	60%	70%	75%	80%
		h	i	j	k	l	m	n
1	Central governments or central banks	-	-	59	-	-	-	-
2	Non-central government public sector entities	-	-	393	-	-	-	-
EU 2a	Regional government or local authorities	-	-	25	-	-	-	-
EU 2b	Public sector entities	-	-	368	-	-	-	-
3	Multilateral development banks	-	-	-	-	-	-	-
EU 3a	International organisations	-	-	-	-	-	-	-
4	Institutions	239	-	217	-	-	163	-
5	Covered bonds	-	-	-	-	-	-	-
6	Corporates	-	-	1,586	-	-	1,229	182
6.1	<i>of which: Specialised Lending</i>	-	-	3	-	-	11	182
7	Subordinated debt exposures and equity	-	-	-	-	-	-	-
EU 7a	Subordinated debt exposures	-	-	-	-	-	-	-
EU 7b	Equity	-	-	-	-	-	-	-
8	Retail exposures	-	416	-	-	-	14,716	-
9	Secured by mortgages on immovable property and ADC exposures	-	8	12	3,329	-	2,653	6
9.1	Secured by mortgages on residential immovable property - non IPRE	-	0	1	-	-	2,437	-
9.1.1	No loan splitting applied	-	0	-	-	-	374	-
9.1.2	loan splitting applied (secured)	-	-	-	-	-	-	-
9.1.3	loan splitting applied (unsecured)	-	0	1	-	-	2,063	-
9.2	Secured by mortgages on residential immovable property - IPRE	-	8	-	0	-	9	-
9.3	Secured by mortgages on commercial immovable property - non IPRE	-	0	11	3,329	-	207	6
9.3.1	No loan splitting applied	-	0	11	-	-	99	6
9.3.2	loan splitting applied (secured)	-	-	-	3,329	-	-	-
9.3.3	loan splitting applied (unsecured)	-	0	-	-	-	108	-
9.4	Secured by mortgages on commercial immovable property - IPRE	-	-	-	-	-	-	-
9.5	Acquisition, Development and Construction (ADC)	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	-
EU 10a	Exposures to institutions and corporates with a short-term credit assessment	-	-	227	-	-	-	-
EU 10b	Collective investment undertakings (CIU)	-	-	1	-	-	15	-
EU 10c	Other items	-	-	9	-	-	-	-
11	Not applicable	-	-	-	-	-	-	-
<b>EU 11c</b>	<b>Total exposure value as at 31.12.2025</b>	<b>239</b>	<b>424</b>	<b>2,504</b>	<b>3,329</b>	<b>-</b>	<b>18,776</b>	<b>187</b>
	<b>Total exposure value as at 30.06.2025</b>	<b>135</b>	<b>569</b>	<b>2,939</b>	<b>3,216</b>	<b>43</b>	<b>17,770</b>	<b>218</b>

## Credit risk

continued: Template EU CR5 - Standardised approach

(€ million)

EXPOSURE CLASSES		RISK WEIGHT						
		90%	100%	105%	110%	130%	150%	
		o	p	q	r	s	t	u
1	Central governments or central banks	-	6,710	-	-	-	491	2,253
2	Non-central government public sector entities	-	241	-	-	-	394	-
EU 2a	Regional government or local authorities	-	84	-	-	-	4	-
EU 2b	Public sector entities	-	157	-	-	-	390	-
3	Multilateral development banks	-	-	-	-	-	-	-
EU 3a	International organisations	-	-	-	-	-	-	-
4	Institutions	-	108	-	-	-	221	-
5	Covered bonds	-	0	-	-	-	-	-
6	Corporates	-	17,308	-	-	480	279	-
6.1	<i>of which: Specialised Lending</i>	-	1,107	-	-	480	2	-
7	Subordinated debt exposures and equity	-	2,965	-	-	-	73	4,487
EU 7a	Subordinated debt exposures	-	-	-	-	-	19	-
EU 7b	Equity	-	2,965	-	-	-	54	4,487
8	Retail exposures	-	441	-	-	-	-	-
9	Secured by mortgages on immovable property and ADC exposures	459	3,860	3	398	100	902	-
9.1	Secured by mortgages on residential immovable property - non IPRE	-	205	-	-	-	1	-
9.1.1	No loan splitting applied	-	27	-	-	-	-	-
9.1.2	loan splitting applied (secured)	-	-	-	-	-	-	-
9.1.3	loan splitting applied (unsecured)	-	177	-	-	-	1	-
9.2	Secured by mortgages on residential immovable property - IPRE	-	-	3	-	-	5	-
9.3	Secured by mortgages on commercial immovable property - non IPRE	-	3,527	-	-	100	44	-
9.3.1	No loan splitting applied	-	907	-	-	100	32	-
9.3.2	loan splitting applied (secured)	-	474	-	-	-	-	-
9.3.3	loan splitting applied (unsecured)	-	2,146	-	-	0	12	-
9.4	Secured by mortgages on commercial immovable property - IPRE	459	-	-	398	-	326	-
9.5	Acquisition, Development and Construction (ADC)	-	128	-	-	-	526	-
10	Exposures in default	-	698	-	-	-	226	-
EU 10a	Exposures to institutions and corporates with a short-term credit assessment	-	37	-	-	-	7	-
EU 10b	Collective investment undertakings (CIU)	-	1,119	-	-	-	198	27
EU 10c	Other items	-	7,472	-	-	-	-	-
11	Not applicable							
<b>EU 11c</b>	<b>Total exposure value as at 31.12.2025</b>	<b>459</b>	<b>40,960</b>	<b>3</b>	<b>398</b>	<b>581</b>	<b>2,791</b>	<b>6,767</b>
	<b>Total exposure value as at 30.06.2025</b>	<b>556</b>	<b>40,604</b>	<b>17</b>	<b>603</b>	<b>310</b>	<b>2,931</b>	<b>6,961</b>

## Credit risk

continued: Template EU CR5 - Standardised approach

(€ million)

EXPOSURE CLASSES	RISK WEIGHT				TOTAL	OF WHICH UNRATED	
	370%	400%	1250%	OTHERS			
	v	w	x	y	z	aa	
1	Central governments or central banks	-	-	-	-	169,985	3,848
2	Non-central government public sector entities	-	-	-	-	44,972	395
EU 2a	Regional government or local authorities	-	-	-	-	31,774	5
EU 2b	Public sector entities	-	-	-	-	13,199	390
3	Multilateral development banks	-	-	-	-	4,550	-
EU 3a	International organisations	-	-	-	-	14,373	-
4	Institutions	-	-	-	-	1,500	794
5	Covered bonds	-	-	-	1	20	1
6	Corporates	-	-	-	47	30,804	17,628
6.1	<i>of which: Specialised Lending</i>	-	-	-	-	1,785	531
7	Subordinated debt exposures and equity	2	-	-	6	7,908	7,908
EU 7a	Subordinated debt exposures	-	-	-	-	19	19
EU 7b	Equity	2	-	-	6	7,889	7,889
8	Retail exposures	-	-	-	-	15,574	15,574
9	Secured by mortgages on immovable property and ADC exposures	-	-	-	2,626	25,345	25,342
9.1	Secured by mortgages on residential immovable property - non IPRE	-	-	-	-	13,601	13,599
9.1.1	No loan splitting applied	-	-	-	-	405	402
9.1.2	loan splitting applied (secured)	-	-	-	-	10,954	10,954
9.1.3	loan splitting applied (unsecured)	-	-	-	-	2,243	2,243
9.2	Secured by mortgages on residential immovable property - IPRE	-	-	-	-	48	48
9.3	Secured by mortgages on commercial immovable property - non IPRE	-	-	-	4	7,238	7,238
9.3.1	No loan splitting applied	-	-	-	4	1,169	1,169
9.3.2	loan splitting applied (secured)	-	-	-	-	3,803	3,803
9.3.3	loan splitting applied (unsecured)	-	-	-	-	2,267	2,267
9.4	Secured by mortgages on commercial immovable property - IPRE	-	-	-	2,621	3,804	3,804
9.5	Acquisition, Development and Construction (ADC)	-	-	-	-	653	653
10	Exposures in default	-	-	-	-	924	924
EU 10a	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	1,009	-
EU 10b	Collective investment undertakings (CIU)	-	-	13	620	2,070	152
EU 10c	Other items	-	-	-	36	10,755	10,755
11	Not applicable	-	-	-	-	-	-
<b>EU 11c</b>	<b>Total exposure value as at 31.12.2025</b>	<b>2</b>	<b>-</b>	<b>13</b>	<b>3,336</b>	<b>329,788</b>	<b>77,296</b>
	<b>Total exposure value as at 30.06.2025</b>	<b>2</b>	<b>-</b>	<b>14</b>	<b>3,089</b>	<b>321,600</b>	<b>75,376</b>

# 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	OFF-BALANCE	EXPOSURE	EXPOSURE	EXPOSURE	EXPOSURE	EXPOSURE	EXPOSURE	RISK WEIGHTED	DENSITY OF RISK	EXPECTED LOSS	VALUE
		EXPOSURES	SHEET EXPOSURES	WEIGHTED	POST	WEIGHTED	WEIGHTED	WEIGHTED	WEIGHTED	AFTER SUPPORTING	WEIGHTED	AMOUNT	ADJUSTMENTS AND
		a	b	c	d	e	f	g	h	i	j	k	l
Central governments or central banks	0.00 to <0.15	17,917	545	11.52%	17,182	0.02%	38	22.09%	3.17	1,140	6.64%	1	(0)
	0.00 to <0.10	17,402	407	0.15%	17,125	0.01%	32	22.05%	3.17	1,128	6.58%	1	(0)
	0.10 to <0.15	515	138	45.05%	57	0.13%	6	33.27%	1.99	13	22.60%	0	(0)
	0.15 to <0.25	229	0	19.98%	126	0.24%	4	36.93%	2.15	45	35.93%	0	(0)
	0.25 to <0.50	67	0	33.83%	0	0.37%	4	31.50%	1.00	0	32.19%	0	(0)
	0.50 to <0.75	8	0	-	-	-	1	-	-	-	-	-	(0)
	0.75 to <2.50	383	163	39.79%	9	1.46%	12	40.92%	3.94	10	111.20%	0	(0)
	0.75 to <1.75	237	142	39.84%	7	1.29%	8	39.51%	3.80	7	102.50%	0	(0)
	1.75 to <2.50	146	21	39.51%	2	2.07%	4	46.28%	4.45	3	144.29%	0	(0)
	2.50 to <10.00	61	11	40.00%	0	3.21%	4	47.20%	5.00	0	172.28%	0	(0)
	2.50 to <5.00	61	11	40.00%	0	3.21%	4	47.20%	5.00	0	172.28%	0	(0)
	5.00 to <10.00	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to <100.00	939	642	40.08%	31	19.96%	25	40.11%	3.66	62	199.87%	2	(13)
	10.00 to <20.00	805	587	40.08%	25	12.80%	12	39.60%	3.62	48	195.32%	1	(1)
	20.00 to <30.00	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to <100.00	133	54	40.00%	6	49.65%	13	42.18%	3.84	13	218.73%	1	(12)
	100.00 (Default)	175	0	-	16	100.00%	13	49.33%	1.43	13	85.49%	7	(17)
<b>Subtotal</b>	<b>19,779</b>	<b>1,360</b>	<b>28.60%</b>	<b>17,363</b>	<b>0.14%</b>	<b>101</b>	<b>22.27%</b>	<b>3.16</b>	<b>1,271</b>	<b>7.32%</b>	<b>10</b>	<b>(30)</b>	
Regional governments or local authorities	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	0	-	-	-	-	1	-	-	-	-	-	(0)
	2.50 to <5.00	-	-	-	-	-	-	-	-	-	-	-	-
	5.00 to <10.00	0	-	-	-	-	1	-	-	-	-	-	(0)
	10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to <20.00	-	-	-	-	-	-	-	-	-	-	-	-
	20.00 to <30.00	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0)</b>

# 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	OFF-BALANCE	EXPOSURE	EXPOSURE	EXPOSURE	EXPOSURE	NUMBER OF	EXPOSURE	EXPOSURE	RISK WEIGHTED	DENSITY OF RISK	EXPECTED LOSS	ADJUSTMENTS AND	VALUE
		EXPOSURES	SHEET EXPOSURES	WEIGHTED	POST							WEIGHTED			
		a	b	c	d	e	f	g	h	i	j	k	l		
Public sector entities	0.00 to <0.15	2,132	215	174.03%	1,140	0.03%	37	22.84%	2.38	99	8.68%	0	(0)		
	0.00 to <0.10	2,132	212	175.75%	1,138	0.03%	34	22.83%	2.38	99	8.67%	0	(0)		
	0.10 to <0.15	0	3	63.26%	2	0.11%	3	33.28%	1.00	0	14.72%	0	-		
	0.15 to <0.25	61	0	31.14%	57	0.16%	4	23.10%	3.86	15	26.00%	0	(0)		
	0.25 to <0.50	1	2	28.99%	2	0.40%	4	18.09%	2.66	0	24.54%	0	(0)		
	0.50 to <0.75	0	0	52.18%	0	0.68%	4	34.91%	1.00	0	47.81%	0	(0)		
	0.75 to <2.50	0	1	12.43%	0	1.41%	16	34.12%	1.03	0	63.62%	0	(0)		
	0.75 to <1.75	0	0	13.44%	0	0.97%	11	29.54%	1.01	0	47.37%	0	(0)		
	1.75 to <2.50	0	0	7.33%	0	1.97%	5	40.04%	1.06	0	84.60%	0	(0)		
	2.50 to <10.00	0	0	81.72%	0	4.27%	10	30.21%	1.00	0	81.23%	0	(0)		
	2.50 to <5.00	0	0	84.26%	0	3.20%	7	33.57%	1.00	0	86.39%	0	(0)		
	5.00 to <10.00	0	0	73.47%	0	8.50%	3	17.02%	1.00	0	60.97%	0	(0)		
	10.00 to <100.00	1	0	80.73%	1	49.51%	11	47.43%	4.36	2	248.73%	0	(0)		
	10.00 to <20.00	0	0	80.73%	0	17.62%	4	109.99%	1.00	0	535.21%	0	(0)		
	20.00 to <30.00	-	-	-	-	-	-	-	-	-	-	-	-	-	
	30.00 to <100.00	1	-	-	1	49.66%	7	47.14%	4.38	2	247.39%	0	(0)		
100.00 (Default)	0	-	-	0	100.00%	5	42.64%	1.00	0	39.63%	0	(0)			
<b>Subtotal</b>	<b>2,196</b>	<b>219</b>	<b>171.79%</b>	<b>1,200</b>	<b>0.08%</b>	<b>91</b>	<b>22.87%</b>	<b>2.45</b>	<b>117</b>	<b>9.72%</b>	<b>0</b>	<b>(0)</b>			
Corporates - Specialized lending	0.00 to <0.15	2,199	910	39.26%	2,473	0.10%	124	20.62%	3.18	321	12.98%	1	(1)		
	0.00 to <0.10	993	518	40.37%	1,072	0.07%	57	20.03%	3.22	104	9.72%	0	(0)		
	0.10 to <0.15	1,206	391	37.78%	1,402	0.12%	67	21.07%	3.14	217	15.48%	0	(1)		
	0.15 to <0.25	3,009	1,229	37.62%	3,242	0.20%	182	22.24%	2.91	593	18.30%	1	(9)		
	0.25 to <0.50	2,720	1,547	30.82%	3,097	0.35%	240	21.99%	3.19	733	23.67%	2	(27)		
	0.50 to <0.75	698	622	23.29%	830	0.59%	72	24.99%	2.60	291	35.11%	1	(5)		
	0.75 to <2.50	1,861	1,801	37.81%	2,287	1.23%	187	24.56%	2.86	971	42.45%	7	(48)		
	0.75 to <1.75	1,634	1,699	37.68%	2,019	1.12%	148	23.66%	2.86	793	39.30%	5	(37)		
	1.75 to <2.50	227	102	40.02%	268	2.06%	39	31.31%	2.85	178	66.23%	2	(12)		
	2.50 to <10.00	526	406	39.70%	660	4.04%	87	25.78%	2.46	355	53.83%	7	(14)		
	2.50 to <5.00	377	404	39.76%	569	3.62%	62	24.01%	2.43	266	46.80%	5	(9)		
	5.00 to <10.00	150	2	27.98%	91	6.67%	25	36.85%	2.61	89	97.92%	2	(4)		
	10.00 to <100.00	47	-	-	11	17.71%	6	48.13%	3.05	26	235.25%	1	(0)		
	10.00 to <20.00	7	-	-	7	11.98%	5	27.84%	3.27	7	102.72%	0	(0)		
	20.00 to <30.00	40	-	-	4	27.19%	1	81.70%	2.68	19	454.45%	1	-		
	30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-	-	
100.00 (Default)	257	403	36.01%	399	100.00%	19	59.65%	2.61	180	45.13%	223	(107)			
<b>Subtotal</b>	<b>11,318</b>	<b>6,917</b>	<b>35.11%</b>	<b>12,998</b>	<b>3.69%</b>	<b>917</b>	<b>23.80%</b>	<b>2.97</b>	<b>3,470</b>	<b>26.70%</b>	<b>244</b>	<b>(210)</b>			

# 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	OFF-BALANCE	EXPOSURE	EXPOSURE	EXPOSURE	EXPOSURE	EXPOSURE	RISK WEIGHTED	DENSITY OF RISK	EXPECTED LOSS	VALUE	
		EXPOSURES	SHEET EXPOSURES	WEIGHTED	POST								WEIGHTED
		a	b	AVERAGE CCF (%)	CCF AND POST CRM	AVERAGE PD (%)	NUMBER OF OBLIGORS	AVERAGE LGD (%)	AVERAGE MATURITY (YEARS)	FACTORS	EXPOSURE AMOUNT	AMOUNT	PROVISIONS
Corporates - Purchased receivables	0.00 to <0.15	31	33	-	40	0.09%	5	25.00%	2.50	6	14.76%	0	(0)
	0.00 to <0.10	23	29	-	29	0.08%	2	25.00%	2.50	4	14.13%	0	(0)
	0.10 to <0.15	8	5	-	11	0.13%	3	25.00%	2.50	2	16.48%	0	(0)
	0.15 to <0.25	16	6	56.32%	22	0.21%	3	22.46%	2.50	4	19.67%	0	(0)
	0.25 to <0.50	17	18	20.04%	25	0.37%	10	25.77%	2.50	8	30.02%	0	(0)
	0.50 to <0.75	27	18	23.19%	38	0.66%	8	26.59%	2.50	15	38.44%	0	(0)
	0.75 to <2.50	61	39	32.79%	88	1.27%	27	25.63%	2.50	47	53.06%	0	(0)
	0.75 to <1.75	55	24	52.18%	81	1.20%	22	25.57%	2.50	42	52.35%	0	(0)
	1.75 to <2.50	6	14	-	7	2.01%	5	26.40%	2.50	4	61.03%	0	(0)
	2.50 to <10.00	62	31	9.91%	81	3.89%	19	25.19%	2.50	57	69.92%	1	(1)
	2.50 to <5.00	55	23	13.69%	73	3.60%	16	25.31%	2.50	51	69.33%	1	(1)
	5.00 to <10.00	7	9	-	8	6.36%	3	24.22%	2.50	6	75.08%	0	(0)
	10.00 to <100.00	8	2	121.15%	12	18.07%	7	27.05%	2.50	11	90.11%	1	(1)
	10.00 to <20.00	4	1	59.66%	7	13.69%	5	26.24%	2.50	5	82.31%	0	(0)
	20.00 to <30.00	3	1	256.17%	5	23.63%	2	28.07%	2.50	5	99.99%	0	(1)
30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-	
100.00 (Default)	7	0	140.58%	8	100.00%	3	28.70%	2.50	3	33.71%	2	(3)	
<b>Subtotal</b>	<b>228</b>	<b>149</b>	<b>20.40%</b>	<b>315</b>	<b>4.86%</b>	<b>82</b>	<b>25.48%</b>	<b>2.50</b>	<b>150</b>	<b>47.48%</b>	<b>4</b>	<b>(4)</b>	
Corporates - Other	0.00 to <0.15	6,777	7,216	29.15%	8,483	0.09%	5,683	21.21%	2.40	939	11.07%	2	(11)
	0.00 to <0.10	3,624	3,600	36.00%	4,710	0.07%	2,789	22.94%	2.36	473	10.04%	1	(8)
	0.10 to <0.15	3,153	3,617	22.33%	3,774	0.12%	2,894	19.05%	2.46	467	12.36%	1	(4)
	0.15 to <0.25	5,882	9,113	15.15%	6,989	0.20%	6,165	20.31%	2.35	1,135	16.24%	3	(28)
	0.25 to <0.50	14,748	11,989	18.94%	16,252	0.36%	10,836	18.91%	2.36	3,375	20.77%	11	(28)
	0.50 to <0.75	8,229	7,387	16.40%	8,739	0.62%	7,235	22.82%	2.27	2,706	30.96%	12	(36)
	0.75 to <2.50	21,209	15,650	23.44%	22,010	1.43%	19,313	25.94%	2.27	10,515	47.78%	84	(213)
	0.75 to <1.75	15,306	11,169	25.37%	16,129	1.19%	14,124	24.72%	2.30	6,944	43.05%	48	(129)
	1.75 to <2.50	5,903	4,482	18.64%	5,881	2.10%	5,189	29.29%	2.18	3,572	60.73%	36	(84)
	2.50 to <10.00	12,027	7,179	25.54%	11,624	4.66%	15,645	33.77%	2.07	9,850	84.74%	184	(388)
	2.50 to <5.00	8,274	5,287	23.95%	7,896	3.59%	9,899	32.65%	2.11	5,958	75.46%	91	(192)
	5.00 to <10.00	3,753	1,892	29.98%	3,728	6.91%	5,746	36.14%	1.98	3,892	104.41%	93	(197)
	10.00 to <100.00	2,576	1,110	43.50%	2,806	19.35%	5,315	30.72%	2.20	3,301	117.65%	164	(247)
	10.00 to <20.00	1,745	828	42.98%	1,909	14.33%	3,245	31.68%	2.12	2,240	117.33%	86	(145)
	20.00 to <30.00	531	126	38.69%	545	23.21%	528	28.79%	2.38	676	124.19%	36	(53)
30.00 to <100.00	300	156	50.15%	352	40.60%	1,542	28.49%	2.36	384	109.28%	43	(48)	
100.00 (Default)	3,761	1,276	23.69%	3,751	100.00%	2,852	51.43%	1.98	2,367	63.09%	1,740	(2,073)	
<b>Subtotal</b>	<b>75,210</b>	<b>60,921</b>	<b>21.76%</b>	<b>80,654</b>	<b>6.55%</b>	<b>73,044</b>	<b>25.68%</b>	<b>2.26</b>	<b>34,188</b>	<b>42.39%</b>	<b>2,200</b>	<b>(3,029)</b>	

# 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	ADJUSTMENTS AND PROVISIONS	VALUE
		a	b	c	d	e	f	g	h	i	j	k	l	
Retail - of which Secured by residential real estate	0.00 to <0.15	17,615	197	45.08%	17,636	0.08%	158,334	18.62%	-	678	3.85%	3	(2)	
	0.00 to <0.10	11,741	151	44.54%	11,794	0.06%	98,703	1,781.58%	-	345	2.92%	1	(1)	
	0.10 to <0.15	5,874	46	46.84%	5,842	0.12%	59,631	2,023.60%	-	334	5.71%	1	(1)	
	0.15 to <0.25	9,841	66	46.81%	9,786	0.20%	95,989	1,992.27%	-	782	7.99%	4	(2)	
	0.25 to <0.50	17,080	110	75.33%	16,845	0.35%	159,599	2,054.26%	-	2,120	12.59%	12	(16)	
	0.50 to <0.75	8,553	59	80.37%	8,269	0.61%	95,337	2,221.95%	-	1,658	20.05%	11	(14)	
	0.75 to <2.50	15,169	170	90.49%	14,620	1.41%	146,470	2,255.12%	-	5,045	34.51%	46	(88)	
	0.75 to <1.75	11,612	121	90.60%	11,109	1.21%	118,630	2,219.42%	-	3,440	30.97%	29	(57)	
	1.75 to <2.50	3,557	49	90.21%	3,512	2.01%	27,840	2,368.03%	-	1,605	45.71%	16	(31)	
	2.50 to <10.00	4,115	125	70.43%	4,068	4.72%	44,843	2,337.93%	-	2,950	72.51%	46	(76)	
	2.50 to <5.00	2,595	108	57.46%	2,586	3.36%	25,569	2,284.35%	-	1,554	60.08%	20	(35)	
	5.00 to <10.00	1,520	17	153.48%	1,481	7.10%	19,274	2,431.49%	-	1,396	94.22%	26	(41)	
	10.00 to <100.00	1,810	9	140.09%	1,760	25.29%	22,779	2,539.05%	-	2,365	134.36%	115	(153)	
	10.00 to <20.00	896	6	150.44%	875	14.19%	11,248	2,418.33%	-	1,075	122.83%	30	(46)	
	20.00 to <30.00	328	1	191.65%	319	24.24%	4,263	2,607.97%	-	478	149.96%	20	(29)	
30.00 to <100.00	586	2	75.06%	566	43.05%	7,268	2,686.96%	-	812	143.40%	64	(77)		
100.00 (Default)	929	6	191.94%	926	100.00%	11,574	4,537.09%	-	852	91.98%	352	(194)		
<b>Subtotal</b>	<b>75,112</b>	<b>740</b>	<b>69.47%</b>	<b>73,910</b>	<b>2.59%</b>	<b>734,925</b>	<b>2,116.88%</b>	<b>-</b>	<b>16,450</b>	<b>22.26%</b>	<b>589</b>	<b>(545)</b>		
Retail - Qualifying revolving	0.00 to <0.15	97	3,341	57.44%	2,016	0.08%	571,460	86.33%	-	79	3.92%	1	(1)	
	0.00 to <0.10	31	2,201	57.03%	1,286	0.06%	385,788	90.38%	-	42	3.27%	1	(0)	
	0.10 to <0.15	67	1,140	58.23%	731	0.11%	185,672	79.19%	-	37	5.05%	1	(0)	
	0.15 to <0.25	50	522	48.12%	301	0.20%	97,251	64.62%	-	20	6.75%	0	(0)	
	0.25 to <0.50	103	1,164	41.62%	587	0.38%	204,477	57.24%	-	60	10.25%	1	(1)	
	0.50 to <0.75	85	1,340	38.88%	605	0.60%	243,642	54.26%	-	85	14.02%	2	(1)	
	0.75 to <2.50	201	609	39.48%	443	1.26%	171,537	57.45%	-	116	26.17%	3	(3)	
	0.75 to <1.75	167	558	37.43%	377	1.12%	150,871	56.79%	-	89	23.66%	2	(2)	
	1.75 to <2.50	34	51	61.82%	66	2.08%	20,666	61.25%	-	27	40.53%	1	(1)	
	2.50 to <10.00	73	64	88.02%	129	4.51%	51,236	64.54%	-	90	69.14%	4	(4)	
	2.50 to <5.00	44	49	89.18%	87	3.32%	32,079	68.27%	-	54	61.35%	2	(2)	
	5.00 to <10.00	29	15	84.36%	42	6.98%	19,157	56.84%	-	36	85.23%	2	(2)	
	10.00 to <100.00	37	14	119.47%	54	24.91%	46,568	68.55%	-	90	167.09%	9	(8)	
	10.00 to <20.00	20	9	123.64%	31	14.48%	31,335	77.30%	-	55	175.16%	4	(3)	
	20.00 to <30.00	6	2	133.89%	9	24.43%	4,608	56.13%	-	14	157.27%	1	(1)	
	30.00 to <100.00	11	3	99.88%	14	49.05%	10,625	56.36%	-	21	154.80%	4	(3)	
	100.00 (Default)	133	6	15.23%	134	100.00%	26,164	84.14%	-	184	136.70%	98	(96)	
	<b>Subtotal</b>	<b>779</b>	<b>7,060</b>	<b>49.44%</b>	<b>4,270</b>	<b>3.91%</b>	<b>1,412,335</b>	<b>72.30%</b>	<b>-</b>	<b>723</b>	<b>16.94%</b>	<b>119</b>	<b>(115)</b>	

# 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
Retail - Purchased receivables	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)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>		-	-	-	-	-	-	-	-	-	-	-	-
Retail - Other	0.00 to <0.15	4,863	4,654	31.87%	5,955	0.08%	801,273	38.76%	-	445	7.47%	2	(8)
	0.00 to <0.10	3,541	3,379	34.80%	4,477	0.06%	643,489	38.67%	-	284	6.34%	1	(6)
	0.10 to <0.15	1,322	1,275	24.13%	1,478	0.12%	157,784	39.04%	-	161	10.91%	1	(2)
	0.15 to <0.25	2,255	1,641	21.88%	2,346	0.20%	189,630	38.21%	-	347	14.79%	2	(4)
	0.25 to <0.50	4,978	2,313	22.48%	4,958	0.37%	289,981	38.24%	-	1,086	21.91%	7	(13)
	0.50 to <0.75	3,398	1,254	22.88%	3,301	0.62%	193,304	38.59%	-	991	30.02%	8	(13)
	0.75 to <2.50	12,280	2,773	23.85%	11,856	1.48%	673,452	39.77%	-	5,231	44.12%	70	(81)
	0.75 to <1.75	8,130	2,114	24.08%	7,854	1.18%	442,645	40.37%	-	3,283	41.79%	37	(49)
	1.75 to <2.50	4,150	659	23.10%	4,002	2.08%	230,807	38.58%	-	1,949	48.70%	32	(32)
	2.50 to <10.00	6,838	1,317	25.28%	6,428	4.66%	366,215	43.14%	-	3,832	59.61%	129	(163)
	2.50 to <5.00	4,556	917	24.87%	4,337	3.55%	250,302	43.08%	-	2,532	58.38%	66	(77)
	5.00 to <10.00	2,282	400	26.24%	2,090	6.97%	115,913	43.27%	-	1,300	62.17%	63	(86)
	10.00 to <100.00	2,501	302	29.50%	2,172	26.31%	249,462	43.19%	-	1,904	87.65%	248	(272)
	10.00 to <20.00	1,197	182	28.92%	1,069	13.71%	150,775	42.97%	-	805	75.31%	63	(82)
	20.00 to <30.00	454	43	31.56%	392	24.50%	28,671	43.55%	-	380	97.07%	42	(47)
	30.00 to <100.00	850	78	29.73%	711	46.25%	70,016	43.33%	-	718	101.03%	143	(144)
	100.00 (Default)	1,566	94	9.00%	1,292	100.00%	64,287	70.66%	-	826	63.91%	847	(831)
<b>Subtotal</b>	<b>38,679</b>	<b>14,349</b>	<b>26.07%</b>	<b>38,307</b>	<b>6.23%</b>	<b>2,827,604</b>	<b>41.02%</b>	<b>-</b>	<b>14,661</b>	<b>38.27%</b>	<b>1,312</b>	<b>(1,384)</b>	

# 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 a	OFF-BALANCE SHEET EXPOSURES PRE-CCF b	EXPOSURE WEIGHTED AVERAGE CCF (%) c	EXPOSURE POST CCF AND POST CRM d	EXPOSURE WEIGHTED AVERAGE PD (%) e	NUMBER OF OBLIGORS f	EXPOSURE WEIGHTED AVERAGE LGD (%) g	EXPOSURE WEIGHTED AVERAGE MATURITY (YEARS) h	RISK WEIGHTED EXPOSURE AMOUNT AFTER SUPPORTING FACTORS i	DENSITY OF RISK WEIGHTED EXPOSURE AMOUNT j	EXPECTED LOSS AMOUNT k	VALUE ADJUSTMENTS AND PROVISIONS l
Collective investments undertakings (CIU)	0.00 to <0.15	65	6	-	71	0.05%	13	42.97%	1.50	13	18.43%	0	-
	0.00 to <0.10	65	6	-	71	0.05%	12	43.00%	1.47	13	18.22%	0	-
	0.10 to <0.15	1	0	-	1	0.10%	1	40.00%	5.00	0	42.67%	0	-
	0.15 to <0.25	2	0	-	2	0.18%	2	25.55%	5.00	1	35.95%	0	-
	0.25 to <0.50	1	0	-	1	0.30%	4	44.16%	1.68	0	44.40%	0	-
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <2.50	47	0	-	47	1.84%	4	44.68%	1.07	45	94.42%	0	-
	0.75 to <1.75	1	0	-	1	1.03%	3	27.01%	5.00	1	68.18%	0	-
	1.75 to <2.50	46	0	-	46	1.85%	1	45.00%	1.00	44	94.89%	0	-
	2.50 to <10.00	0	-	-	0	2.75%	1	-	0.00	-	-	-	-
	2.50 to <5.00	0	-	-	0	2.75%	1	-	0.00	-	-	-	-
	5.00 to <10.00	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to <100.00	31	1	-	32	28.51%	8	40.01%	3.00	66	208.04%	4	-
	10.00 to <20.00	7	0	-	7	11.41%	4	40.04%	3.63	11	159.75%	0	-
	20.00 to <30.00	0	1	-	1	23.03%	2	40.00%	1.52	3	209.30%	0	-
30.00 to <100.00	24	0	-	24	33.61%	2	40.00%	2.90	53	221.51%	3	-	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Subtotal</b>	<b>146</b>	<b>8</b>	<b>-</b>	<b>153</b>	<b>6.52%</b>	<b>32</b>	<b>42.61%</b>	<b>1.72</b>	<b>125</b>	<b>81.56%</b>	<b>4</b>	<b>-</b>	
<b>Total (all exposures classes) as at 31.12.2025</b>	<b>223,301</b>	<b>91,715</b>	<b>26.23%</b>	<b>229,019</b>		<b>5,049,100</b>		<b>1.22</b>	<b>71,030</b>	<b>31.01%</b>	<b>4,478</b>	<b>(5,313)</b>	
<b>Total (all exposures classes) as at 30.06.2025</b>	<b>228,196</b>	<b>88,930</b>	<b>29.48%</b>	<b>231,767</b>		<b>4,756,057</b>		<b>1.26</b>	<b>72,953</b>	<b>31.48%</b>	<b>4,323</b>	<b>(5,419)</b>	

With reference to the AIRB portfolio evolution as at 31 December 2025, compared to 30 June 2025, 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	OFF-BALANCE	EXPOSURE	EXPOSURE	EXPOSURE	EXPOSURE	NUMBER OF	EXPOSURE	EXPOSURE	RISK WEIGHTED	DENSITY OF	EXPECTED LOSS	VALUE
		EXPOSURES	SHEET EXPOSURES	WEIGHTED	POST									
		a	b	AVERAGE CCF (%)	CCF AND POST CRM	AVERAGE PD (%)		OBLIGORS	AVERAGE LGD (%)	AVERAGE MATURITY (YEARS)	AFTER SUPPORTING FACTORS	WEIGHTED EXPOSURE AMOUNT	AMOUNT	ADJUSTMENTS AND PROVISIONS
Central governments or central banks	0.00 to <0.15	-	-	-	430	0.03%	-	-	44.95%	3.53	77	17.91%	0	-
	0.00 to <0.10	-	-	-	430	0.03%	-	-	44.95%	3.53	77	17.91%	0	-
	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	-	-	-	0	12.80%	-	-	45.00%	5.00	0	237.71%	0	-
	10.00 to <20.00	-	-	-	0	12.80%	-	-	45.00%	5.00	0	237.71%	0	-
	20.00 to <30.00	-	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-	-
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Subtotal</b>		-	-	-	430	0.03%	-	44.95%	3.53	77	17.91%	0	-	
Regional governments or local authorities	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)	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Subtotal</b>		-	-	-	-	-	-	-	-	-	-	-	-	

# 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	OFF-BALANCE	EXPOSURE	EXPOSURE	EXPOSURE	EXPOSURE	NUMBER OF	EXPOSURE	EXPOSURE	RISK WEIGHTED	DENSITY OF	EXPECTED LOSS	VALUE
		EXPOSURES	SHEET EXPOSURES	WEIGHTED	POST									
		a	b	c	d	e	f	g	h	i	j	k	l	
Public sector entities	0.00 to <0.15	450	1,034	4.64%	189	0.08%	4	45.00%	1.02	29	15.56%	0	(0)	
	0.00 to <0.10	90	307	14.83%	136	0.06%	2	45.00%	1.01	17	12.32%	0	(0)	
	0.10 to <0.15	360	727	0.34%	53	0.13%	2	45.00%	1.03	13	23.94%	0	(0)	
	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	-	
	0.25 to <0.50	244	-	-	244	0.28%	1	45.00%	3.03	135	55.50%	0	(1)	
	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)	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Subtotal</b>	<b>694</b>	<b>1,034</b>	<b>4.64%</b>	<b>433</b>	<b>0.19%</b>	<b>5</b>	<b>45.00%</b>	<b>2.15</b>	<b>165</b>	<b>38.06%</b>	<b>0</b>	<b>(1)</b>		
Institutions	0.00 to <0.15	22,276	8,802	9.85%	22,298	0.06%	328	22.00%	2.66	3,736	16.75%	4	(18)	
	0.00 to <0.10	19,847	7,626	11.09%	19,942	0.05%	267	23.01%	2.57	2,773	13.91%	3	(18)	
	0.10 to <0.15	2,429	1,176	1.76%	2,356	0.13%	61	13.44%	3.45	963	40.87%	1	(0)	
	0.15 to <0.25	13	28	17.08%	4	0.21%	13	45.00%	4.38	2	61.19%	0	(0)	
	0.25 to <0.50	3,920	1,950	11.61%	4,177	0.35%	135	26.65%	2.54	1,387	33.20%	4	(18)	
	0.50 to <0.75	1,502	581	0.18%	915	0.68%	79	21.57%	2.01	328	35.88%	1	(6)	
	0.75 to <2.50	411	1,280	0.22%	589	1.55%	101	40.28%	1.18	523	88.78%	4	(3)	
	0.75 to <1.75	300	368	0.74%	318	1.23%	74	36.28%	1.42	216	67.90%	1	(2)	
	1.75 to <2.50	111	912	0.01%	271	1.92%	27	45.00%	0.90	307	113.36%	2	(1)	
	2.50 to <10.00	8	95	5.08%	17	3.13%	38	38.10%	1.06	16	94.15%	0	(0)	
	2.50 to <5.00	8	81	5.97%	15	2.80%	25	37.04%	1.07	13	87.98%	0	(0)	
	5.00 to <10.00	0	14	-	2	5.24%	13	45.00%	1.00	3	134.50%	0	(0)	
	10.00 to <100.00	2	13	-	2	12.79%	31	44.80%	1.02	4	176.82%	0	(0)	
	10.00 to <20.00	2	13	-	2	11.27%	21	44.79%	1.01	4	178.28%	0	(0)	
	20.00 to <30.00	0	0	-	0	21.66%	3	44.56%	2.20	0	241.46%	0	(0)	
30.00 to <100.00	0	-	-	0	79.93%	7	45.00%	1.62	0	107.43%	0	(0)		
100.00 (Default)	12	0	-	12	100.00%	16	23.82%	1.00	-	-	3	(9)		
<b>Subtotal</b>	<b>28,144</b>	<b>12,749</b>	<b>8.68%</b>	<b>28,015</b>	<b>0.20%</b>	<b>741</b>	<b>23.08%</b>	<b>2.59</b>	<b>5,997</b>	<b>21.41%</b>	<b>16</b>	<b>(54)</b>		

# 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	OFF-BALANCE	EXPOSURE	EXPOSURE	EXPOSURE	EXPOSURE	EXPOSURE	RISK WEIGHTED	DENSITY OF RISK	EXPECTED LOSS	VALUE	
		EXPOSURES	SHEET EXPOSURES	WEIGHTED	POST								WEIGHTED
		a	b	c	d	e	f	g	h	i	j	k	l
Corporates - Specialized 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	-	-	-	7	0.37%	-	40.00%	1.00	3	40.36%	0	-
	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)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>		-	-	-	7	0.37%	-	40.00%	1.00	3	40.36%	0	-
Corporates - Purchased receivables	0.00 to <0.15	4,025	3,256	0.14%	3,809	0.08%	240	40.00%	0.27	349	9.18%	1	(6)
	0.00 to <0.10	3,030	2,453	0.19%	2,814	0.06%	191	40.00%	0.26	202	7.19%	1	(5)
	0.10 to <0.15	995	803	-	995	0.13%	49	40.00%	0.29	147	14.79%	1	(0)
	0.15 to <0.25	813	631	2.20%	612	0.19%	51	40.17%	0.27	122	20.00%	0	(1)
	0.25 to <0.50	524	477	-	523	0.32%	89	40.01%	0.26	154	29.45%	1	(1)
	0.50 to <0.75	344	185	-	342	0.58%	41	40.38%	0.25	147	42.84%	1	(2)
	0.75 to <2.50	214	152	-	200	1.51%	70	40.00%	0.29	134	67.29%	1	(1)
	0.75 to <1.75	144	129	-	140	1.19%	53	40.00%	0.28	87	62.04%	1	(0)
	1.75 to <2.50	70	22	-	60	2.24%	17	40.00%	0.30	48	79.53%	1	(0)
	2.50 to <10.00	90	70	-	83	6.13%	36	40.02%	0.31	97	116.87%	2	(2)
	2.50 to <5.00	40	50	-	36	3.85%	22	40.04%	0.39	35	97.94%	1	(1)
	5.00 to <10.00	50	20	-	47	7.87%	14	40.00%	0.25	62	131.28%	1	(2)
	10.00 to <100.00	42	35	-	6	26.07%	14	40.00%	0.41	12	200.65%	1	(1)
	10.00 to <20.00	35	20	-	0	11.27%	4	40.00%	0.25	1	153.37%	0	(0)
	20.00 to <30.00	7	15	-	6	27.19%	8	40.00%	0.42	12	204.24%	1	(1)
	30.00 to <100.00	-	0	-	-	-	2	-	-	-	-	-	-
	100.00 (Default)	18	1	-	18	100.00%	7	39.85%	0.29	-	-	7	(2)
<b>Subtotal</b>		6,070	4,808	0.39%	5,593	0.63%	548	40.04%	0.27	1,016	18.17%	14	(15)

# 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	OFF-BALANCE	EXPOSURE	EXPOSURE	NUMBER OF	EXPOSURE	EXPOSURE	EXPOSURE	RISK WEIGHTED	DENSITY OF RISK	EXPECTED LOSS	ADJUSTMENTS AND	VALUE
		SHEET EXPOSURES	SHEET EXPOSURES	WEIGHTED	POST		WEIGHTED	WEIGHTED	AVERAGE	AFTER SUPPORTING	WEIGHTED			
		a	b	AVERAGE CCF (%)	CF AND POST CRM	f	AVERAGE LGD (%)	MATURITY (YEARS)	FACTORS	EXPOSURE AMOUNT	j	k	l	
Corporates - Other	0.00 to <0.15	29,061	108,318	22.87%	53,447	2,079	37.78%	2.34	10,318	19.30%	14	(37)		
	0.00 to <0.10	22,060	93,001	23.23%	43,511	1,426	37.67%	2.33	7,698	17.69%	10	(26)		
	0.10 to <0.15	7,001	15,318	20.71%	9,936	653	38.28%	2.38	2,619	26.36%	4	(10)		
	0.15 to <0.25	8,772	21,748	17.40%	12,157	1,079	39.83%	2.34	4,523	37.21%	9	(14)		
	0.25 to <0.50	12,738	15,368	16.86%	14,686	1,916	34.20%	2.80	6,928	47.17%	18	(33)		
	0.50 to <0.75	4,486	7,641	14.79%	5,256	1,150	37.87%	2.07	3,094	58.87%	12	(22)		
	0.75 to <2.50	8,340	10,876	13.25%	8,560	2,606	34.12%	2.48	6,511	76.07%	41	(80)		
	0.75 to <1.75	6,389	7,843	12.75%	6,375	1,845	32.22%	2.46	4,228	66.32%	23	(60)		
	1.75 to <2.50	1,951	3,032	14.53%	2,185	761	39.67%	2.53	2,283	104.51%	18	(20)		
	2.50 to <10.00	4,857	6,696	14.74%	5,161	2,352	38.03%	2.09	6,075	117.70%	92	(219)		
	2.50 to <5.00	3,246	4,624	15.99%	3,709	1,553	37.83%	2.17	4,044	109.02%	51	(105)		
	5.00 to <10.00	1,611	2,071	11.94%	1,452	799	38.54%	1.88	2,031	139.87%	41	(114)		
	10.00 to <100.00	1,058	1,950	9.98%	1,198	1,639	38.10%	1.58	2,192	182.98%	129	(125)		
	10.00 to <20.00	383	551	20.19%	533	357	38.04%	1.58	952	178.57%	30	(21)		
	20.00 to <30.00	369	964	6.29%	342	544	36.92%	1.79	688	201.36%	35	(36)		
30.00 to <100.00	306	435	5.23%	323	738	39.44%	1.36	552	170.82%	64	(68)			
100.00 (Default)	2,295	1,163	12.85%	2,158	714	38.55%	2.04	-	-	832	(1,203)			
<b>Subtotal</b>	<b>71,608</b>	<b>173,760</b>	<b>20.17%</b>	<b>102,622</b>	<b>2.92%</b>	<b>13,535</b>	<b>37.24%</b>	<b>2.37</b>	<b>39,640</b>	<b>38.63%</b>	<b>1,147</b>	<b>(1,732)</b>		
<b>Total (all exposures classes) as at 31.12.2025</b>	<b>106,516</b>	<b>192,351</b>	<b>18.94%</b>	<b>137,099</b>		<b>14,829</b>		<b>2.33</b>	<b>46,898</b>	<b>35.15%</b>	<b>1,177</b>	<b>(1,802)</b>		
<b>Total (all exposures classes) as at 30.06.2025</b>	<b>103,610</b>	<b>184,087</b>	<b>18.77%</b>	<b>133,207</b>		<b>16,019</b>		<b>2.34</b>	<b>43,528</b>	<b>33.84%</b>	<b>1,160</b>	<b>(1,854)</b>		

**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").

Over the reporting period June 2025 - December 2025, the group credit risk IRB portfolio (both Advanced IRB and Foundation IRB) shows the following key dynamics:

- The performing portfolio increased by €1,112 million, mostly driven by the following asset classes and phenomena:
  - The "Corporates" asset class increased by €2,004 million primarily explained by the large corporate portfolio business dynamics;
  - "Public sector entities" increased by €732 million, explained mainly by higher exposures in Germany and Austria;
  - "Institutions" decreased by -€2,092 million due to reduced exposures, mainly in Germany and Austria.
- The defaulted portfolio remains stable in the observed period with a risk density of approximately 51%.

## Credit risk

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

(€ million)

EXPOSURE CLASSES		EXPOSURE VALUE	TOTAL EXPOSURE	PERCENTAGE OF	PERCENTAGE OF	PERCENTAGE OF
		AS DEFINED IN ARTICLE 166 CRR FOR EXPOSURES SUBJECT TO IRB APPROACH	VALUE FOR EXPOSURES SUBJECT TO THE STANDARDISED APPROACH AND TO THE IRB APPROACH	TOTAL EXPOSURE VALUE SUBJECT TO THE PERMANENT PARTIAL USE OF THE SA (%)	TOTAL EXPOSURE VALUE SUBJECT TO IRB APPROACH (%)	TOTAL EXPOSURE VALUE SUBJECT TO A ROLL-OUT PLAN (%)
		a	b	c	d	e
1	Central governments or central banks	20,171	149,802	83.70%	13.47%	2.83%
2	Regional governments or local authorities	0	25,894	21.99%	0.00%	78.01%
3	Public sector entities	3,361	14,317	7.33%	22.63%	70.04%
4	Institutions		32,274	0.02%	97.02%	2.96%
5	Corporates	222,095	238,672	0.44%	91.88%	7.68%
5.1	<i>of which Corporates - General</i>		210,768	0.43%	92.92%	6.64%
5.2	<i>of which Corporates - Specialised lending</i>		19,593	-	84.96%	15.04%
5.2.1	<i>of which Corporates - Specialised lending, excluding slotting approach</i>		15,523	0.00%	89.84%	10.16%
5.2.2	<i>of which Corporates - Specialised lending under slotting approach</i>		19,593	-	84.96%	15.04%
5.3	<i>of which Corporates - Purchased Receivables</i>		8,312	1.69%	81.68%	16.63%
6	Retail	122,453	124,733	0.23%	92.72%	7.04%
6.1	<i>of which Retail - Qualifying revolving</i>		1,554	0.03%	90.01%	9.97%
6.2	<i>of which Retail - Secured by residential immovable property</i>		80,995	0.18%	92.37%	7.45%
6.3	<i>of which Retail - Purchased Receivables</i>	-	2	62.62%	-	37.38%
6.4	<i>of which Retail - Other retail exposures</i>	42,563	42,182	0.34%	93.50%	6.16%
7	Equity	-	3,074	99.95%	-	0.05%
EU 7a	Collective investment undertakings (CIU)	153	2,212	0.36%	6.92%	92.71%
8	Other non-credit obligation assets	5,512	21,737	47.84%	52.16%	-
<b>9</b>	<b>Total as at 31.12.2025</b>	<b>404,620</b>	<b>612,715</b>	<b>23.98%</b>	<b>65.47%</b>	<b>10.54%</b>
	<b>Total as at 31.12.2024</b>	<b>438,948</b>	<b>629,611</b>	<b>27.16%</b>	<b>68.61%</b>	<b>4.22%</b>

# 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		OBSERVED AVERAGE DEFAULT RATE (%)	EXPOSURES WEIGHTED AVERAGE PD (%)	AVERAGE PD (%)	AVERAGE HISTORICAL ANNUAL DEFAULT RATE (%)
			OF WHICH: NUMBER OF OBLIGORS WHICH DEFAULTED DURING THE YEAR				
a	b	c	d	e	f	g	h
Central governments or central banks	0.00 to <0.15	40	-	-	0.02%	0.03%	-
	0.00 to <0.10	36	-	-	0.01%	0.02%	-
	0.10 to <0.15	4	-	-	0.13%	0.13%	-
	0.15 to <0.25	6	-	-	0.24%	0.23%	-
	0.25 to <0.50	2	-	-	0.37%	0.40%	-
	0.50 to <0.75	2	-	-	-	0.70%	-
	0.75 to <2.50	13	-	-	1.46%	1.57%	-
	0.75 to <1.75	7	-	-	1.29%	1.19%	-
	1.75 to <2.50	6	-	-	2.07%	2.02%	-
	2.50 to <10.00	3	-	-	3.21%	3.45%	1.54%
	2.50 to <5.00	3	-	-	3.21%	3.45%	2.50%
	5.00 to <10.00	-	-	-	-	-	-
	10.00 to <100.00	16	1	6.25%	19.96%	25.40%	11.28%
	10.00 to <20.00	10	-	-	12.80%	12.40%	12.86%
20.00 to <30.00	-	-	-	-	-	20.00%	
30.00 to <100.00	6	1	16.67%	49.65%	47.06%	8.67%	
100.00 (Default)	12	-	-	-	100.00%	-	
Regional governments or local authorities	0.00 to <0.15	1	-	-	-	0.10%	-
	0.00 to <0.10	-	-	-	-	-	-
	0.10 to <0.15	1	-	-	-	0.10%	-
	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	1	-	-	-	6.50%	-
	2.50 to <5.00	-	-	-	-	-	-
	5.00 to <10.00	1	-	-	-	6.50%	-
	10.00 to <100.00	-	-	-	-	-	-
	10.00 to <20.00	-	-	-	-	-	-
20.00 to <30.00	-	-	-	-	-	-	
30.00 to <100.00	-	-	-	-	-	-	
100.00 (Default)	-	-	-	-	-	-	
Public sector entities	0.00 to <0.15	33	-	-	0.03%	0.07%	0.47%
	0.00 to <0.10	27	-	-	0.03%	0.06%	0.51%
	0.10 to <0.15	6	-	-	0.11%	0.13%	-
	0.15 to <0.25	8	-	-	0.16%	0.19%	5.00%
	0.25 to <0.50	8	-	-	0.40%	0.35%	-
	0.50 to <0.75	6	-	-	0.68%	0.67%	-
	0.75 to <2.50	18	1	5.56%	1.41%	1.63%	1.11%
	0.75 to <1.75	9	-	-	0.97%	1.19%	-
	1.75 to <2.50	9	1	11.11%	1.97%	2.06%	2.22%
	2.50 to <10.00	7	-	-	4.27%	4.30%	1.82%
	2.50 to <5.00	5	-	-	3.20%	3.38%	2.22%
	5.00 to <10.00	2	-	-	8.50%	6.59%	-
	10.00 to <100.00	9	2	22.22%	49.51%	52.05%	10.67%
	10.00 to <20.00	3	-	-	17.62%	13.42%	-
20.00 to <30.00	-	-	-	-	-	-	
30.00 to <100.00	6	2	33.33%	49.66%	71.37%	13.97%	
100.00 (Default)	7	-	-	-	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		OBSERVED AVERAGE DEFAULT RATE (%)	EXPOSURES WEIGHTED AVERAGE PD (%)	AVERAGE PD (%)	AVERAGE HISTORICAL ANNUAL DEFAULT RATE (%)
			OF WHICH: NUMBER OF OBLIGORS WHICH DEFAULTED DURING THE YEAR				
a	b	c	d	e	f	g	h
Corporates - Specialised lending	0.00 to <0.15	87	-	-	0.10%	0.11%	-
	0.00 to <0.10	32	-	-	0.07%	0.07%	-
	0.10 to <0.15	55	-	-	0.12%	0.13%	-
	0.15 to <0.25	201	-	-	0.20%	0.20%	0.24%
	0.25 to <0.50	219	2	0.91%	0.35%	0.37%	0.29%
	0.50 to <0.75	76	1	1.32%	0.59%	0.62%	0.26%
	0.75 to <2.50	137	1	0.73%	1.23%	1.42%	0.33%
	0.75 to <1.75	102	1	0.98%	1.12%	1.21%	0.42%
	1.75 to <2.50	35	-	-	2.06%	2.04%	-
	2.50 to <10.00	60	2	3.33%	4.04%	4.65%	1.62%
	2.50 to <5.00	42	2	4.76%	3.62%	3.67%	0.95%
	5.00 to <10.00	18	-	-	6.67%	6.96%	3.89%
	10.00 to <100.00	9	-	-	17.71%	17.88%	1.67%
	10.00 to <20.00	8	-	-	11.98%	15.97%	2.22%
20.00 to <30.00	-	-	-	27.19%	-	-	
30.00 to <100.00	1	-	-	-	33.21%	-	
100.00 (Default)	10	-	-	-	100.00%	100.00%	-
Corporates - Purchased receivables	0.00 to <0.15	19	-	-	0.09%	0.10%	-
	0.00 to <0.10	11	-	-	0.08%	0.07%	-
	0.10 to <0.15	8	-	-	0.13%	0.14%	-
	0.15 to <0.25	8	-	-	0.21%	0.21%	-
	0.25 to <0.50	13	-	-	0.37%	0.36%	1.05%
	0.50 to <0.75	4	-	-	0.66%	0.64%	5.33%
	0.75 to <2.50	29	-	-	1.27%	1.57%	0.77%
	0.75 to <1.75	18	-	-	1.20%	1.29%	1.11%
	1.75 to <2.50	11	-	-	2.01%	2.03%	-
	2.50 to <10.00	24	1	4.17%	3.89%	4.54%	1.48%
	2.50 to <5.00	19	1	5.26%	3.60%	3.69%	1.85%
	5.00 to <10.00	5	-	-	6.36%	7.78%	-
	10.00 to <100.00	2	1	50.00%	18.07%	12.72%	15.00%
	10.00 to <20.00	2	1	50.00%	13.69%	12.72%	16.67%
20.00 to <30.00	-	-	-	23.63%	-	4.00%	
30.00 to <100.00	-	-	-	-	-	-	
100.00 (Default)	9	-	-	-	100.00%	100.00%	-
Corporates - Other	0.00 to <0.15	8,096	4	0.05%	0.09%	0.09%	0.10%
	0.00 to <0.10	4,195	2	0.05%	0.07%	0.06%	0.07%
	0.10 to <0.15	3,901	2	0.05%	0.12%	0.12%	0.13%
	0.15 to <0.25	7,564	6	0.08%	0.20%	0.20%	0.12%
	0.25 to <0.50	14,839	21	0.14%	0.36%	0.37%	0.18%
	0.50 to <0.75	9,496	28	0.29%	0.62%	0.62%	0.33%
	0.75 to <2.50	24,415	185	0.76%	1.43%	1.41%	0.81%
	0.75 to <1.75	17,878	103	0.58%	1.19%	1.16%	0.66%
	1.75 to <2.50	6,537	82	1.25%	2.10%	2.09%	1.23%
	2.50 to <10.00	20,006	527	2.63%	4.66%	4.76%	2.28%
	2.50 to <5.00	12,228	212	1.73%	3.59%	3.54%	1.57%
	5.00 to <10.00	7,778	315	4.05%	6.91%	6.69%	3.24%
	10.00 to <100.00	11,145	1,489	13.36%	19.35%	27.40%	8.43%
	10.00 to <20.00	4,437	339	7.64%	14.33%	15.12%	5.60%
	20.00 to <30.00	1,371	176	12.84%	23.21%	23.91%	9.18%
30.00 to <100.00	5,337	974	18.25%	40.60%	38.50%	11.88%	
100.00 (Default)	4,316	-	-	-	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		OBSERVED AVERAGE DEFAULT RATE (%)	EXPOSURES WEIGHTED AVERAGE PD (%)	AVERAGE PD (%)	AVERAGE HISTORICAL ANNUAL DEFAULT RATE (%)
			OF WHICH: NUMBER OF OBLIGORS WHICH DEFAULTED DURING THE YEAR				
a	b	c	d	e	f	g	h
Retail - of which secured by residential real estate	0.00 to <0.15	163,712	72	0.04%	0.08%	0.08%	0.06%
	0.00 to <0.10	99,951	37	0.04%	0.06%	0.06%	0.03%
	0.10 to <0.15	63,761	35	0.05%	0.12%	0.12%	0.07%
	0.15 to <0.25	101,682	61	0.06%	0.20%	0.20%	0.09%
	0.25 to <0.50	171,235	142	0.08%	0.35%	0.36%	0.16%
	0.50 to <0.75	120,605	171	0.14%	0.61%	0.63%	0.24%
	0.75 to <2.50	164,808	472	0.29%	1.41%	1.30%	0.44%
	0.75 to <1.75	136,427	356	0.26%	1.21%	1.16%	0.37%
	1.75 to <2.50	28,381	116	0.41%	2.01%	2.01%	0.76%
	2.50 to <10.00	48,104	708	1.47%	4.72%	5.11%	2.23%
	2.50 to <5.00	26,734	282	1.05%	3.36%	3.56%	1.65%
	5.00 to <10.00	21,370	426	1.99%	7.10%	7.06%	3.20%
	10.00 to <100.00	26,896	2,428	9.03%	25.29%	24.76%	16.08%
	10.00 to <20.00	12,893	521	4.04%	14.19%	14.06%	8.06%
20.00 to <30.00	5,077	485	9.55%	24.24%	24.28%	16.37%	
30.00 to <100.00	8,926	1,422	15.93%	43.05%	40.48%	23.84%	
100.00 (Default)		12,641	-	-	100.00%	100.00%	-
Retail - Qualifying revolving	0.00 to <0.15	557,102	188	0.03%	0.08%	0.06%	0.04%
	0.00 to <0.10	478,434	101	0.02%	0.06%	0.04%	0.02%
	0.10 to <0.15	78,668	87	0.11%	0.11%	0.12%	0.13%
	0.15 to <0.25	115,081	157	0.14%	0.20%	0.20%	0.14%
	0.25 to <0.50	249,047	394	0.16%	0.38%	0.38%	0.20%
	0.50 to <0.75	272,969	412	0.15%	0.60%	0.60%	0.22%
	0.75 to <2.50	218,322	1,955	0.90%	1.26%	1.19%	0.98%
	0.75 to <1.75	191,394	1,371	0.72%	1.12%	1.07%	0.79%
	1.75 to <2.50	26,928	584	2.17%	2.08%	2.08%	1.99%
	2.50 to <10.00	69,325	1,954	2.82%	4.51%	4.69%	3.69%
	2.50 to <5.00	44,212	1,232	2.79%	3.32%	3.17%	3.32%
	5.00 to <10.00	25,113	722	2.88%	6.98%	7.37%	4.50%
	10.00 to <100.00	44,446	3,363	7.57%	24.91%	22.45%	10.56%
	10.00 to <20.00	28,659	1,859	6.49%	14.48%	14.64%	9.05%
20.00 to <30.00	4,869	489	10.04%	24.43%	24.44%	20.18%	
30.00 to <100.00	10,918	1,015	9.30%	49.05%	42.04%	9.85%	
100.00 (Default)		29,194	-	-	100.00%	100.00%	-
Retail - Purchased receivables	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)		-	-	-	-	-	-

# 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		OBSERVED AVERAGE DEFAULT RATE (%)	EXPOSURES WEIGHTED AVERAGE PD (%)	AVERAGE PD (%)	AVERAGE HISTORICAL ANNUAL DEFAULT RATE (%)
			OF WHICH: NUMBER OF OBLIGORS WHICH DEFAULTED DURING THE YEAR				
a	b	c	d	e	f	g	h
Retail – other	0.00 to <0.15	646,663	218	0.03%	0.08%	0.06%	0.06%
	0.00 to <0.10	500,761	129	0.03%	0.06%	0.05%	0.04%
	0.10 to <0.15	145,902	89	0.06%	0.12%	0.12%	0.11%
	0.15 to <0.25	185,866	174	0.09%	0.20%	0.20%	0.12%
	0.25 to <0.50	293,590	589	0.20%	0.37%	0.37%	0.23%
	0.50 to <0.75	192,653	691	0.36%	0.62%	0.62%	0.35%
	0.75 to <2.50	671,594	5,011	0.75%	1.48%	1.48%	0.72%
	0.75 to <1.75	450,397	2,972	0.66%	1.18%	1.17%	0.61%
	1.75 to <2.50	221,197	2,039	0.92%	2.08%	2.10%	0.99%
	2.50 to <10.00	363,736	10,500	2.89%	4.66%	4.66%	2.23%
	2.50 to <5.00	247,038	4,985	2.02%	3.55%	3.56%	1.60%
	5.00 to <10.00	116,698	5,515	4.73%	6.97%	7.00%	3.51%
	10.00 to <100.00	274,485	25,884	9.43%	26.31%	23.07%	10.38%
	10.00 to <20.00	176,018	6,783	3.85%	13.71%	15.31%	4.80%
20.00 to <30.00	30,107	3,960	13.15%	24.50%	24.52%	14.66%	
30.00 to <100.00	68,360	15,141	22.15%	46.25%	42.42%	22.67%	
100.00 (Default)		67,757	-	-	100.00%	100.00%	-
Collective investments undertakings (CIU)	0.00 to <0.15	18	-	-	0.05%	0.08%	-
	0.00 to <0.10	14	-	-	0.05%	0.07%	-
	0.10 to <0.15	4	-	-	0.10%	0.12%	-
	0.15 to <0.25	2	-	-	0.18%	0.19%	-
	0.25 to <0.50	3	-	-	0.30%	0.32%	-
	0.50 to <0.75	1	-	-	-	0.69%	-
	0.75 to <2.50	6	-	-	1.84%	1.53%	-
	0.75 to <1.75	3	-	-	1.03%	1.08%	-
	1.75 to <2.50	3	-	-	1.85%	1.98%	-
	2.50 to <10.00	4	-	-	2.75%	6.80%	-
	2.50 to <5.00	1	-	-	2.75%	4.54%	-
	5.00 to <10.00	3	-	-	-	7.55%	-
	10.00 to <100.00	11	-	-	28.51%	21.79%	-
	10.00 to <20.00	6	-	-	11.41%	16.16%	-
20.00 to <30.00	3	-	-	23.03%	24.86%	-	
30.00 to <100.00	2	-	-	33.61%	34.08%	-	
100.00 (Default)		-	-	-	-	-	
A-IRB Total	0.00 to <0.15	1,375,753	482	0.04%	0.06%	0.06%	0.03%
	0.00 to <0.10	1,083,447	269	0.02%	0.04%	0.05%	0.02%
	0.10 to <0.15	292,306	213	0.07%	0.12%	0.12%	0.07%
	0.15 to <0.25	410,416	398	0.10%	0.20%	0.20%	0.08%
	0.25 to <0.50	728,953	1,148	0.16%	0.36%	0.37%	0.13%
	0.50 to <0.75	595,811	1,303	0.22%	0.62%	0.61%	0.18%
	0.75 to <2.50	1,079,336	7,625	0.71%	1.42%	1.39%	0.47%
	0.75 to <1.75	796,232	4,803	0.60%	1.19%	1.14%	0.39%
	1.75 to <2.50	283,104	2,822	1.00%	2.07%	2.09%	0.72%
	2.50 to <10.00	501,266	13,692	2.73%	4.65%	4.71%	1.69%
	2.50 to <5.00	330,281	6,714	2.03%	3.54%	3.51%	1.32%
	5.00 to <10.00	170,985	6,978	4.08%	6.96%	7.05%	2.37%
	10.00 to <100.00	357,008	33,168	9.29%	23.13%	23.26%	7.53%
	10.00 to <20.00	222,030	9,503	4.28%	14.12%	15.15%	3.94%
20.00 to <30.00	41,424	5,110	12.34%	23.89%	24.46%	10.34%	
30.00 to <100.00	93,554	18,555	19.83%	43.98%	41.97%	14.17%	
100.00 (Default)		113,946	-	-	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 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		OBSERVED AVERAGE DEFAULT RATE (%)	EXPOSURES WEIGHTED AVERAGE PD (%)	AVERAGE HISTORICAL ANNUAL DEFAULT RATE (%)
			OF WHICH: NUMBER OF OBLIGORS WHICH DEFAULTED DURING THE YEAR			
a	b	c	d	e	f	g
Central governments or central bank	0.00 to <0.15	-	-	-	0.03%	-
	0.00 to <0.10	-	-	-	0.03%	-
	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	-	-	-	12.80%	-
	10.00 to <20.00	-	-	-	12.80%	-
20.00 to <30.00	-	-	-	-	-	
30.00 to <100.00	-	-	-	-	-	
100.00 (Default)	-	-	-	-	-	
Regional governments or local authorities	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)	-	-	-	-	-	
Public sector entities	0.00 to <0.15	1	-	-	0.08%	0.10%
	0.00 to <0.10	-	-	-	0.06%	-
	0.10 to <0.15	1	-	-	0.13%	0.10%
	0.15 to <0.25	-	-	-	-	-
	0.25 to <0.50	-	-	-	0.28%	-
	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)	-	-	-	-	-	

# 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		OBSERVED AVERAGE DEFAULT RATE (%)	EXPOSURES WEIGHTED AVERAGE PD (%)	AVERAGE PD (%)	AVERAGE HISTORICAL ANNUAL DEFAULT RATE (%)
		c	d				
Institutions	0.00 to <0.15	446	-	-	0.06%	0.07%	0.06%
	0.00 to <0.10	363	-	-	0.05%	0.06%	0.10%
	0.10 to <0.15	83	-	-	0.13%	0.11%	-
	0.15 to <0.25	24	-	-	0.21%	0.19%	-
	0.25 to <0.50	82	1	1.22%	0.35%	0.33%	0.24%
	0.50 to <0.75	18	-	-	0.68%	0.61%	-
	0.75 to <2.50	112	-	-	1.55%	1.25%	0.49%
	0.75 to <1.75	78	-	-	1.23%	0.94%	0.72%
	1.75 to <2.50	34	-	-	1.92%	1.96%	-
	2.50 to <10.00	62	1	1.61%	3.13%	4.38%	0.32%
	2.50 to <5.00	48	-	-	2.80%	3.66%	-
	5.00 to <10.00	14	1	7.14%	5.24%	6.85%	1.43%
	10.00 to <100.00	35	3	8.57%	12.79%	23.02%	3.34%
	10.00 to <20.00	23	-	-	11.27%	14.32%	-
20.00 to <30.00	2	-	-	21.66%	22.50%	6.67%	
30.00 to <100.00	10	3	30.00%	79.93%	43.14%	12.67%	
100.00 (Default)	9	-	-	100.00%	100.00%	-	
Corporates - Specialized 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	-	-	-	0.37%	-	-
	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)	-	-	-	-	-	-	
Corporates - Purchased receivables	0.00 to <0.15	172	-	-	0.08%	0.08%	-
	0.00 to <0.10	117	-	-	0.06%	0.06%	-
	0.10 to <0.15	55	-	-	0.13%	0.13%	-
	0.15 to <0.25	69	-	-	0.19%	0.20%	-
	0.25 to <0.50	81	1	1.23%	0.32%	0.34%	0.66%
	0.50 to <0.75	22	-	-	0.58%	0.60%	2.50%
	0.75 to <2.50	41	-	-	1.51%	1.37%	-
	0.75 to <1.75	30	-	-	1.19%	1.08%	-
	1.75 to <2.50	11	-	-	2.24%	2.15%	-
	2.50 to <10.00	16	1	6.25%	6.13%	4.21%	1.25%
	2.50 to <5.00	12	1	8.33%	3.85%	3.19%	1.67%
	5.00 to <10.00	4	-	-	7.87%	7.25%	-
	10.00 to <100.00	9	-	-	26.07%	34.09%	-
	10.00 to <20.00	-	-	-	11.27%	-	-
20.00 to <30.00	-	-	-	27.19%	-	-	
30.00 to <100.00	9	-	-	-	34.09%	-	
100.00 (Default)	4	-	-	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		OBSERVED AVERAGE DEFAULT RATE (%)	EXPOSURES WEIGHTED AVERAGE PD (%)	AVERAGE PD (%)	AVERAGE HISTORICAL ANNUAL DEFAULT RATE (%)
			OF WHICH: NUMBER OF OBLIGORS WHICH DEFAULTED DURING THE YEAR				
a	b	c	d	e	f	g	h
Corporates - Other	0.00 to <0.15	2,021	5	0.25%	0.07%	0.08%	0.09%
	0.00 to <0.10	1,305	1	0.08%	0.06%	0.06%	0.06%
	0.10 to <0.15	716	4	0.56%	0.12%	0.12%	0.13%
	0.15 to <0.25	1,071	1	0.09%	0.19%	0.20%	0.09%
	0.25 to <0.50	1,627	3	0.18%	0.34%	0.35%	0.36%
	0.50 to <0.75	688	2	0.29%	0.60%	0.63%	0.71%
	0.75 to <2.50	1,624	21	1.29%	1.38%	1.40%	0.98%
	0.75 to <1.75	1,218	19	1.56%	1.13%	1.16%	1.09%
	1.75 to <2.50	406	2	0.49%	2.10%	2.12%	0.64%
	2.50 to <10.00	795	35	4.40%	4.62%	4.61%	2.90%
	2.50 to <5.00	546	21	3.85%	3.57%	3.49%	2.17%
	5.00 to <10.00	249	14	5.62%	7.30%	7.09%	4.48%
	10.00 to <100.00	231	22	9.52%	27.94%	23.30%	4.70%
	10.00 to <20.00	121	16	13.22%	14.48%	14.13%	7.65%
20.00 to <30.00	19	3	15.79%	26.86%	23.38%	12.69%	
30.00 to <100.00	91	3	3.30%	51.29%	35.48%	2.16%	
100.00 (Default)	295	-	-	100.00%	100.00%	-	
F-IRB Total	0.00 to <0.15	2,640	5	0.19%	0.07%	0.08%	0.06%
	0.00 to <0.10	1,785	1	0.06%	0.06%	0.06%	0.05%
	0.10 to <0.15	855	4	0.47%	0.12%	0.12%	0.09%
	0.15 to <0.25	1,164	1	0.09%	0.19%	0.20%	0.05%
	0.25 to <0.50	1,790	5	0.28%	0.34%	0.35%	0.14%
	0.50 to <0.75	728	2	0.27%	0.61%	0.63%	0.24%
	0.75 to <2.50	1,777	21	1.18%	1.39%	1.39%	0.44%
	0.75 to <1.75	1,326	19	1.43%	1.14%	1.15%	0.48%
	1.75 to <2.50	451	2	0.44%	2.08%	2.11%	0.32%
	2.50 to <10.00	873	37	4.24%	4.64%	4.59%	1.65%
	2.50 to <5.00	606	22	3.63%	3.57%	3.49%	1.31%
	5.00 to <10.00	267	15	5.62%	7.31%	7.08%	2.44%
	10.00 to <100.00	275	25	9.09%	27.90%	23.62%	2.50%
	10.00 to <20.00	144	16	11.11%	14.46%	14.16%	3.77%
20.00 to <30.00	21	3	14.29%	26.86%	23.30%	6.25%	
30.00 to <100.00	110	6	5.45%	51.29%	36.06%	1.45%	
100.00 (Default)	308	-	-	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 column f) is weighted by exposure value after CRM.

# Credit risk

## RWEAs flow statements - IRB method

In the fourth quarter 2025, credit risk weighted exposure amounts under IRB approach decreased by -€1,263 million versus the third quarter 2025 driven primarily by the following phenomena:

- “Asset size” records a decrease of -€258 million. The trend is driven by active portfolio management initiatives, including new securitisations mostly in Italy and Austria completed in the quarter more than offsetting increase in business dynamics;
- “Asset quality” records a decrease of -€743 million, due to credit risk parameters evolution across all geographies and the effect of net flows to default.

From a year-to-end perspective credit risk weighted exposure amounts under IRB approach recorded the decrease of -€11,000 million versus the fourth quarter 2024 driven primarily by the following phenomena:

- “Asset size” records a decrease of -€9,386 million explained by the following two impacts:
  - Exposure dynamics of -€791 million, driven by a reduction of -€8,696 million in Bulgaria and Romania due to RWEA shift to Standard Approach of portfolios previously treated under IRB approach, offset by business dynamics in the rest of the Group;
  - Benefits coming from active portfolio management initiatives of -€8,595 including new securitisations.
- “Asset quality” shows an increase of €1,241 million, affected by internal model calibrations, mostly in Italy, Germany and Austria, and risk parameters evolution. The trend was only partially compensated by the effect of net flows to default.
- “Model updates” records an increase of €2,237 million affected by the update of Group-wide model for multinational companies.
- “Methodology and policy” show a reduction of -€4,196 million driven by introduction of Basel IV regulation, due to the removal of scaling factor in the RWEA IRB formula and shift from A-IRB to F-IRB approach exposures reported in asset classes Institutions and Large Financial Corporates.
- “Foreign exchange movements” recorded an increase of -€662 million mostly driven by USD depreciation.

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

(€ million)

DESCRIPTION	QUARTER CLOSING AS AT	CUMULATIVE YTD AS AT
	31.12.2025	31.12.2025
	RWEA	RWEA
	a	
1 RWEA as at the end of the previous reporting period	125,145	134,882
2 Asset size (+/-)	(258)	(9,386)
3 Asset quality (+/-)	(743)	1,241
4 Model updates (+/-)	(1)	2,237
5 Methodology and policy (+/-)	(8)	(4,196)
6 Acquisitions and disposals (+/-)	-	-
7 Foreign exchange movements (+/-)	(40)	(662)
8 Other (+/-)	(214)	(234)
9 RWEA as at the end of the current reporting period	123,882	123,882

# Credit risk

## Use of credit 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	ACTUAL RISK WEIGHTED
		RISK WEIGHTED EXPOSURE AMOUNT	EXPOSURE AMOUNT
		a	b
1	Central governments and central banks - F-IRB	77	77
EU 1a	Regional governments and local authorities - F-IRB	-	-
EU 1b	Public sector entities - F-IRB	165	165
2	Central governments and central banks - A-IRB	1,271	1,271
EU 2a	Regional governments and local authorities - A-IRB	-	-
EU 2b	Public sector entities - A-IRB	117	117
3	Institutions - F-IRB	6,007	6,007
4	Not applicable		
5	Corporates - F-IRB	40,659	40,659
EU 5a	Corporates - General	39,640	39,640
EU 5b	Corporates - Specialised lending	3	3
EU 5c	Corporates - Purchased receivables	1,016	1,016
6	Corporates - A-IRB	39,719	39,719
EU 6a	Corporates - General	34,188	34,188
EU 6b	Corporates - Specialised lending	5,382	5,382
EU 6c	Corporates - Purchased Receivables	150	150
7	Not applicable		
8	Not applicable		
EU 8a	Retail - A-IRB	31,834	31,834
9	Retail - Qualifying revolving (QRRE)	723	723
10	Retail - Secured by residential immovable property	16,450	16,450
EU10a	Retail - Purchased receivables	-	-
EU10b	Retail - Other retail exposures	14,661	14,661
11	Not applicable		
12	Not applicable		
13	Not applicable		
14	Not applicable		
15	Not applicable		
16	Not applicable		
17	<b>Exposures under F-IRB</b>	<b>46,908</b>	<b>46,908</b>
18	<b>Exposures under A-IRB</b>	<b>72,942</b>	<b>72,942</b>
19	<b>Total as at 31.12.2025 (including F-IRB exposures and A-IRB exposures)</b>	<b>119,849</b>	<b>119,849</b>
	<b>Total as at 30.06.2025 (including F-IRB exposures and A-IRB exposures)</b>	<b>118,239</b>	<b>118,239</b>

## Credit risk

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

(€ million)

		CREDIT RISK MITIGATION TECHNIQUES					
		FUNDED CREDIT PROTECTION (FCP)					
		TOTAL EXPOSURE VALUE	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-IRB	a	b	c	d	e	f	
1	Central governments or central banks	17,364	0.00%	-	-	-	-
2	Regional governments and local authorities	-	-	-	-	-	-
3	Public sector entities	1,200	0.41%	0.12%	0.12%	-	-
5	Corporates	96,637	2.75%	57.04%	53.47%	3.03%	0.54%
5.1	Corporates - General	80,654	2.01%	40.87%	40.32%	0.34%	0.21%
5.2	Corporates - Specialised lending	15,668	0.74%	13.10%	12.78%	-	0.32%
5.3	Corporates - Purchased Receivables	315	-	3.07%	0.38%	2.68%	0.01%
6	Retail	116,488	2.43%	99.77%	99.72%	0.05%	0.00%
6.1	Retail - Qualifying revolving	4,270	-	-	-	-	-
6.2	Retail - Secured by residential immovable property	73,910	0.15%	92.88%	92.88%	0.00%	-
6.3	Retail - Purchased Receivables	-	-	-	-	-	-
6.4	Retail - Other retail exposures	38,307	2.28%	6.89%	6.84%	0.05%	0.00%
7	<b>Total as at 31.12.2025</b>	<b>231,689</b>	<b>1.18%</b>	<b>45.89%</b>	<b>45.66%</b>	<b>0.13%</b>	<b>0.09%</b>
	<b>Total as at 30.06.2025</b>	<b>234,222</b>	<b>1.23%</b>	<b>46.06%</b>	<b>45.87%</b>	<b>0.11%</b>	<b>0.07%</b>

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

(€ million)

		CREDIT RISK MITIGATION TECHNIQUES						CREDIT RISK MITIGATION METHODS IN THE CALCULATION OF RWEAS	
		FUNDED CREDIT PROTECTION (FCP)				UNFUNDED CREDIT PROTECTION (UFCP)		RWEA WITHOUT SUBSTITUTION EFFECTS (REDUCTION EFFECTS ONLY)	RWEA WITH SUBSTITUTION EFFECTS (BOTH REDUCTION AND SUBSTITUTION EFFECTS)
		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 (%)		
A-IRB	g	h	i	j	k	l	m	n	
1	Central governments or central banks	-	-	-	-	-	-	1,251	1,271
2	Regional governments and local authorities	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	117	117
5	Corporates	0.23%	0.05%	0.14%	0.03%	8.93%	-	39,893	39,719
5.1	Corporates - General	0.17%	0.01%	0.14%	0.02%	8.93%	-	34,331	34,188
5.2	Corporates - Specialised lending	0.06%	0.04%	-	0.02%	-	-	5,412	5,382
5.3	Corporates - Purchased Receivables	-	-	-	-	-	-	150	150
6	Retail	0.96%	0.01%	0.94%	0.01%	19.21%	-	31,848	31,834
6.1	Retail - Qualifying revolving	-	-	-	-	-	-	723	723
6.2	Retail - Secured by residential immovable property	0.59%	0.00%	0.58%	0.01%	0.01%	-	16,450	16,450
6.3	Retail - Purchased Receivables	-	-	-	-	-	-	-	-
6.4	Retail - Other retail exposures	0.37%	0.01%	0.36%	0.01%	19.20%	-	14,675	14,661
7	<b>Total as at 31.12.2025</b>	<b>0.31%</b>	<b>0.01%</b>	<b>0.29%</b>	<b>0.01%</b>	<b>6.29%</b>	<b>-</b>	<b>73,109</b>	<b>72,942</b>
	<b>Total as at 30.06.2025</b>	<b>0.32%</b>	<b>0.01%</b>	<b>0.30%</b>	<b>0.01%</b>	<b>6.21%</b>	<b>-</b>	<b>74,827</b>	<b>74,709</b>

## Credit risk

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

(€ million)

		CREDIT RISK MITIGATION TECHNIQUES					
		FUNDED CREDIT PROTECTION (FCP)					
		TOTAL EXPOSURE VALUE	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 (%)
F-IRB	a	b	c	d	e	f	
1	Central governments and central banks	430	-	0.04%	0.04%	-	-
2	Regional governments and local authorities	-	-	-	-	-	-
3	Public sector entities	433	-	-	-	-	-
4	Institutions	28,565	3.43%	0.58%	0.35%	0.23%	-
5	Corporates	108,221	3.30%	11.00%	10.42%	0.58%	-
5.1	Corporates - General	102,622	3.30%	11.00%	10.42%	0.58%	-
5.2	Corporates - Specialised lending	7	-	-	-	-	-
5.3	Corporates - Purchased Receivables	5,593	0.00%	-	-	-	-
<b>6</b>	<b>Total as at 31.12.2025</b>	<b>137,649</b>	<b>3.17%</b>	<b>8.32%</b>	<b>7.84%</b>	<b>0.48%</b>	<b>-</b>
	<b>Total as at 30.06.2025</b>	<b>134,094</b>	<b>2.19%</b>	<b>7.65%</b>	<b>7.27%</b>	<b>0.39%</b>	<b>-</b>

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

(€ million)

		CREDIT RISK MITIGATION TECHNIQUES						CREDIT RISK MITIGATION METHODS IN THE CALCULATION OF RWEAS	
		FUNDED CREDIT PROTECTION (FCP)				UNFUNDED CREDIT PROTECTION (UFCP)		RWEA WITH SUBSTITUTION EFFECTS (BOTH REDUCTION AND SUBSTITUTION EFFECTS)	
		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 (%)		
F-IRB	g	h	i	j	k	l	m	n	
1	Central governments and central banks	-	-	-	-	-	-	-	77
2	Regional governments and local authorities	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	215.80%	-	165	165
4	Institutions	-	-	-	-	10.02%	-	5,968	6,007
5	Corporates	0.01%	0.01%	-	-	21.38%	-	40,607	40,659
5.1	Corporates - General	0.01%	0.01%	-	-	12.52%	-	39,540	39,640
5.2	Corporates - Specialised lending	-	-	-	-	-	-	-	3
5.3	Corporates - Purchased Receivables	-	-	-	-	8.86%	-	1,067	1,016
<b>6</b>	<b>Total as at 31.12.2025</b>	<b>0.01%</b>	<b>0.01%</b>	<b>-</b>	<b>-</b>	<b>12.45%</b>	<b>-</b>	<b>46,740</b>	<b>46,908</b>
	<b>Total as at 30.06.2025</b>	<b>0.02%</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>12.86%</b>	<b>-</b>	<b>43,412</b>	<b>43,531</b>

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 the 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. The delta between the two columns is not significant.

## Credit risk

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

(€ million)

DESCRIPTION	UNSECURED CARRYING AMOUNT a	SECURED CARRYING AMOUNT				
		b	OF WHICH SECURED BY COLLATERAL c	OF WHICH SECURED BY FINANCIAL GUARANTEES		
				d	OF WHICH SECURED BY CREDIT DERIVATIVES e	
1	Loans and advances	246,366	270,946	220,566	50,381	100
2	Debt securities	177,046	163	8	155	
<b>3</b>	<b>Total as at 31.12.2025</b>	<b>423,412</b>	<b>271,110</b>	<b>220,574</b>	<b>50,536</b>	<b>100</b>
4	<i>of which non-performing exposures</i>	2,935	3,899	2,358	1,542	0
EU-5	<i>of which defaulted</i>	2,935	3,899			
	<b>Total as at 30.06.2025</b>	<b>417,448</b>	<b>286,669</b>	<b>235,338</b>	<b>51,331</b>	<b>100</b>
	<i>of which non-performing exposures</i>	2,622	3,829	2,369	1,460	0
	<i>of which defaulted</i>	2,622	3,829			

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, banks 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.

Quantitative disclosure section

# Credit risk

## Counterparty risk exposure

### 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)	-	61		1.4	85	85	85	85
EU-2 EU - Simplified SA-CCR (for derivatives)	-	0		1.4	-	0	0	0
1 SA-CCR (for derivatives)	1,793	1,635		1.4	5,940	4,790	4,790	1,218
2 IMM (for derivatives and SFTs)			14,484	1.4	38,747	21,097	20,986	4,675
2a of which securities financing transactions netting sets			5,405		16,223	7,568	7,568	879
2b of which derivatives and long settlement transactions netting sets			9,079		22,524	13,530	13,419	3,797
2c of which from contractual cross-product netting sets			-		-	-	-	-
3 Financial collateral simple method (for SFTs)					-	-	-	-
4 Financial collateral comprehensive method (for SFTs)					10,021	8,291	8,291	51
5 VaR for SFTs					-	-	-	-
<b>Total as at 31.12.2025</b>					<b>54,793</b>	<b>34,263</b>	<b>34,152</b>	<b>6,029</b>
<b>Total as at 30.06.2025</b>					<b>61,682</b>	<b>44,913</b>	<b>44,762</b>	<b>6,655</b>

**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 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%	30%	35%	40%	45%	50%	60%	
1 Central governments or central banks	822	-	-	4	-	-	-	-	-	-	-	-
Non-central government public sector entities	315	-	-	-	24	-	-	-	-	0	-	-
2 Regional government or local authorities	204	-	-	-	16	-	-	-	-	-	-	-
3 Public sector entities	111	-	-	-	9	-	-	-	-	0	-	-
4 Multilateral development banks	645	-	-	-	-	-	-	-	-	-	-	-
5 International organisations	0	-	-	-	-	-	-	-	-	-	-	-
6 Institutions	-	4,361	-	-	15	5	-	86	-	1	-	-
7 Corporates	-	2,458	-	-	144	-	-	-	-	94	-	-
8 Retail	-	-	-	-	-	-	-	-	-	-	-	-
9 Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	3	-	-	-	-	4	-	-
10 Other items	-	-	-	-	-	-	-	-	-	-	-	-
<b>11 Total exposure value as at 31.12.2025</b>	<b>1,783</b>	<b>6,818</b>	-	<b>4</b>	<b>186</b>	<b>5</b>	-	<b>86</b>	-	<b>99</b>	-	-
<b>Total exposure value as at 30.06.2025</b>	<b>2,387</b>	<b>8,372</b>	-	<b>10</b>	<b>143</b>	<b>9</b>	-	<b>98</b>	-	<b>80</b>	-	-

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

(€ million)

EXPOSURE CLASSES	RISK WEIGHT										TOTAL EXPOSURE VALUE
	g	h	i	j	k	l					
	70%	75%	80%	90%	100%	105%	110%	130%	150%	OTHERS	
1 Central governments or central banks	-	-	-	-	-	-	-	-	-	-	826
Non-central government public sector entities	-	-	-	-	-	-	-	-	-	-	340
2 Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	220
3 Public sector entities	-	-	-	-	-	-	-	-	-	-	120
4 Multilateral development banks	-	-	-	-	-	-	-	-	-	-	645
5 International organisations	-	-	-	-	-	-	-	-	-	-	0
6 Institutions	-	0	-	-	0	-	-	-	3	-	4,471
7 Corporates	-	0	-	-	1,007	-	-	10	29	-	3,741
8 Retail	-	-	-	-	0	-	-	-	-	-	0
9 Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	8
10 Other items	-	-	-	-	-	-	-	-	32	-	32
<b>11 Total exposure value as at 31.12.2025</b>	-	<b>1</b>	-	-	<b>1,008</b>	-	-	<b>10</b>	<b>63</b>	-	<b>10,064</b>
<b>Total exposure value as at 30.06.2025</b>	-	<b>1</b>	-	-	<b>1,025</b>	-	-	<b>8</b>	<b>46</b>	-	<b>12,178</b>

## Credit risk

## Template EU CCR8 - Exposures to CCPs

(€ million)

DESCRIPTION	EXPOSURE VALUE		RWEA
	a	b	
<b>1 Exposures to QCCPs Total as at 31.12.2025</b>	<b>8,052</b>		<b>403</b>
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	6,394		128
3 (i) OTC derivatives	3,061		61
4 (ii) Exchange-traded derivatives	2,240		45
5 (iii) SFTs	1,093		22
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	905		275
10 Unfunded default fund contributions	753		-
<b>11 Exposures to non-QCCPs Total as at 31.12.2025</b>	<b>28</b>		<b>47</b>
12 Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	28		42
13 (i) OTC derivatives	28		42
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		5
20 Unfunded default fund contributions	-		-
<b>Exposures to QCCPs Total as at 30.06.2025</b>	<b>9,293</b>		<b>380</b>
<b>Exposures to non-QCCPs Total as at 30.06.2025</b>	<b>6</b>		<b>14</b>

# Credit risk

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

		(€ million)							
AIRB	PD SCALE	a	b	c	d	e	f	g	
		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	7,553	0.01%	4	23.32%	0	6	0.09%	
	0.00 to <0.10	7,553	0.01%	4	23.32%	0	6	0.09%	
	0.10 to <0.15	-	-	-	-	-	-	-	
	0.15 to <0.25	-	-	-	-	-	-	-	
	0.25 to <0.50	8	0.37%	1	38.68%	5	6	77.70%	
	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)	-	-	-	-	-	-	-		
	<b>Subtotal</b>	<b>7,561</b>	<b>0.01%</b>	<b>5</b>	<b>23.33%</b>	<b>0</b>	<b>13</b>	<b>0.17%</b>	
Regional governments or local authorities	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)	-	-	-	-	-	-	-		
	<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Public sector entities	0.00 to <0.15	6	0.03%	4	20.83%	3	0	8.71%	
	0.00 to <0.10	6	0.03%	4	20.83%	3	0	8.71%	
	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)	-	-	-	-	-	-	-		
	<b>Subtotal</b>	<b>6</b>	<b>0.03%</b>	<b>4</b>	<b>20.83%</b>	<b>3</b>	<b>0</b>	<b>8.71%</b>	

# Credit risk

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

(€ million)

AIRB	PD SCALE	a	b	c	d	e	f	g
		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	31	0.09%	48	21.35%	4	4	13.39%
	0.00 to <0.10	16	0.07%	22	21.10%	3	1	8.31%
	0.10 to <0.15	15	0.12%	26	21.61%	4	3	18.50%
	0.15 to <0.25	85	0.19%	94	22.66%	4	21	24.85%
	0.25 to <0.50	49	0.36%	149	20.70%	3	12	24.61%
	0.50 to <0.75	60	0.66%	40	19.08%	5	19	31.76%
	0.75 to <2.50	24	1.26%	100	22.34%	3	9	38.45%
	0.75 to <1.75	22	1.20%	77	20.62%	3	8	34.60%
	1.75 to <2.50	2	2.11%	23	44.95%	4	2	89.21%
	2.50 to <10.00	6	3.82%	36	27.66%	3	3	48.80%
	2.50 to <5.00	6	3.63%	30	26.82%	3	3	46.90%
	5.00 to <10.00	0	7.02%	6	41.75%	4	0	80.70%
	10.00 to <100.00	0	11.27%	2	33.28%	5	0	133.58%
	10.00 to <20.00	0	11.27%	2	33.28%	5	0	133.58%
	20.00 to <30.00	-	-	-	-	-	-	-
30.00 to <100.00	-	-	-	-	-	-	-	
100.00 (Default)	5	100.00%	9	48.37%	3	1	25.98%	
<b>Subtotal</b>	<b>261</b>	<b>2.40%</b>	<b>478</b>	<b>21.89%</b>	<b>4</b>	<b>70</b>	<b>26.96%</b>	
Corporates - Purchased receivables	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)	-	-	-	-	-	-	-	
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Corporates - Other	0.00 to <0.15	63	0.09%	405	30.87%	2	10	16.42%
	0.00 to <0.10	34	0.06%	192	32.12%	2	5	14.18%
	0.10 to <0.15	29	0.13%	213	29.39%	2	6	19.07%
	0.15 to <0.25	132	0.19%	609	32.17%	2	32	24.18%
	0.25 to <0.50	208	0.37%	1,239	33.24%	2	70	33.48%
	0.50 to <0.75	100	0.63%	864	34.57%	2	47	47.28%
	0.75 to <2.50	290	1.40%	2,719	37.59%	2	202	69.57%
	0.75 to <1.75	220	1.17%	1,959	36.92%	2	143	65.02%
	1.75 to <2.50	70	2.10%	760	39.68%	2	59	83.78%
	2.50 to <10.00	125	4.89%	1,509	43.75%	2	143	114.90%
	2.50 to <5.00	82	3.66%	1,046	44.79%	2	91	110.88%
	5.00 to <10.00	43	7.27%	463	41.75%	2	52	122.67%
	10.00 to <100.00	28	16.31%	253	36.31%	2	38	135.72%
	10.00 to <20.00	20	13.16%	184	39.15%	2	30	146.75%
	20.00 to <30.00	7	22.01%	39	26.64%	3	7	98.38%
30.00 to <100.00	1	39.65%	30	43.40%	4	2	161.75%	
100.00 (Default)	12	100.00%	148	34.21%	2	8	68.22%	
<b>Subtotal</b>	<b>959</b>	<b>2.99%</b>	<b>7,746</b>	<b>35.86%</b>	<b>2</b>	<b>551</b>	<b>57.44%</b>	

# Credit risk

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

(€ million)

AIRB	PD SCALE	a	b	c	d	e	f	g
		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 Secured by residential real estate	0.00 to <0.15	0	0.08%	4	14.21%	-	0	2.56%
	0.00 to <0.10	0	0.06%	3	15.70%	-	0	2.61%
	0.10 to <0.15	0	0.13%	1	11.09%	-	0	2.45%
	0.15 to <0.25	-	-	-	-	-	-	-
	0.25 to <0.50	0	0.46%	1	9.86%	-	0	7.00%
	0.50 to <0.75	-	-	-	-	-	-	-
	0.75 to <2.50	0	1.85%	2	7.18%	-	0	13.32%
	0.75 to <1.75	0	1.62%	1	5.00%	-	0	8.62%
	1.75 to <2.50	0	1.85%	1	7.23%	-	0	13.43%
	2.50 to <10.00	0	3.93%	2	29.40%	-	0	84.51%
	2.50 to <5.00	0	3.89%	1	29.60%	-	0	85.03%
	5.00 to <10.00	0	8.50%	1	5.00%	-	0	23.08%
	10.00 to <100.00	-	-	-	-	-	-	-
	10.00 to <20.00	-	-	-	-	-	-	-
	20.00 to <30.00	-	-	-	-	-	-	-
30.00 to <100.00	-	-	-	-	-	-	-	
100.00 (Default)	-	-	-	-	-	-	-	
<b>Subtotal</b>	<b>0</b>	<b>0.85%</b>	<b>9</b>	<b>12.49%</b>	<b>-</b>	<b>0</b>	<b>9.80%</b>	
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)	-	-	-	-	-	-	-	
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Retail - Purchased receivables	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)	-	-	-	-	-	-	-	
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

# Credit risk

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

(€ million)

AIRB	PD SCALE	a	b	c	d	e	f	g
		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 - Other	0.00 to <0.15	54	0.06%	329	32.05%	-	3	5.61%
	0.00 to <0.10	47	0.06%	232	31.37%	-	2	4.95%
	0.10 to <0.15	7	0.12%	97	36.80%	-	1	10.26%
	0.15 to <0.25	3	0.20%	148	39.69%	-	0	14.61%
	0.25 to <0.50	11	0.35%	234	28.39%	-	2	16.47%
	0.50 to <0.75	8	0.60%	155	33.86%	-	2	25.21%
	0.75 to <2.50	16	1.60%	350	43.04%	-	8	50.59%
	0.75 to <1.75	10	1.24%	266	39.45%	-	4	42.45%
	1.75 to <2.50	7	2.10%	84	48.24%	-	4	62.37%
	2.50 to <10.00	4	4.56%	179	53.07%	-	3	70.16%
	2.50 to <5.00	3	3.38%	125	52.09%	-	2	66.47%
	5.00 to <10.00	1	6.96%	54	55.05%	-	1	77.67%
	10.00 to <100.00	3	16.71%	42	35.90%	-	2	65.13%
	10.00 to <20.00	3	15.58%	31	35.17%	-	2	63.52%
	20.00 to <30.00	0	26.26%	5	40.87%	-	0	80.46%
	30.00 to <100.00	0	49.62%	6	57.59%	-	0	111.40%
100.00 (Default)	0	100.00%	20	73.32%	-	0	85.86%	
<b>Subtotal</b>	<b>99</b>	<b>1.35%</b>	<b>1,457</b>	<b>34.86%</b>	<b>-</b>	<b>21</b>	<b>20.73%</b>	
Collective investments undertakings (CIU)	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)	-	-	-	-	-	-	-	
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total (all CCR relevant exposure classes) AIRB as at 31.12.2025</b>		<b>8,886</b>	<b>0.41%</b>	<b>9,699</b>	<b>24.77%</b>	<b>0</b>	<b>655</b>	<b>7.37%</b>
<b>Total (all CCR relevant exposure classes) AIRB as at 30.06.2025</b>		<b>18,243</b>	<b>0.24%</b>	<b>9,830</b>	<b>17.81%</b>	<b>0</b>	<b>856</b>	<b>4.69%</b>

With reference to the AIRB portfolio evolution as at 31 December 2025, compared to 30 June 2025, refer to the comment reported below the following template "FIRB".

Quantitative disclosure section

# Credit risk

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

(€ million)

FIRB	PD SCALE	a	b	c	d	e	f	g
		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)	-	-	-	-	-	-	-	
<b>Subtotal</b>	-	-	-	-	-	-	-	
Regional governments or local authorities	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)	-	-	-	-	-	-	-	
<b>Subtotal</b>	-	-	-	-	-	-	-	
Public sector entities	0.00 to <0.15	17	0.13%	3	45.00%	0	2	14.60%
	0.00 to <0.10	1	0.04%	2	45.00%	1	0	8.27%
	0.10 to <0.15	16	0.13%	1	45.00%	0	2	15.01%
	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)	-	-	-	-	-	-	-	
<b>Subtotal</b>	<b>17</b>	<b>0.13%</b>	<b>3</b>	<b>45.00%</b>	<b>0</b>	<b>2</b>	<b>14.60%</b>	

# Credit risk

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

(€ million)

FIRB	PD SCALE	a	b	c	d	e	f	g
		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
Institutions	0.00 to <0.15	9,857	0.05%	163	44.99%	1	1,159	11.76%
	0.00 to <0.10	9,671	0.05%	137	45.00%	1	1,108	11.46%
	0.10 to <0.15	187	0.13%	26	44.42%	1	51	27.22%
	0.15 to <0.25	-	-	-	-	-	-	-
	0.25 to <0.50	687	0.29%	41	45.00%	1	300	43.66%
	0.50 to <0.75	20	0.68%	22	44.71%	3	19	94.91%
	0.75 to <2.50	39	1.19%	24	45.00%	2	38	96.30%
	0.75 to <1.75	36	1.13%	17	45.00%	2	34	94.70%
	1.75 to <2.50	3	1.91%	7	45.00%	2	4	115.32%
	2.50 to <10.00	0	2.66%	4	41.90%	2	0	104.52%
	2.50 to <5.00	0	2.66%	4	41.90%	2	0	104.52%
	5.00 to <10.00	-	-	-	-	-	-	-
	10.00 to <100.00	0	11.27%	1	45.00%	1	0	178.93%
	10.00 to <20.00	0	11.27%	1	45.00%	1	0	178.93%
	20.00 to <30.00	-	-	-	-	-	-	-
30.00 to <100.00	-	-	-	-	-	-	-	
100.00 (Default)	-	-	-	-	-	-	-	
<b>Subtotal</b>		<b>10,604</b>	<b>0.07%</b>	<b>255</b>	<b>44.99%</b>	<b>1</b>	<b>1,516</b>	<b>14.30%</b>
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)	-	-	-	-	-	-	-	
<b>Subtotal</b>		-	-	-	-	-	-	-
Corporates - Purchased receivables	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)	-	-	-	-	-	-	-	
<b>Subtotal</b>		-	-	-	-	-	-	-

# 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 - Other	0.00 to <0.15	9,020	0.06%	449	41.39%	1.50	1,460	16.19%
	0.00 to <0.10	8,177	0.06%	321	41.46%	1.44	1,233	15.08%
	0.10 to <0.15	843	0.11%	128	40.69%	2.10	227	26.91%
	0.15 to <0.25	616	0.20%	206	40.11%	1.75	202	32.82%
	0.25 to <0.50	590	0.35%	263	40.22%	2.71	342	57.88%
	0.50 to <0.75	302	0.58%	167	39.38%	2.06	193	63.76%
	0.75 to <2.50	311	1.44%	321	40.81%	1.70	262	84.14%
	0.75 to <1.75	230	1.22%	245	41.07%	1.80	187	81.29%
	1.75 to <2.50	81	2.06%	76	40.08%	1.43	75	92.24%
	2.50 to <10.00	131	5.21%	204	40.06%	1.33	159	122.01%
	2.50 to <5.00	61	3.49%	138	40.11%	1.51	66	108.46%
	5.00 to <10.00	70	6.71%	66	40.01%	1.17	93	133.83%
	10.00 to <100.00	20	28.10%	42	40.00%	1.16	37	188.40%
	10.00 to <20.00	5	12.89%	17	40.00%	1.07	10	173.00%
	20.00 to <30.00	9	24.79%	16	40.00%	1.22	20	215.79%
30.00 to <100.00	5	51.32%	9	40.00%	1.15	8	153.67%	
100.00 (Default)	3	100.00%	14	40.10%	1.43	-	-	-
	<b>Subtotal</b>	<b>10,993</b>	<b>0.28%</b>	<b>1,666</b>	<b>41.17%</b>	<b>1.60</b>	<b>2,655</b>	<b>24.15%</b>
<b>Total (all CCR relevant exposure classes) FIRB as at 31.12.2025</b>		<b>21,613</b>	<b>0.18%</b>	<b>1,924</b>	<b>42.26%</b>	<b>1.16</b>	<b>4,173</b>	<b>19.31%</b>
<b>Total (all CCR relevant exposure classes) FIRB as at 30.06.2025</b>		<b>21,911</b>	<b>0.20%</b>	<b>1,927</b>	<b>42.00%</b>	<b>1.27</b>	<b>4,579</b>	<b>20.90%</b>
<b>Total (all CCR relevant exposure classes) FIRB + AIRB as at 31.12.2025</b>		<b>30,499</b>	<b>0.25%</b>	<b>11,623</b>	<b>37.16%</b>	<b>0.93</b>	<b>4,828</b>	<b>15.83%</b>
<b>Total (all CCR relevant exposure classes) FIRB + AIRB as at 30.06.2025</b>		<b>40,154</b>	<b>0.22%</b>	<b>11,757</b>	<b>31.01%</b>	<b>0.80</b>	<b>5,435</b>	<b>13.54%</b>

Over the reporting period (June 2025 - December 2025), the Group's counterparty credit risk IRB portfolio (both Advanced IRB and Foundation IRB) declined by -€9,658 million. The reduction is driven primarily by the trend in Securities financing transactions within the "Central Governments and Central Banks" asset class, concentrated mostly in Czech Republic.

# Credit risk

## RWEAs flow statements - IMM method

Counterparty credit risk weighted exposure amounts under IMM approach recorded a decrease of -€375 million in the fourth quarter 2025 compared with the third quarter of 2025. The trend is explained principally by the items "Asset size", showing a decrease of -€326 million mostly due to derivatives exposures in Germany.

From a year-to-date perspective, counterparty credit risk weighted exposure amounts to under IMM approach decreased by -€570 million compared to the fourth quarter 2024. The trend is principally explained by the "Asset size" showing a decrease of -€634 million, mostly reflecting derivatives exposures evolution in Germany and Italy, only partially offset by the increase of €69 million in the item "Credit quality of counterparties" affected mostly by the update of Group-wide model for Multinational companies.

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

(€ million)

DESCRIPTION	QUARTER CLOSING AS AT	CUMULATIVE YTD AS AT
	31.12.2025	31.12.2025
	RWEA	RWEA
	a	
1 RWEA as at the end of the previous reporting period	5,050	5,245
2 Asset size	(326)	(634)
3 Credit quality of counterparties	(45)	69
4 Model updates (IMM only)	-	-
5 Methodology and policy (IMM only)	-	-
6 Acquisitions and disposals	-	-
7 Foreign exchange movements	0	(10)
8 Other	(4)	6
9 RWEA as at the end of the current reporting period	4,675	4,675

## Credit risk

## Template EU CCR5 - Composition of collateral for CCR exposures

(€ million)

COLLATERAL TYPE		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			
		SEGREGATED		UNSEGREGATED		SEGREGATED		UNSEGREGATED		SEGREGATED		UNSEGREGATED		SEGREGATED		UNSEGREGATED	
1	Cash - domestic currency	25	7,079	1,150	9,537	-	827	362	503								
2	Cash - other currencies	-	613	5	1,878	-	163	-	43								
3	Domestic sovereign debt	2,141	884	-	22	416	22,530	-	53,333								
4	Other sovereign debt	1,212	274	1,314	1,887	122	17,340	-	47,720								
5	Government agency debt	30	-	118	-	-	1,792	-	3,738								
6	Corporate bonds	6	-	18	-	-	3,358	-	544								
7	Equity securities	-	20	-	-	-	6,914	-	7,135								
8	Other collateral	57	18	1,620	-	-	27,141	-	18,740								
9	<b>Total as at 31.12.2025</b>	<b>3,472</b>	<b>8,888</b>	<b>4,226</b>	<b>13,324</b>	<b>538</b>	<b>80,065</b>	<b>362</b>	<b>131,756</b>								
	<b>Total as at 30.06.2025</b>	<b>3,985</b>	<b>8,920</b>	<b>4,102</b>	<b>14,199</b>	<b>641</b>	<b>99,660</b>	<b>324</b>	<b>136,020</b>								

The collateral received in derivatives transactions has decreased compared to June 2025 (-4%). The decrease is driven by the segregated component in UniCredit S.p.A. and it is due to the decrease of collateral received from Financial Institutions.

With regards to collateral posted in derivatives transactions, a decrease has been observed in December 2025 (-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 (-20%) and a slight decrease of posted collateral (-2%) have been observed in December 2025.

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 S.p.A. mainly toward Central Clearing Counterparties (CCP).

## Template EU CCR6 - Credit derivatives exposures

(€ million)

DESCRIPTION	31.12.2025				30.06.2025	
	a		b		PROTECTION BOUGHT	PROTECTION SOLD
	PROTECTION BOUGHT	PROTECTION SOLD	PROTECTION BOUGHT	PROTECTION SOLD		
<b>Notionals</b>						
1	Single-name credit default swaps	7,496	3,963	6,171	2,561	
2	Index credit default swaps	12,562	13,824	4,157	3,221	
3	Total return swaps	-	631	-	1,002	
4	Credit options	-	-	-	-	
5	Other credit derivatives	-	-	-	-	
6	<b>Total notionals</b>	<b>20,059</b>	<b>18,419</b>	<b>10,328</b>	<b>6,784</b>	
<b>Fair values</b>						
7	Positive fair value (asset)	132	738	78	367	
8	Negative fair value (liability)	(542)	(46)	(141)	(5)	

Compared with the volumes as at 30 June 2025, the notional amount increased, accompanied by a simultaneous rise in both positive and negative fair values. This trend is observed in the UniCredit S.p.A. portfolio, which holds the majority of credit derivative positions at 31 December 2025.



## Quantitative disclosure section

# Market risk

### Template EU MR1 - Market risk under the standardised approach

(€ million)

DESCRIPTION		a	RWEAs
<b>Outright products</b>			
1	Interest rate risk (general and specific)		383
2	Equity risk (general and specific)		60
3	Foreign exchange risk		5,562
4	Commodity risk		1
<b>Options</b>			
5	Simplified approach		-
6	Delta-plus approach		0
7	Scenario approach		20
8	Securitisation (specific risk)		-
9	<b>Total 31.12.2025</b>		<b>6,026</b>
	<b>Total 30.06.2025</b>		<b>5,726</b>

With regard 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 a reporting currency different from the euro, according to the EBA Guidelines 2020/09.

These 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 the structural FX positions that can be considered as a hedging of the consolidated total capital ratio against the adverse effects of exchange rates. The authorisation 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 BGN, CZK, HUF, RON and RUB.

#### RWEAs under I-mod

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 2025) 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)

DESCRIPTION		a	b
		RWEAs	OWN FUNDS REQUIREMENTS
1	<b>VaR (higher of values a and b)</b>	<b>770</b>	<b>62</b>
(a)	Previous day's VaR		20
(b)	Average of the daily VaR during the preceding 60 business days x multiplication factor		62
2	<b>SVaR (higher of values a and b)</b>	<b>2,313</b>	<b>185</b>
(a)	Latest SVaR		70
(b)	Average of the SVaR during the preceding 60 business days x multiplication factor		185
3	<b>IRC (higher of values a and b)</b>	<b>611</b>	<b>49</b>
(a)	Most recent IRC value		27
(b)	Average of the IRC number over the preceding 12 weeks		49
4	<b>Comprehensive risk measure (higher of values a, b and c)</b>	-	-
(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	<b>Other</b>	-	-
6	<b>Total as at 31.12.2025</b>	<b>3,695</b>	<b>296</b>
	<b>Total as at 30.06.2025</b>	<b>2,864</b>	<b>229</b>

With reference to the template EU MR2-B, the increase in RWEAs compared to the third quarter of 2025 is mainly driven by portfolio changes in the trading book of UniCredit Bank GmbH and UniCredit S.p.A., affected several asset classes, mostly on Credit Spread.

## Market risk

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

(€ million)

DESCRIPTION	a	b	c	d	e	f	g
	VaR	SVaR	IRC	COMPREHENSIVE RISK MEASURE	OTHER	TOTAL RWEAs	TOTAL OWN FUNDS REQUIREMENTS
<b>1 RWEAs as at 30.09.2025</b>	<b>871</b>	<b>1,635</b>	<b>751</b>	-	-	<b>3,257</b>	<b>261</b>
1a Regulatory adjustment	(392)	(965)	-	-	-	(1,357)	(109)
1b RWEAs as at 30.09.2025 (end of the day)	479	670	751	-	-	1,900	152
2 Movement in risk levels	(228)	204	(411)	-	-	(435)	(35)
3 Model updates/changes	-	-	-	-	-	-	-
4 Methodology and policy	-	-	-	-	-	-	-
5 Acquisitions and disposals	-	-	-	-	-	-	-
6 Foreign exchange movements	-	-	-	-	-	-	-
7 Other	-	-	-	-	-	-	-
8a RWEAs as at 31.12.2025 (end of the day)	251	874	340	-	-	1,465	117
8b Regulatory adjustment	520	1,439	272	-	-	2,230	178
<b>8 RWEAs as at 31.12.2025</b>	<b>770</b>	<b>2,313</b>	<b>611</b>	-	-	<b>3,695</b>	<b>296</b>

## Note:

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

# Market risk

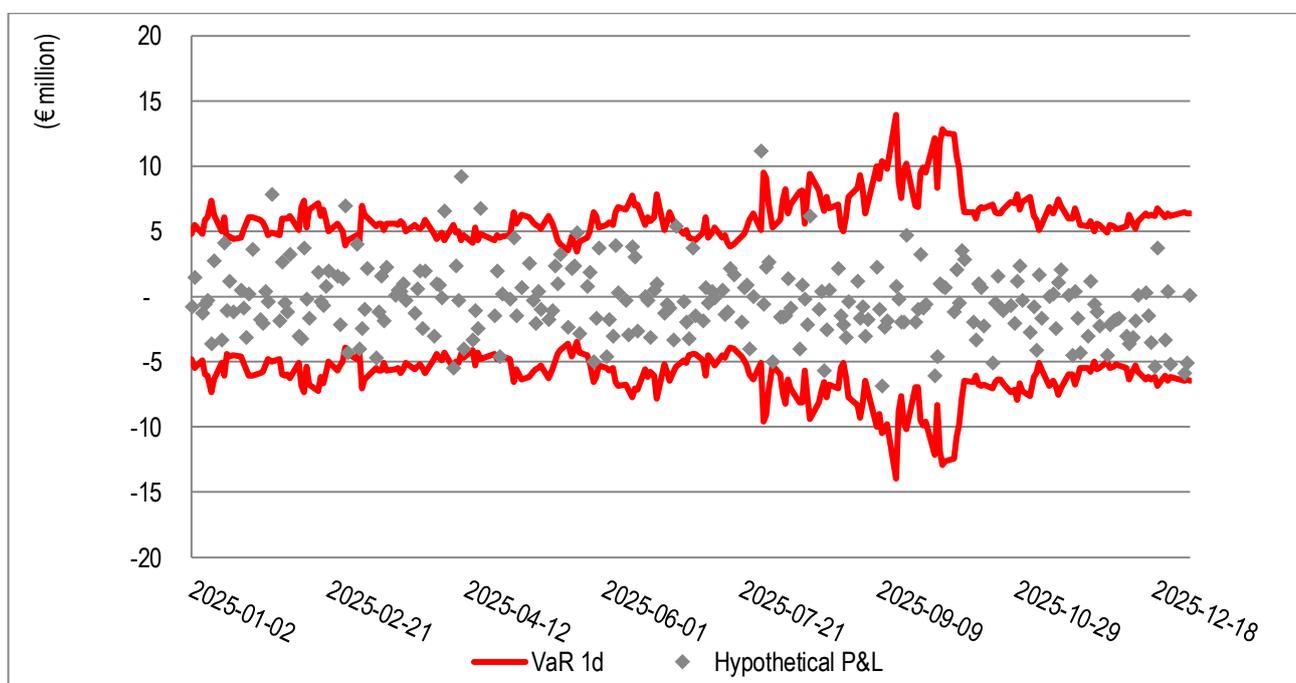
## Template EU MR3 - IMA values for trading portfolios

(€ million)

DESCRIPTION	JULY-DECEMBER 2025	JANUARY-JUNE 2025
<b>VaR (10 DAY 99%)</b>		
1 Maximum value	44	25
2 Average value	22	17
3 Minimum value	12	11
4 Period end	20	17
<b>SVaR (10 DAY 99%)</b>		
5 Maximum value	76	73
6 Average value	53	40
7 Minimum value	31	21
8 Period end	70	48
<b>IRC (99.9%)</b>		
9 Maximum value	79	23
10 Average value	48	13
11 Minimum value	27	7
12 Period end	27	49
<b>Comprehensive risk capital charge (99.9%)</b>		
13 Maximum value	-	-
14 Average value	-	-
15 Minimum value	-	-
16 Period end	-	-

The following graph shows back-testing results referring to the market risk on the trading book, in which VaR results for the last twelve months are compared to the hypothetical "profit and loss" results for the Group (I-Mod Perimeter).

## Template EU MR4 Comparison of VaR estimates with gain/losses



During the second half of 2025, one overdraft occurred at UniCredit group level: 30 December 2025 (actual – not included in the EU MR4 above), the VaR overshooting took place in the context of a regular contribution of Fair Value Adjustments (FVA), mostly affecting the UniCredit Bank GmbH perimeter.

## Quantitative disclosure section

# Market risk

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

The EU IRRBB1 template below contains the interest rate risk exposure metrics as at 31 December 2025 and 30 June 2025.

In the second half of 2025, both the changes in the sensitivity of the Economic Value (columns a and b) and the changes in the Net Interest Income sensitivity (columns c and d) are mainly driven by a slight increase in the structural hedge on core deposits.

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

(€ million)

		a		b		c		d	
		CHANGES OF THE ECONOMIC VALUE OF EQUITY				CHANGES OF THE NET INTEREST INCOME			
SUPERVISORY SHOCK SCENARIOS		31.12.2025	30.06.2025	31.12.2025	30.06.2025	31.12.2025	30.06.2025	31.12.2025	30.06.2025
1	Parallel up	(5,311)	(2,763)			68			547
2	Parallel down	2,907	1,170			(1,615)			(2,039)
3	Steeper	1,532	1,176						
4	Flattener	(397)	(838)						
5	Short rates up	(1,850)	(1,466)						
6	Short rates down	1,747	734						

**Note:**

The Supervisory Outlier Tests (SOTs) methodological approach foresees the application of shocks differentiated by currencies (e.g. for the Parallel down scenario -200 for EUR/USD and -300 for HUF) and application of weights for the exposure in currencies with positive values.



Quantitative disclosure section

# Credit valuation adjustment risk

## Template EU CVA2 - Credit valuation adjustment risk under the Full Basic Approach (F-BA)

(€ million)

DESCRIPTION	a		EU b
	OWN FUNDS REQUIREMENTS		NOTIONAL OF CVA HEDGES
1	BACVAcsr-unhedged	50	
2	BACVAcsr-hedged	20	
<b>3</b>	<b>Total as at 31.12.2025</b>	<b>18</b>	
EU 4	Single-name CDS		-
EU 5	Index CDS		250
<b>EU 6</b>	<b>Total as at 31.12.2025</b>		<b>250</b>

## Template EU CVA3 - Credit valuation adjustment risk under the Standardised Approach (SA)

(€ million)

DESCRIPTION	a	b	EU c
	OWN FUNDS REQUIREMENTS	NUMBER OF COUNTERPARTIES	NOTIONAL OF CVA HEDGES
<b>Risk classes</b>			
1	Interest rate risk	3	
2	Foreign exchange risk	3	
3	Reference credit spread risk	0	
4	Equity risk	1	
5	Commodity risk	2	
6	Counterparty credit spread risk	51	
<b>7</b>	<b>Total as at 31.12.2025</b>	<b>59</b>	
<b>Counterparty types of transactions</b>			
EU 8	Central banks	1	
EU 9	General Governments	-	
EU 10	Credit institutions	304	
EU 11	Investment firms	-	
EU 12	Other financial corporations (excluding investment firms)	423	
EU 13	Non-financial corporations	47	
<b>EU 14</b>	<b>Total as at 31.12.2025</b>	<b>778</b>	
<b>CVA Hedges</b>			
EU 15	Single name CDS		563
EU 16	Index CDS		1,010
EU 17	Other derivatives classified as CVA risk hedges		1,180
<b>EU 18</b>	<b>Total as at 31.12.2025</b>		<b>2,753</b>

## Template EU CVA4 - RWEA flow statements of credit valuation adjustment risk under the Standardised Approach (SA)

(€ million)

DESCRIPTION	a
	RISK WEIGHTED EXPOSURE AMOUNT
1	Risk weighted exposure amount as at 30.09.2025
2	Risk weighted exposure amount as at 31.12.2025

The RWEAs decrease observed in the fourth quarter of 2025 is primarily due to market movements.



# Securitisation exposures

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

(€ million)

DESCRIPTION	a	b	c		d		e	f	g
	INSTITUTION ACTS AS ORIGINATOR								
	TRADITIONAL				SYNTHETIC				
	STS	OF WHICH SRT	NON-STS	OF WHICH SRT		OF WHICH SRT		SUB-TOTAL	
<b>1 Total exposures as at 31.12.2025</b>	<b>55</b>	<b>55</b>	<b>9,464</b>	<b>265</b>	<b>36,138</b>	<b>36,126</b>	<b>45,658</b>		
2 Retail (total)	55	55	3,762	252	4,857	4,845	8,673		
3 Residential mortgage	-	-	3,230	20	4,298	4,298	7,528		
4 Credit card	-	-	-	-	-	-	-		
5 Other retail exposures	55	55	532	232	558	546	1,145		
6 Re-securitisation	-	-	-	-	-	-	-		
7 Wholesale (total)	-	-	5,703	13	31,282	31,282	36,984		
8 Loans to corporates	-	-	5,702	12	29,448	29,448	35,150		
9 Commercial mortgage	-	-	-	-	-	-	-		
10 Lease and receivables	-	-	1	1	1,834	1,834	1,834		
11 Other wholesale	-	-	-	-	-	-	-		
12 Re-securitisation	-	-	-	-	-	-	-		
<b>Total exposures as at 30.06.2025</b>	<b>64</b>	<b>64</b>	<b>10,111</b>	<b>511</b>	<b>30,826</b>	<b>30,811</b>	<b>41,002</b>		

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

(€ million)

DESCRIPTION	h		i	j	k	l		m	n	o	
	INSTITUTION ACTS AS SPONSOR								INSTITUTION ACTS AS INVESTOR		
	TRADITIONAL				SYNTHETIC	SUB-TOTAL	TRADITIONAL		SYNTHETIC	SUB-TOTAL	
	STS	NON-STS				STS	NON-STS				
<b>1 Total exposures as at 31.12.2025</b>	<b>4,777</b>	<b>787</b>	<b>-</b>	<b>5,563</b>	<b>17,066</b>	<b>5,697</b>	<b>-</b>	<b>22,763</b>			
2 Retail (total)	-	100	-	100	15,649	241	-	15,890			
3 Residential mortgage	-	-	-	-	2,297	118	-	2,415			
4 Credit card	-	-	-	-	-	-	-	-			
5 Other retail exposures	-	100	-	100	13,352	123	-	13,476			
6 Re-securitisation	-	-	-	-	-	-	-	-			
7 Wholesale (total)	4,777	687	-	5,463	1,417	5,455	-	6,873			
8 Loans to corporates	459	-	-	459	131	4,833	-	4,964			
9 Commercial mortgage	-	-	-	-	-	19	-	19			
10 Lease and receivables	4,318	687	-	5,004	1,287	421	-	1,707			
11 Other wholesale	-	-	-	-	-	183	-	183			
12 Re-securitisation	-	-	-	-	-	-	-	-			
<b>Total exposures as at 30.06.2025</b>	<b>5,180</b>	<b>753</b>	<b>-</b>	<b>5,933</b>	<b>16,167</b>	<b>5,859</b>	<b>-</b>	<b>22,026</b>			

With reference to the Template SEC2 "Securitisation exposure in the trading book", the Group does not have securitisation positions in the trading book as at 31 December 2025, therefore the template 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	EXPOSURE VALUES (BY RW BANDS/DEDUCTIONS)					EXPOSURE VALUES (BY REGULATORY APPROACH)				
	a	b	c	d	e	f	g	h	i	
	≤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 31.12.2025	39,176	2,319	396	19	99	30,520	5,459	5,698	99	233
2 Retail (total)	4,993	441	396	17	36	49	5,459	106	36	233
3 Securitisation	4,993	441	396	17	36	49	5,459	106	36	233
4 Retail	126	-	232	17	32	37	-	105	32	232
5 Of which STS	26	-	-	-	29	26	-	-	29	-
6 Wholesale	4,867	441	163	1	4	12	5,459	1	4	0
7 Of which STS	4,389	388	-	-	-	-	4,777	-	-	-
8 Re-securitisation	-	-	-	-	-	-	-	-	-	-
9 Wholesale (total)	34,183	1,878	-	2	63	30,471	-	5,592	63	-
10 Securitisation	34,183	1,878	-	2	63	30,471	-	5,592	63	-
11 Retail	4,827	4	-	2	13	4,832	-	-	13	-
12 Wholesale	29,357	1,875	-	-	50	25,639	-	5,592	50	-
13 Re-securitisation	-	-	-	-	-	-	-	-	-	-
Total exposures as at 30.06.2025	34,190	2,623	333	24	149	26,008	5,828	5,001	149	333

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	RWEA (BY REGULATORY APPROACH)					CAPITAL CHARGE AFTER CAP				
	j	k	l	m	n	o	EU-p	EU-q		
	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 31.12.2025	4,351	819	779	-	233	348	66	62	-	19
2 Retail (total)	138	819	60	-	233	11	66	5	-	19
3 Securitisation	138	819	60	-	233	11	66	5	-	19
4 Retail	133	-	56	-	232	11	-	4	-	19
5 Of which STS	3	-	-	-	-	0	-	-	-	-
6 Wholesale	5	819	5	-	0	0	66	0	-	0
7 Of which STS	-	654	-	-	-	-	52	-	-	-
8 Re-securitisation	-	-	-	-	-	-	-	-	-	-
9 Wholesale (total)	4,213	-	719	-	-	337	-	57	-	-
10 Securitisation	4,213	-	719	-	-	337	-	57	-	-
11 Retail	742	-	-	-	-	59	-	-	-	-
12 Wholesale	3,471	-	719	-	-	278	-	57	-	-
13 Re-securitisation	-	-	-	-	-	-	-	-	-	-
Total exposures as at 30.06.2025	3,579	841	738	-	333	285	67	59	-	27

**Note:**

With reference to the column "Specific treatment for senior tranches of qualifying NPE securitisations, 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)

DESCRIPTION	EXPOSURE VALUES (BY RW BANDS/DEDUCTIONS)					EXPOSURE VALUES (BY REGULATORY APPROACH)				
	a	b	c	d	e	f	g	h	i	
	≤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 31.12.2025	21,402	432	93	163	10	-	14,993	7,021	10	76
2 Retail (total)	21,402	432	93	163	10	-	14,993	7,021	10	76
3 Securitisation	21,402	432	93	163	10	-	14,993	7,021	10	76
4 Retail	15,573	14	34	9	10	-	10,311	5,302	10	18
5 Of which STS	15,399	-	-	-	-	-	10,204	5,195	-	-
6 Wholesale	5,829	418	59	154	1	-	4,682	1,719	1	59
7 Of which STS	1,417	-	-	-	-	-	157	1,261	-	-
8 Re-securitisation	-	-	-	-	-	-	-	-	-	-
9 Wholesale (total)	-	-	-	-	-	-	-	-	-	-
10 Securitisation	-	-	-	-	-	-	-	-	-	-
11 Retail	-	-	-	-	-	-	-	-	-	-
12 Wholesale	-	-	-	-	-	-	-	-	-	-
13 Re-securitisation	-	-	-	-	-	-	-	-	-	-
Total exposures as at 30.06.2025	20,519	502	119	170	9	-	13,364	7,840	9	105

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

(€ million)

DESCRIPTION	RWEA (BY REGULATORY APPROACH)					CAPITAL CHARGE AFTER CAP				
	j	k	l	m	n	o	EU-p	EU-q		
	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 31.12.2025	-	2,016	1,662	-	76	-	161	133	-	6
2 Retail (total)	-	2,016	1,662	-	76	-	161	133	-	6
3 Securitisation	-	2,016	1,662	-	76	-	161	133	-	6
4 Retail	-	1,116	536	-	18	-	89	43	-	1
5 Of which STS	-	1,074	520	-	-	-	86	42	-	-
6 Wholesale	-	900	1,126	-	59	-	72	90	-	5
7 Of which STS	-	16	126	-	-	-	1	10	-	-
8 Re-securitisation	-	-	-	-	-	-	-	-	-	-
9 Wholesale (total)	-	-	-	-	-	-	-	-	-	-
10 Securitisation	-	-	-	-	-	-	-	-	-	-
11 Retail	-	-	-	-	-	-	-	-	-	-
12 Wholesale	-	-	-	-	-	-	-	-	-	-
13 Re-securitisation	-	-	-	-	-	-	-	-	-	-
Total exposures as at 30.06.2025	-	1,904	1,820	-	105	-	152	146	-	8

**Note:**

With reference to the column "Specific treatment for senior tranches of qualifying NPE securitisations", in June 2022, the EBA published the updated Reporting framework (DPM 3.2), requiring specific reporting information on 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)

DESCRIPTION	a		b		c	
	EXPOSURES SECURISIED 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		
			OF WHICH EXPOSURES IN DEFAULT			
1	<b>Total exposures as at 31.12.2025</b>	<b>102,392</b>	<b>7,093</b>			<b>(163)</b>
2	Retail (total)	19,697	4,554			(237)
3	Residential mortgage	14,065	1,243			(43)
4	Credit card	-	-			-
5	Other retail exposures	5,632	3,310			(194)
6	Re-securitisation	-	-			-
7	Wholesale (total)	82,695	2,539			74
8	Loans to corporates	51,232	136			35
9	Commercial mortgage	-	-			-
10	Lease and receivables	31,463	2,403			38
11	Other wholesale	-	-			-
12	Re-securitisation	-	-			-
	<b>Total exposures as at 30.06.2025</b>	<b>95,857</b>	<b>8,413</b>			<b>0</b>

**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 in 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 losses

(€ million)

DESCRIPTION		a	b	c	d	e	f	g	h	i	j	k
		31.12.2025	31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019	31.12.2018	31.12.2017	31.12.2016	TEN-YEAR AVERAGE
<b>Using €20,000 threshold</b>												
1	Total amount of operational risk losses net of recoveries (no exclusions)	445	574	171	61	324	298	(130)	1,302	264	889	420
2	Total number of operational risk losses	3,577	4,240	4,272	4,181	3,558	3,396	3,301	2,711	2,855	2,672	3,476
3	Total amount of excluded operational risk losses	-	-	-	-	-	-	-	-	-	-	-
4	Total number of excluded operational risk events	-	-	-	-	-	-	-	-	-	-	-
5	Total amount of operational risk losses net of recoveries and net of excluded losses	445	574	171	61	324	298	(130)	1,302	264	889	420
<b>Using €100,000 threshold</b>												
6	Total amount of operational risk losses net of recoveries (no exclusions)	425	535	138	15	289	259	(181)	1,259	213	827	378
7	Total number of operational risk losses	831	891	916	888	913	916	903	829	855	809	875
8	Total amount of excluded operational risk losses	-	-	-	-	-	-	-	-	-	-	-
9	Total number of excluded operational risk events	-	-	-	-	-	-	-	-	-	-	-
10	Total amount of operational risk losses net of recoveries and net of excluded losses	425	535	138	15	289	259	(181)	1,259	213	827	378
<b>Details of operational risk capital calculation</b>												
11	Not applicable											
12	Not applicable											
13	Not applicable											

## Operational risk

## Template EU OR2 - Business Indicator, components and subcomponents

		(€ million)			
BI and its subcomponents		a	b	c	d
		31.12.2025	31.12.2024	31.12.2023	AVERAGE VALUE
<b>1</b>	<b>Interest, lease and dividend component (ILDC)</b>				<b>14,437</b>
<b>EU 1</b>	<b>ILDC related to the individual institution/consolidated Group (excluding entities considered by Article 314(3))</b>				<b>14,437</b>
1a	Interest and lease income	27,136	35,357	34,427	32,307
1b	Interest and lease expense	13,702	21,013	20,432	18,382
1c	Total assets/Asset component	762,675	718,192	733,678	738,181
1d	Dividend income/dividend component	782	458	297	512
<b>2</b>	<b>Services component (SC)</b>				<b>10,235</b>
2a	Fee and commission income	8,961	8,839	8,275	8,692
2b	Fee and commission expense	1,894	1,783	1,659	1,779
2c	Other operating income	762	1,316	1,448	1,175
2d	Other operating expense	1,076	2,073	1,480	1,543
<b>3</b>	<b>Financial component (FC)</b>				<b>2,351</b>
3a	Net profit or loss applicable to trading book (TB)	1,812	2,451	1,553	1,939
3b	Net profit or loss applicable to banking book (BB)	449	(354)	432	412
EU 3c	Approach followed to determine the TB/BB boundary (PBA or accounting approach)				Prudential Boundary Approach
<b>4</b>	<b>Business Indicator (BI)</b>				<b>27,022</b>
<b>5</b>	<b>Business indicator component (BIC)</b>				<b>4,023</b>

## Disclosure on the BI:

		a
6a	BI gross of excluded divested activities	27,022
6b	Reduction in BI due to excluded divested activities	-
EU 6c	Impact in BI of mergers/acquisitions	180

## Template EU OR3 - Operational risk own funds requirements and risk exposure amounts

		(€ million)	
DESCRIPTION		a	
		31.12.2025	
1	Business Indicator Component (BIC)		4,023
EU 1	Alternative Standardised Approach (ASA) Own Funds Requirements (OROF) under Article 314(4)		-
2	Not applicable		
3	Minimum Required Operational Risk Own Funds Requirements (OROF)		4,023
4	Operational Risk Exposure Amounts (REA)		50,291



# Liquidity requirements

## Liquidity Coverage Ratio

The Liquidity Coverage Ratio (LCR), introduced by Basel III 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, according to the framework reported in the Regulatory framework chapter.

## Liquidity requirements

## Template EU LIQ1 - Quantitative information of LCR

(€ million)

SCOPE OF CONSOLIDATION (CONSOLIDATED)		a	b	c	d	e	f	g	h
		TOTAL UNWEIGHTED VALUE (AVERAGE)				TOTAL WEIGHTED VALUE (AVERAGE)			
CURRENCY AND UNITS (EURO MILLION)									
EU 1a	QUARTER ENDING ON	31.12.2025	30.09.2025	30.06.2025	31.03.2025	31.12.2025	30.09.2025	30.06.2025	31.03.2025
EU 1b	NUMBER OF DATA POINTS USED IN THE CALCULATION OF AVERAGES	12	12	12	12	12	12	12	12
<b>HIGH-QUALITY LIQUID ASSETS</b>									
1	Total high-quality liquid assets (HQLA)					157,729	158,200	158,368	161,131
<b>CASH-OUTFLOWS</b>									
2	Retail deposits and deposits from small business customers, of which:	262,862	261,465	260,629	260,594	18,070	17,948	17,848	17,789
3	Stable deposits	162,548	161,602	160,474	159,674	8,127	8,080	8,024	7,984
4	Less stable deposits	81,804	80,958	80,337	79,894	9,824	9,756	9,704	9,659
5	Unsecured wholesale funding	190,122	187,438	186,168	186,399	82,510	81,149	80,520	80,353
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	54,410	53,271	52,999	53,188	12,509	12,233	12,164	12,213
7	Non-operational deposits (all counterparties)	131,203	129,845	128,854	128,980	65,492	64,594	64,041	63,909
8	Unsecured debt	4,508	4,323	4,315	4,231	4,508	4,323	4,315	4,231
9	Secured wholesale funding					6,675	5,890	5,513	5,237
10	Additional requirements	142,577	141,965	141,125	141,987	47,014	47,202	47,296	47,635
11	Outflows related to derivative exposures and other collateral requirements	32,621	33,205	33,447	33,343	30,852	31,134	31,155	31,139
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13	Credit and liquidity facilities	109,956	108,760	107,678	108,644	16,162	16,068	16,141	16,496
14	Other contractual funding obligations	7,853	7,930	8,520	7,915	7,686	7,764	8,352	7,747
15	Other contingent funding obligations	217,886	214,984	213,011	212,202	7,475	7,381	7,300	7,255
16	<b>TOTAL CASH OUTFLOWS</b>					<b>169,430</b>	<b>167,333</b>	<b>166,830</b>	<b>166,016</b>
<b>CASH-INFLOWS</b>									
17	Secured lending (eg reverse repos)	35,181	33,852	35,566	37,322	7,947	6,378	6,013	5,909
18	Inflows from fully performing exposures	25,370	25,670	26,077	25,665	17,845	18,219	18,627	18,365
19	Other cash inflows	42,477	41,627	40,558	39,582	32,446	31,663	30,492	29,303
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	<b>TOTAL CASH INFLOWS</b>	<b>103,028</b>	<b>101,149</b>	<b>102,201</b>	<b>102,569</b>	<b>58,238</b>	<b>56,260</b>	<b>55,131</b>	<b>53,577</b>
EU-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
EU-20b	Inflows Subject to 90% Cap	-	-	-	-	-	-	-	-
EU-20c	Inflows Subject to 75% Cap	96,080	95,178	96,524	97,147	58,238	56,260	55,131	53,577
<b>TOTAL ADJUSTED VALUE</b>									
EU-21	<b>LIQUIDITY BUFFER</b>					<b>157,729</b>	<b>158,200</b>	<b>158,368</b>	<b>161,131</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>					<b>111,192</b>	<b>111,073</b>	<b>111,699</b>	<b>112,439</b>
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>					<b>142%</b>	<b>142%</b>	<b>142%</b>	<b>143%</b>

## Note:

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.

# Liquidity requirements

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

### **Evolution of LCR results**

In the fourth quarter of 2025 the LCR (calculated as the average value over the last 12 monthly indicators) has shown a flat trend compared to the third quarter of 2025. The trend is mainly driven by commercial activity in western Europe.

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

At the end of December 2025, liquidity buffer is still mainly composed by withdrawable reserves and other assets deposited at central banks and governments bonds. These two exposures represent around 66% of the buffer, while the remaining part has mostly been 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, becoming 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. For 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 to 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"<sup>16</sup>.

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 at different times 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.

<sup>16</sup> Principle 8 of Principles for Sound Liquidity Risk Management and Supervision published in September 2008 by the Basel Committee on Banking Supervision.

# Liquidity requirements

## Net Stable Funding Ratio

The following template refers to 31 December 2025 reference date.

### Template EU LIQ2 - Net Stable Funding Ratio

(€ million)

DESCRIPTION	UNWEIGHTED VALUE BY RESIDUAL MATURITY				WEIGHTED VALUE
	a	b	c	d	
	NO MATURITY	< 6 MONTHS	6 MONTHS TO < 1YR	≥ 1YR	
<b>Available stable funding (ASF) Items</b>					
1 Capital items and instruments	58,179	992	-	15,891	74,070
2 Own funds	58,179	991	-	7,808	65,987
3 Other capital instruments		0	-	8,083	8,083
4 Retail deposits		269,201	2,255	9,845	262,797
5 Stable deposits		172,401	433	45	164,238
6 Less stable deposits		96,800	1,822	9,800	98,559
7 Wholesale funding:		301,899	22,523	88,239	200,058
8 Operational deposits		58,984	-	-	29,492
9 Other wholesale funding		242,914	22,523	88,239	170,565
10 Interdependent liabilities		-	-	-	-
11 Other liabilities:	11,258	3,718	-	15,578	15,578
12 NSFR derivative liabilities	11,258				
13 All other liabilities and capital instruments not included in the above categories		3,718	-	15,578	15,578
<b>14 Total available stable funding (ASF)</b>					<b>552,502</b>
<b>Required stable funding (RSF) Items</b>					
15 Total high-quality liquid assets (HQLA)					12,060
EU-15a Assets encumbered for a residual maturity of one year or more in a cover pool		149	266	44,567	38,234
16 Deposits held at other financial institutions for operational purposes		291	-	-	145
17 Performing loans and securities:		114,500	37,481	283,566	291,460
18 Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		12,190	204	7,896	8,392
19 Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		18,023	5,139	19,543	23,886
20 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		70,594	25,793	152,448	235,481
21 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		25,132	10,587	53,842	91,197
22 Performing residential mortgages, of which:		4,964	5,601	77,723	-
23 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		3,010	3,158	49,720	-
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		8,729	744	25,957	23,701
25 Interdependent assets		-	-	-	-
26 Other assets:	-	47,260	4,426	62,321	79,200
27 Physical traded commodities				43	37
28 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	11,786	10,018
29 NSFR derivative assets		9,583			9,583
30 NSFR derivative liabilities before deduction of variation margin posted		14,807			740
31 All other assets not included in the above categories		22,870	4,426	50,491	58,825
32 Off-balance sheet items		100,102	26,862	213,699	21,471
<b>33 Total RSF</b>					<b>442,573</b>
<b>34 Net Stable Funding Ratio (%)</b>					<b>125%</b>

# Liquidity requirements

The following template refers to 30 September 2025 reference date.

## Template EU LIQ2 - Net Stable Funding Ratio

DESCRIPTION		UNWEIGHTED VALUE BY RESIDUAL MATURITY				WEIGHTED VALUE
		a	b	c	d	
		NO MATURITY	< 6 MONTHS	6 MONTHS TO < 1YR	≥ 1YR	
(€ million)						
<b>Available stable funding (ASF) Items</b>						
1	Capital items and instruments	57,717	-	992	17,630	75,347
2	Own funds	57,717	-	991	7,808	65,525
3	Other capital instruments		-	1	9,822	9,822
4	Retail deposits		261,601	3,900	9,422	256,819
5	Stable deposits		168,433	492	45	160,524
6	Less stable deposits		93,168	3,407	9,377	96,295
7	Wholesale funding:		320,533	22,161	90,875	202,423
8	Operational deposits		55,470	-	-	27,735
9	Other wholesale funding		265,062	22,161	90,875	174,688
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	9,697	6,665	-	16,459	16,459
12	NSFR derivative liabilities	9,697				
13	All other liabilities and capital instruments not included in the above categories		6,665	-	16,459	16,459
14	<b>Total available stable funding (ASF)</b>					<b>551,049</b>
<b>Required stable funding (RSF) Items</b>						
15	Total high-quality liquid assets (HQLA)					10,614
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		144	128	45,235	38,681
16	Deposits held at other financial institutions for operational purposes		182	-	0	91
17	Performing loans and securities:		133,305	37,020	280,339	288,897
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		26,302	1,329	7,987	9,004
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		25,132	4,524	18,937	23,200
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		68,624	24,852	151,714	232,260
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		22,545	9,791	54,481	89,988
22	Performing residential mortgages, of which:		5,402	5,303	74,853	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		3,028	3,202	48,500	-
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		7,844	1,014	26,848	24,434
25	Interdependent assets		-	-	-	-
26	Other assets:	-	40,171	3,840	59,623	72,077
27	Physical traded commodities				90	77
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	11,435	9,720
29	NSFR derivative assets		8,871			8,871
30	NSFR derivative liabilities before deduction of variation margin posted		13,030			651
31	All other assets not included in the above categories		18,270	3,840	48,097	52,765
32	Off-balance sheet items		101,829	27,239	206,961	20,932
33	<b>Total RSF</b>					<b>431,298</b>
34	<b>Net Stable Funding Ratio (%)</b>					<b>128%</b>

Quantitative disclosure section

# Liquidity requirements

The following template refers to 30 June 2025 reference date.

Template EU LIQ2 - Net Stable Funding Ratio

DESCRIPTION		UNWEIGHTED VALUE BY RESIDUAL MATURITY				WEIGHTED VALUE
		a	b	c	d	
		NO MATURITY	< 6 MONTHS	6 MONTHS TO < 1YR	≥ 1YR	
(€ million)						
<b>Available stable funding (ASF) Items</b>						
1	Capital items and instruments	57,733	-	992	16,527	74,260
2	Own funds	57,733	-	992	7,676	65,408
3	Other capital instruments		-	-	8,851	8,851
4	Retail deposits		258,471	3,801	8,983	253,411
5	Stable deposits		167,191	468	34	159,310
6	Less stable deposits		91,280	3,333	8,949	94,100
7	Wholesale funding:		297,474	19,382	95,366	201,967
8	Operational deposits		53,978	-	-	2,411
9	Other wholesale funding		243,496	19,382	95,366	199,556
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	12,717	13,549	-	16,998	16,998
12	NSFR derivative liabilities	12,717				
13	All other liabilities and capital instruments not included in the above categories		13,549	-	16,998	16,998
14	<b>Total available stable funding (ASF)</b>					<b>546,635</b>
<b>Required stable funding (RSF) Items</b>						
15	Total high-quality liquid assets (HQLA)					10,172
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		307	178	51,286	44,006
16	Deposits held at other financial institutions for operational purposes		191	-	0	96
17	Performing loans and securities:		130,387	37,727	275,615	285,707
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		23,358	1,485	7,862	8,883
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		25,660	5,368	18,012	22,755
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		68,409	24,706	156,648	229,885
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		23,173	9,035	54,672	86,156
22	Performing residential mortgages, of which:		5,002	5,025	66,771	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		2,902	2,977	43,000	-
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		7,959	1,142	26,323	24,185
25	Interdependent assets		-	-	-	-
26	Other assets:	-	44,893	4,795	54,583	67,593
27	Physical traded commodities				85	72
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	12,684	10,781
29	NSFR derivative assets		8,496			8,496
30	NSFR derivative liabilities before deduction of variation margin posted		15,733			787
31	All other assets not included in the above categories		20,663	4,795	41,815	47,466
32	Off-balance sheet items		100,167	25,653	196,988	20,259
33	<b>Total RSF</b>					<b>427,841</b>
34	<b>Net Stable Funding Ratio (%)</b>					<b>128%</b>

Quantitative disclosure section

# Liquidity requirements

The following template refers to 31 March 2025 reference date.

Template EU LIQ2 - Net Stable Funding Ratio

DESCRIPTION		UNWEIGHTED VALUE BY RESIDUAL MATURITY				WEIGHTED VALUE
		a	b	c	d	
		NO MATURITY	< 6 MONTHS	6 MONTHS TO < 1YR	≥ 1YR	
(€ million)						
<b>Available stable funding (ASF) Items</b>						
1	Capital items and instruments	57,522	990	-	13,703	71,225
2	Own funds	57,522	990	-	7,339	64,861
3	Other capital instruments		-	-	6,364	6,364
4	Retail deposits		257,488	2,346	8,522	250,714
5	Stable deposits		166,408	431	43	158,540
6	Less stable deposits		91,080	1,915	8,479	92,174
7	Wholesale funding:		293,996	15,791	93,246	196,119
8	Operational deposits		50,826	-	-	2,140
9	Other wholesale funding		243,171	15,791	93,246	193,979
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	12,472	11,209	-	17,492	17,492
12	NSFR derivative liabilities	12,472				
13	All other liabilities and capital instruments not included in the above categories		11,209	-	17,492	17,492
14	<b>Total available stable funding (ASF)</b>					<b>535,551</b>
<b>Required stable funding (RSF) Items</b>						
15	Total high-quality liquid assets (HQLA)					10,433
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		278	625	49,393	42,752
16	Deposits held at other financial institutions for operational purposes		242	-	0	121
17	Performing loans and securities:		121,591	35,896	275,872	284,307
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		20,043	1,554	7,791	9,219
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		22,096	4,584	18,364	22,489
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		66,743	23,731	155,169	228,116
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		21,912	8,559	54,707	86,005
22	Performing residential mortgages, of which:		4,813	4,864	68,130	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		2,863	2,707	44,383	-
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		7,896	1,164	26,418	24,483
25	Interdependent assets		-	-	-	-
26	Other assets:	-	42,250	5,742	52,238	62,616
27	Physical traded commodities				113	96
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	11,706	9,950
29	NSFR derivative assets		5,344			5,344
30	NSFR derivative liabilities before deduction of variation margin posted		15,453			773
31	All other assets not included in the above categories		21,453	5,742	40,419	46,458
32	Off-balance sheet items		97,427	27,046	197,630	20,336
33	<b>Total RSF</b>					<b>420,569</b>
34	<b>Net Stable Funding Ratio (%)</b>					<b>127%</b>

# Liquidity requirements

## 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	
	010	OF WHICH NOTIONALLY ELIGIBLE EHQLA AND HQLA 030	040	OF WHICH NOTIONALLY ELIGIBLE EHQLA AND HQLA 050	060	OF WHICH EHQLA AND HQLA 080	090	OF WHICH EHQLA AND HQLA 100
<b>010 Assets of the reporting institution as at 31.12.2025</b>	<b>201,499</b>	<b>78,933</b>			<b>619,032</b>	<b>125,547</b>		
030 Equity instruments	5,488	3,282	5,246	3,194	14,754	2,244	15,061	2,384
040 Debt securities	74,700	71,887	74,329	71,502	107,152	91,000	106,191	90,411
050 <i>of which: covered bonds</i>	2,575	2,118	2,539	2,086	8,916	8,524	8,837	8,453
060 <i>of which: securitisations</i>	2,074	335	2,101	334	18,255	10,356	18,353	10,367
070 <i>of which: issued by general governments</i>	64,186	63,863	63,926	63,600	58,083	53,764	57,699	53,533
080 <i>of which: issued by financial corporations</i>	9,912	7,871	9,813	7,753	45,041	34,747	44,546	34,395
090 <i>of which: issued by non-financial corporations</i>	554	54	544	52	3,702	2,397	3,683	2,381
120 Other assets	122,253	4,059			496,212	30,557		
<b>Assets of the reporting institution as at 31.12.2024</b>	<b>201,954</b>	<b>77,388</b>			<b>598,132</b>	<b>113,973</b>		

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 refers to the "Other assets" (equal to approx. 80%). Non-EHQLA and non-HQLA amount to approx. 94% of the overall "Other assets".

# Liquidity requirements

## Template EU AE2 - Collateral received and own debt securities issued

(€ million)

DESCRIPTION	FAIR VALUE OF ENCUMBERED COLLATERAL RECEIVED OR OWN DEBT SECURITIES ISSUED		UNENCUMBERED	
	010	OF WHICH NOTIONALLY ELIGIBLE EHQLA AND HQLA 030	FAIR VALUE OF COLLATERAL RECEIVED OR OWN DEBT SECURITIES ISSUED AVAILABLE FOR ENCUMBRANCE	
			040	OF WHICH EHQLA AND HQLA 060
130 Collateral received by the disclosing institution	41,800	30,384	62,386	43,467
140 Loans on demand	-	-	-	-
150 Equity instruments	2,509	655	1,175	356
160 Debt securities	39,543	29,644	61,119	42,665
170 of which: covered bonds	3,715	2,310	10,755	5,780
180 of which: securitisations	1,348	-	6,425	497
190 of which: issued by general governments	32,403	25,391	39,777	32,935
200 of which: issued by financial corporations	6,481	3,008	21,708	9,100
210 of which: issued by non-financial corporations	806	559	1,029	280
220 Loans and advances other than loans on demand	-	-	36	-
230 Other collateral received	-	-	-	-
240 Own debt securities issued other than own covered bonds or securitisations	-	-	17,237	-
241 Own covered bonds and securitisation issued and not yet pledged	-	-	2,078	-
250 Total collateral received and own debt securities issued as at 31.12.2025	244,157	109,318		
Total collateral received and own debt securities issued as at 31.12.2024	242,384	105,838		

With regards to the collateral received, the median percentage which results encumbered is equal to approx. 40%, mainly relating to debt securities received as collateral in repo and similar transactions which were then reused.

## 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 31.12.2025	144,573	182,972
Carrying amount of selected financial liabilities as at 31.12.2024	157,849	187,462

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 approx.126%, which is mainly related to over-collateralisation agreements on repos and covered bonds issued.

### Notes to the previous templates:

- In terms of the median, the percentage of encumbered assets to the total assets amount is equal to approx. 25%, (considering also the collateral, the percentage amounts to approx. 26%).
- Values reported in the tables above relate to the median value calculated on the basis of punctual data for the four reference quarters of 2025. These figures refer to the prudential scope of consolidation.



# Leverage ratio

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 CRR and, in particular, article 429, complying with “Basel III: Finalising post-crisis reforms”<sup>17</sup>, 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.

## Content

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

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

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

- Derivatives - calculated according to the Standardised Approach for Counterparty Credit Risk as per Section 3 of Chapter 6 of Title II of the Part 3, or, as an alternative, the Original Exposure Method as per article 295 of the CRR. 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<sup>18</sup>) - 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 CRR 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 CRR are met, cash variation margins provided for derivatives transactions can be excluded from the exposure;
- Exempted Exposures according to article 429a where applicable.

<sup>17</sup> Refer to “Basel III: Finalising post-crisis reforms” [https://www.bis.org/basel\\_framework/standard/LEV.htm](https://www.bis.org/basel_framework/standard/LEV.htm).

<sup>18</sup> Security Financing Transactions are repurchased transactions, securities or commodities lending or borrowing transactions and margin lending transactions.

## Quantitative disclosure section

# Leverage ratio

The following template shows the Leverage Ratio as at 31 December 2025 and the breakdown of the exposure by main categories, according to CRR articles 451(1)(a), 451(1)(b) and 451(1)(c).

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

		(€ million)	
		CRR LEVERAGE RATIO EXPOSURES	
		a	b
DESCRIPTION		31.12.2025	30.06.2025
<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	751,248	728,840
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	0	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(7,755)	(8,855)
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)	(10,222)	(7,385)
7	<b>Total on-balance sheet exposures (excluding derivatives and SFTs)</b>	<b>733,271</b>	<b>712,599</b>
<b>Derivative exposures</b>			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	21,046	19,762
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	22,866	21,114
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	0	0
EU-9b	Exposure determined under Original Exposure Method	85	164
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	(3,572)	(1,579)
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	33,021	5,986
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(23,987)	(2,686)
13	<b>Total derivatives exposures</b>	<b>49,459</b>	<b>42,761</b>
<b>Securities financing transaction (SFT) exposures</b>			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	48,891	65,234
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(6,087)	(2,474)
16	Counterparty credit risk exposure for SFT assets	6,865	7,418
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	<b>Total securities financing transaction exposures</b>	<b>49,669</b>	<b>70,178</b>
<b>Other off-balance sheet exposures</b>			
19	Off-balance sheet exposures at gross notional amount	362,522	347,166
20	(Adjustments for conversion to credit equivalent amounts)	(281,228)	(268,986)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	-	-
22	<b>Off-balance sheet exposures</b>	<b>81,295</b>	<b>78,180</b>
<b>Excluded exposures</b>			
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) and point (ca) of Article 429a(1) CRR)	0	(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)	(6,769)	(7,003)
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	(Excluded exposures to shareholders according to Article 429a(1), point (da) CRR)	-	-
EU-22l	(Exposures deducted in accordance with point (q) of Article 429a(1) CRR)	-	-
EU-22m	<b>(Total exempted exposures)</b>	<b>(6,769)</b>	<b>(7,003)</b>

## Quantitative disclosure section

# Leverage ratio

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

(€ million)

DESCRIPTION	CRR LEVERAGE RATIO EXPOSURES	
	a	b
	31.12.2025	30.06.2025
<b>Capital and total exposure measure</b>		
23 Tier 1 capital	48,656	51,056
24 Total exposure measure	906,925	896,716
<b>Leverage ratio</b>		
25 Leverage ratio (%)	5.36%	5.69%
EU-25 Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	5.36%	5.69%
25a Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	5.36%	5.69%
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 (%)	-	-
27 Leverage ratio buffer requirement (%)	-	-
EU-27a Overall leverage ratio requirement (%)	3.00%	3.00%
<b>Choice on transitional arrangements and relevant exposures</b>		
EU-27b Choice on transitional arrangements for the definition of the capital measure	Full phased-in	Full phased-in
<b>Disclosure of mean values</b>		
28 Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	59,992	55,678
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	42,804	62,760
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)	924,113	889,634
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)	924,113	889,634
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)	5.27%	5.74%
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)	5.27%	5.74%

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

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

(€ million)

DESCRIPTION	a	
	31.12.2025	30.06.2025
EU-1 Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	751,248	728,840
EU-2 Trading book exposures	28,371	29,102
EU-3 Banking book exposures, of which:	722,877	699,738
EU-4 Covered bonds	14,455	14,270
EU-5 Exposures treated as sovereigns	209,688	201,450
EU-6 Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	7,033	6,628
EU-7 Institutions	14,901	17,160
EU-8 Secured by mortgages of immovable properties	160,940	159,803
EU-9 Retail exposures	51,477	50,678
EU-10 Corporate	154,087	151,094
EU-11 Exposures in default	6,584	6,381
EU-12 Other exposures (eg equity, securitisations, and other non-credit obligation assets)	103,713	92,273

## Quantitative disclosure section

# Leverage ratio

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

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

DESCRIPTION		a	
		31.12.2025	30.06.2025
1	Total assets as per published financial statements	870,238	860,328
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	(45,993)	(43,511)
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	(593)	(746)
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	1	2
8	Adjustments for derivative financial instruments	14,661	11,197
9	Adjustment for securities financing transactions (SFTs)	6,864	7,417
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	81,407	78,559
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) and point (ca) of Article 429a(1) CRR)	0	(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	(19,659)	(16,529)
13	<b>Total exposure measure</b>	<b>906,925</b>	<b>896,716</b>

#### 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 ratio

## 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 5.36% as at 31 December 2025, decreasing by -0.03% from 5.69% as at 30 June 2025. In particular, the decrease is due to:

- Tier 1 Capital decrease of €2.4 billion, with a negative impact on ratio of -0.027%;
- Total Exposure increase of €10.2 billion, with a negative impact on ratio of -0.006%.

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 €20.7 billion (-0.013%);
  - decrease of SFT €20.5 billion (+0.013%);
  - increase of derivatives €6.7 billion (-0.004%);
  - increase of Off -balance sheet items for €3 billion (-0.002%).

### 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 of 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 by 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)

## Quantitative information on ESG risks

### 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;
- 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 sets 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 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 CO<sub>2</sub> e/kWh.

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).

#### 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 (EU) 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 (EU) 2020/1818 (companies that derive 50% or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO<sub>2</sub> 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.

The PAB perimeter amounts to €9.5 billion. In the second half of 2025, the exposure to this portfolio remains broadly stable (-1.4%), representing 4.3% of the total corporate perimeter.

The PAB perimeter is concentrated in sectors: Electricity, Wholesale & Retail and Manufacturing.

As required by the Commission Implementing Regulation (EU) 2024/3172, 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, prioritizing, where available, reported data disclosed directly by companies in publicly available documents (e.g. Non-Financial Statements, Sustainability Reports) and otherwise using estimates based on the economic activity of the company.

The approach adopted for calculating financed emissions for NFC covers the following portfolios: loans and advances, debt securities, and equity. Within these scopes, Commercial Real Estate (CRE) and project finance counterparties are also included, ensuring a consistent counterparty-based methodology across all segments.

## Environmental, Social and Governance risks (ESG)

The formula applied for the calculation of financed emissions is the following:

$$\text{Financed Emissions}_{(i)} = \text{Company Emissions}_{(i)} \times \text{Outstanding Amount}_{(i)} / (\text{Total equity} + \text{debt})_{(i)}$$

The portfolio distribution, in terms of GCA, according to the PCAF data quality score, is as follows:

- Score 1 and Score 2 – Emissions data directly reported by the company represent the 28% of the total portfolio;
- Score 4 – Estimated emissions, calculated using a revenue-based sector approach, account for the remaining 72%.

UniCredit further strengthened its framework, increasing the coverage with actual data and enhancing the methodology for proxies (with a focus on upstream categories, in line with market practices). In particular, the estimation procedure relies on official data from public sources (e.g. Eurostat) on emission intensity, broken down by NACE code and Country. This coefficient is further refined to enhance granularity and accuracy through analysis of sustainability reports and of the relevant literature. Emission factors are then used to determine the estimated emissions volume according to the specific economic activity carried out by the counterparty, assessed on the basis of information such as the sector of activity, location, and revenues (adjusted for inflation where applicable).

The incidence of Financed GHG Emissions is 0.06% TCO<sub>2</sub>/€ in the perimeter of sectors that highly contribute to climate change; the sectors with the highest incidence are Mining & Quarrying and Wholesale and retail trade. The absolute value of Financed GHG Emissions, driven by Scope 3 component (84% of the total), is 100.2 million tons of CO<sub>2</sub> equivalent. The Gross Carrying Amount percentage of the portfolio for which GHG emission derived from Company Specific Reporting is ca.20%, showing a material increase compared to June 2025.

In the second half of 2025, Financed GHG Emissions remain stable (+0.3 million tCO<sub>2</sub>).

Moreover, with reference to column c of the template 4 below (column “of which environmentally sustainable (CCM)”), in coherence to the Green Asst ratio (GAR) disclosure suspension foreseen in the EBA/CP/2025/07 of 22 May 2025, the information is not published for the purpose of the Pillar 3 starting from 30 June 2025 until 31 December 2026 (entry in to force of the new ESG disclosure).

# 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)				
		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 NON-PERFORMING EXPOSURES
SECTOR/SUBSECTOR				OF WHICH STAGE 2 EXPOSURES		
1	<b>Exposures towards sectors that highly contribute to climate change (*)</b>	<b>180,221</b>	<b>9,308</b>	<b>-</b>	<b>23,316</b>	<b>7,704</b>
2	A - Agriculture, forestry and fishing	3,507	13	-	623	192
3	B - Mining and quarrying	955	491	-	129	19
4	B.05 - Mining of coal and lignite	1	1	-	-	-
5	B.06 - Extraction of crude petroleum and natural gas	84	0	-	40	-
6	B.07 - Mining of metal ores	42	0	-	4	17
7	B.08 - Other mining and quarrying	368	84	-	32	1
8	B.09 - Mining support service activities	460	405	-	52	0
9	C - Manufacturing	51,086	1,218	-	9,308	3,007
10	C.10 - Manufacture of food products	6,407	2	-	774	128
11	C.11 - Manufacture of beverages	1,007	0	-	104	23
12	C.12 - Manufacture of tobacco products	23	-	-	0	0
13	C.13 - Manufacture of textiles	618	0	-	143	31
14	C.14 - Manufacture of wearing apparel	905	0	-	175	90
15	C.15 - Manufacture of leather and related products	872	0	-	117	52
16	C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	1,010	0	-	271	79
17	C.17 - Manufacture of paper and paper product	1,361	0	-	181	135
18	C.18 - Printing and reproduction of recorded media	401	5	-	57	26
19	C.19 - Manufacture of coke and refined petroleum products	1,203	1,145	-	2	0
20	C.20 - Manufacture of chemicals and chemical products	3,263	22	-	755	214
21	C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations	1,253	0	-	92	27
22	C.22 - Manufacture of rubber products	2,687	0	-	689	149
23	C.23 - Manufacture of other non-metallic mineral products	2,176	2	-	262	85
24	C.24 - Manufacture of basic metals	3,382	38	-	791	241
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	5,210	0	-	764	281
26	C.26 - Manufacture of computer, electronic and optical products	2,071	0	-	589	199
27	C.27 - Manufacture of electrical equipment	2,234	1	-	430	179
28	C.28 - Manufacture of machinery and equipment n.e.c.	4,880	0	-	987	162
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers	4,085	1	-	692	581
30	C.30 - Manufacture of other transport equipment	2,548	0	-	477	92
31	C.31 - Manufacture of furniture	753	0	-	112	73
32	C.32 - Other manufacturing	1,375	0	-	300	139
33	C.33 - Repair and installation of machinery and equipment	1,365	3	-	543	20
34	D - Electricity, gas, steam and air conditioning supply	12,893	3,972	-	2,153	85
35	D35.1 - Electric power generation, transmission and distribution	10,009	2,261	-	1,806	54
36	D35.11 - Production of electricity	7,528	1,625	-	1,377	42
37	D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	2,613	1,665	-	292	31
38	D35.3 - Steam and air conditioning supply	271	46	-	56	0
39	E - Water supply; sewerage, waste management and remediation activities	2,177	3	-	183	75
40	F - Construction	13,720	13	-	1,601	858
41	F.41 - Construction of buildings	9,021	9	-	1,037	659
42	F.42 - Civil engineering	2,187	1	-	177	56
43	F.43 - Specialised construction activities	2,512	2	-	387	143
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	38,338	3,401	-	4,654	1,936
45	H - Transportation and storage	11,526	140	-	1,143	218
46	H.49 - Land transport and transport via pipelines	4,192	95	-	537	117
47	H.50 - Water transport	1,743	-	-	184	24
48	H.51 - Air transport	215	-	-	12	8
49	H.52 - Warehousing and support activities for transportation	4,440	45	-	384	54
50	H.53 - Postal and courier activities	937	-	-	26	15
51	I - Accommodation and food service activities	4,390	3	-	616	272
52	L - Real estate activities	41,628	54	-	2,906	1,043
53	<b>Exposures towards sectors other than those that highly contribute to climate change (*)</b>	<b>44,611</b>	<b>238</b>	<b>-</b>	<b>4,816</b>	<b>1,323</b>
54	K - Financial and insurance activities	5,141	5	-	319	110
55	Exposures to other sectors (NACE codes J, M - U)	39,470	233	-	4,497	1,214
56	<b>Total as at 31.12.2025</b>	<b>224,831</b>	<b>9,546</b>	<b>-</b>	<b>28,132</b>	<b>9,028</b>
57	<b>Total as at 30.06.2025</b>	<b>220,994</b>	<b>9,678</b>	<b>-</b>	<b>28,654</b>	<b>8,574</b>

## 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)

SECTOR/SUBSECTOR	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 CO <sub>2</sub> EQUIVALENT)			
			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 (*)	(5,549)	(1,559)	(3,524)	100,174,550	84,463,729					
2 A - Agriculture, forestry and fishing	(160)	(35)	(108)	1,955,943	1,220,080					
3 B - Mining and quarrying	(28)	(13)	(11)	924,606	696,830					
4 B.05 - Mining of coal and lignite	(0)	-	-	539	101					
5 B.06 - Extraction of crude petroleum and natural gas	(10)	(10)	-	35,414	498					
6 B.07 - Mining of metal ores	(12)	(0)	(11)	2,234	925					
7 B.08 - Other mining and quarrying	(5)	(2)	(1)	156,681	58,887					
8 B.09 - Mining support service activities	(0)	(0)	-	729,739	636,419					
9 C - Manufacturing	(2,202)	(677)	(1,390)	39,503,424	34,315,576					
10 C.10 - Manufacture of food products	(131)	(51)	(65)	6,517,808	5,947,705					
11 C.11 - Manufacture of beverages	(26)	(9)	(14)	171,001	125,059					
12 C.12 - Manufacture of tobacco products	(0)	(0)	(0)	41	32					
13 C.13 - Manufacture of textiles	(26)	(9)	(15)	379,756	352,386					
14 C.14 - Manufacture of wearing apparel	(67)	(13)	(51)	129,960	88,825					
15 C.15 - Manufacture of leather and related products	(40)	(8)	(29)	118,156	109,109					
16 C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	(65)	(17)	(45)	357,648	276,568					
17 C.17 - Manufacture of paper and paper product	(77)	(16)	(57)	974,134	648,338					
18 C.18 - Printing and reproduction of recorded media	(15)	(2)	(13)	109,632	84,158					
19 C.19 - Manufacture of coke and refined petroleum products	(2)	(0)	(0)	2,394,824	2,142,011					
20 C.20 - Manufacture of chemicals and chemical products	(210)	(32)	(172)	2,518,128	1,903,430					
21 C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations	(18)	(4)	(12)	108,070	69,767					
22 C.22 - Manufacture of rubber products	(97)	(29)	(59)	1,801,089	1,582,078					
23 C.23 - Manufacture of other non-metallic mineral products	(73)	(26)	(41)	2,210,868	1,441,536					
24 C.24 - Manufacture of basic metals	(124)	(44)	(71)	4,304,465	3,103,894					
25 C.25 - Manufacture of fabricated metal products, except machinery and equipment	(224)	(68)	(138)	2,747,189	2,374,454					
26 C.26 - Manufacture of computer, electronic and optical products	(121)	(56)	(60)	1,082,130	1,034,854					
27 C.27 - Manufacture of electrical equipment	(98)	(33)	(58)	2,388,505	2,262,646					
28 C.28 - Manufacture of machinery and equipment n.e.c.	(227)	(105)	(107)	4,898,495	4,735,828					
29 C.29 - Manufacture of motor vehicles, trailers and semi-trailers	(261)	(62)	(192)	3,314,182	3,173,102					
30 C.30 - Manufacture of other transport equipment	(103)	(43)	(50)	1,953,224	1,930,156					
31 C.31 - Manufacture of furniture	(62)	(14)	(45)	481,530	459,841					
32 C.32 - Other manufacturing	(106)	(17)	(84)	176,694	141,469					
33 C.33 - Repair and installation of machinery and equipment	(30)	(18)	(9)	365,897	328,330					
34 D - Electricity, gas, steam and air conditioning supply	(136)	(58)	(61)	7,241,045	4,121,826					
35 D35.1 - Electric power generation, transmission and distribution	(95)	(50)	(31)	4,315,262	2,087,190					
36 D35.11 - Production of electricity	(74)	(43)	(21)	2,413,339	1,517,121					
37 D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	(40)	(7)	(30)	2,706,442	1,962,482					
38 D35.3 - Steam and air conditioning supply	(1)	(1)	(0)	219,341	72,154					
39 E - Water supply; sewerage, waste management and remediation activities	(59)	(13)	(42)	1,410,706	958,626					
40 F - Construction	(639)	(142)	(450)	7,342,916	6,860,747					
41 F.41 - Construction of buildings	(429)	(72)	(333)	3,240,321	3,080,023					
42 F.42 - Civil engineering	(60)	(22)	(28)	2,064,274	1,944,151					
43 F.43 - Specialised construction activities	(150)	(48)	(89)	2,038,321	1,836,573					
44 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	(1,304)	(316)	(859)	34,221,101	31,174,660					
45 H - Transportation and storage	(228)	(72)	(122)	4,762,863	2,612,097					
46 H.49 - Land transport and transport via pipelines	(110)	(32)	(62)	1,335,672	802,261					
47 H.50 - Water transport	(30)	(8)	(19)	654,071	256,630					
48 H.51 - Air transport	(2)	(1)	(1)	102,183	25,274					
49 H.52 - Warehousing and support activities for transportation	(71)	(31)	(27)	2,238,435	1,240,334					
50 H.53 - Postal and courier activities	(16)	(1)	(14)	432,503	287,598					
51 I - Accommodation and food service activities	(220)	(56)	(140)	955,729	852,110					
52 L - Real estate activities	(574)	(177)	(341)	1,856,218	1,651,177					
53 Exposures towards sectors other than those that highly contribute to climate change (*)	(792)	(181)	(529)							
54 K - Financial and insurance activities	(87)	(20)	(50)							
55 Exposures to other sectors (NACE codes J, M - U)	(705)	(160)	(478)							
56 Total as at 31.12.2025	(6,340)	(1,740)	(4,053)	100,174,550	84,463,729					
57 Total as at 30.06.2025	(6,269)	(1,669)	(4,085)	99,841,419	83,697,484					

# 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
		GHG EMISSIONS (COLUMN I): GROSS CARRYING AMOUNT PERCENTAGE OF THE PORTFOLIO DERIVED FROM COMPANY- SPECIFIC REPORTING					AVERAGE WEIGHTED MATURITY (YEARS)
SECTOR/SUBSECTOR		<= 5 YEARS	> 5 YEAR <= 10 YEARS	> 10 YEAR <= 20 YEARS	> 20 YEARS		
1	<b>Exposures towards sectors that highly contribute to climate change (*)</b>	<b>19.86%</b>	<b>125,191</b>	<b>27,377</b>	<b>13,594</b>	<b>14,057</b>	<b>5.03</b>
2	A - Agriculture, forestry and fishing	4.84%	2,496	717	226	68	4.33
3	B - Mining and quarrying	30.29%	416	271	24	244	8.59
4	B.05 - Mining of coal and lignite	10.62%	1	0	-	-	2.45
5	B.06 - Extraction of crude petroleum and natural gas	47.93%	0	66	18	-	8.61
6	B.07 - Mining of metal ores	0.33%	33	10	-	-	2.31
7	B.08 - Other mining and quarrying	3.93%	235	123	6	4	4.10
8	B.09 - Mining support service activities	50.93%	147	73	-	240	12.86
9	C - Manufacturing	25.55%	42,408	6,628	990	1,060	2.80
10	C.10 - Manufacture of food products	17.06%	5,467	708	94	138	2.89
11	C.11 - Manufacture of beverages	12.25%	776	197	17	17	3.27
12	C.12 - Manufacture of tobacco products	-	23	0	-	-	0.10
13	C.13 - Manufacture of textiles	0.12%	546	67	3	3	2.25
14	C.14 - Manufacture of wearing apparel	16.69%	810	85	3	7	2.24
15	C.15 - Manufacture of leather and related products	49.57%	599	254	12	7	3.67
16	C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	4.12%	804	187	15	4	3.65
17	C.17 - Manufacture of paper and paper product	29.77%	1,172	169	15	4	3.02
18	C.18 - Printing and reproduction of recorded media	1.08%	333	63	4	1	2.83
19	C.19 - Manufacture of coke and refined petroleum products	83.49%	1,099	90	-	14	3.04
20	C.20 - Manufacture of chemicals and chemical products	35.30%	2,329	631	251	52	5.32
21	C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations	41.14%	982	245	9	17	3.50
22	C.22 - Manufacture of rubber products	13.47%	2,203	369	55	61	3.30
23	C.23 - Manufacture of other non-metallic mineral products	21.57%	1,870	230	12	63	3.31
24	C.24 - Manufacture of basic metals	37.54%	2,679	365	205	132	3.59
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	11.03%	4,404	653	72	80	2.77
26	C.26 - Manufacture of computer, electronic and optical products	28.29%	1,762	239	44	26	3.14
27	C.27 - Manufacture of electrical equipment	14.71%	1,809	235	38	152	3.97
28	C.28 - Manufacture of machinery and equipment n.e.c.	23.05%	4,335	442	61	42	2.80
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers	46.07%	3,781	264	3	37	2.78
30	C.30 - Manufacture of other transport equipment	48.88%	2,021	390	30	106	3.14
31	C.31 - Manufacture of furniture	0.15%	642	97	9	4	3.00
32	C.32 - Other manufacturing	12.78%	1,247	107	11	10	2.12
33	C.33 - Repair and installation of machinery and equipment	8.26%	715	540	28	82	5.63
34	D - Electricity, gas, steam and air conditioning supply	36.69%	7,468	2,918	1,759	748	5.71
35	D35.1 - Electric power generation, transmission and distribution	29.21%	5,145	2,487	1,660	717	7.57
36	D35.11 - Production of electricity	24.30%	3,595	1,863	1,397	673	8.30
37	D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	68.80%	2,183	354	66	11	2.68
38	D35.3 - Steam and air conditioning supply	3.67%	140	77	33	21	7.61
39	E - Water supply; sewerage, waste management and remediation activities	19.45%	1,254	478	301	144	8.94
40	F - Construction	7.89%	9,297	1,670	1,322	1,431	6.35
41	F.41 - Construction of buildings	5.50%	5,620	968	1,139	1,293	13.45
42	F.42 - Civil engineering	24.94%	1,641	312	127	107	5.42
43	F.43 - Specialised construction activities	1.64%	2,036	390	56	30	3.16
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	22.91%	31,115	2,514	574	4,135	4.09
45	H - Transportation and storage	34.49%	7,123	1,929	1,533	941	5.83
46	H.49 - Land transport and transport via pipelines	20.39%	3,307	652	128	105	4.50
47	H.50 - Water transport	29.56%	591	406	700	45	7.94
48	H.51 - Air transport	49.95%	201	9	0	5	2.38
49	H.52 - Warehousing and support activities for transportation	37.97%	2,765	848	705	122	5.45
50	H.53 - Postal and courier activities	86.70%	258	14	0	665	15.57
51	I - Accommodation and food service activities	1.15%	2,333	1,374	662	21	6.32
52	L - Real estate activities	7.78%	21,280	8,878	6,203	5,267	10.18
53	<b>Exposures towards sectors other than those that highly contribute to climate change (*)</b>		<b>30,621</b>	<b>7,118</b>	<b>1,149</b>	<b>5,723</b>	<b>3.99</b>
54	K - Financial and insurance activities		3,668	1,027	269	177	4.23
55	Exposures to other sectors (NACE codes J, M - U)		26,952	6,091	880	5,547	4.27
56	<b>Total as at 31.12.2025</b>	<b>19.86%</b>	<b>155,812</b>	<b>34,495</b>	<b>14,743</b>	<b>19,781</b>	<b>4.82</b>
57	<b>Total as at 30.06.2025</b>	<b>14.29%</b>	<b>159,065</b>	<b>33,086</b>	<b>14,588</b>	<b>14,255</b>	<b>4.66</b>

# 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<sup>19</sup>. Prudential information on climate change transition risk related to loans collateralized 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 collateralized by immovable property and of repossessed real estate collateral with a breakdown by actual EPC label of the collateral (columns H, I, J, K, L, M and N);
- GCA of loans collateralized 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/m<sup>2</sup> of collateral) (columns B, C, D, E, F, G) both actual 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 specialized providers, which, in case it was not possible to retrieve actual data, 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 of retrieving 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 actual data is at 29% (data as at December 2025), higher compared to June 2025 (at 26%), around +5.2 billion of actual 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.

In the second half of 2025 portfolio collateralized by immovable property is slightly increased (+1.1%) compared to June 2025, with an improving distribution of EPC label and the Primary Energy Demand broadly stable.

<sup>19</sup> The Bank is working on extending the perimeter to include loans collateralised 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)						
		a	b	c	d	e	f	g
		TOTAL GROSS CARRYING AMOUNT						
		LEVEL OF ENERGY EFFICIENCY (EP SCORE IN KWH/M <sup>2</sup> OF COLLATERAL)						
COUNTERPARTY SECTOR		0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	
1	<b>Total EU area as at 31.12.2025</b>	<b>146,854</b>	<b>35,000</b>	<b>44,893</b>	<b>20,550</b>	<b>4,993</b>	<b>2,195</b>	<b>3,004</b>
2	of which Loans collateralised by commercial immovable property	51,394	8,412	12,262	5,605	2,419	895	1,405
3	of which Loans collateralised by residential immovable property	95,199	26,545	32,562	14,913	2,541	1,291	1,592
4	of which Collateral obtained by taking possession: residential and commercial immovable properties	261	43	69	32	33	9	6
5	of which Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated	63,744	18,572	26,141	13,961	1,875	1,138	2,057
6	<b>Total non EU area as at 31.12.2025</b>	<b>3,278</b>	<b>987</b>	<b>530</b>	<b>161</b>	<b>25</b>	<b>3</b>	<b>2</b>
7	of which Loans collateralised by commercial immovable property	1,721	649	215	40	4	-	1
8	of which Loans collateralised by residential immovable property	1,555	337	315	120	21	3	2
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/m <sup>2</sup> of collateral) estimated	1,114	569	388	136	18	3	1
	<b>Total EU area as at 30.06.2025</b>	<b>145,327</b>	<b>34,264</b>	<b>45,118</b>	<b>21,261</b>	<b>5,022</b>	<b>2,321</b>	<b>3,238</b>
	<b>Total non EU area as at 30.06.2025</b>	<b>3,205</b>	<b>966</b>	<b>521</b>	<b>187</b>	<b>26</b>	<b>3</b>	<b>2</b>

continued: Template 2 - Banking book - Indicators of potential climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral

		(€ million)								
		h	i	j	k	l	m	n	o	p
		TOTAL GROSS CARRYING AMOUNT							WITHOUT EPC LABEL OF COLLATERAL	
		LEVEL OF ENERGY EFFICIENCY (EPC LABEL OF COLLATERAL)							OF WHICH LEVEL OF ENERGY EFFICIENCY (EP SCORE IN KWH/M <sup>2</sup> OF COLLATERAL) ESTIMATED	
COUNTERPARTY SECTOR		A	B	C	D	E	F	G		
1	<b>Total EU area as at 31.12.2025</b>	<b>9,653</b>	<b>8,216</b>	<b>5,915</b>	<b>5,001</b>	<b>4,373</b>	<b>4,548</b>	<b>5,381</b>	<b>103,767</b>	<b>61%</b>
2	of which Loans collateralised by commercial immovable property	3,653	3,871	2,614	1,665	1,041	861	947	36,742	28%
3	of which Loans collateralised by residential immovable property	5,999	4,332	3,271	3,316	3,287	3,662	4,404	66,928	80%
4	of which Collateral obtained by taking possession: residential and commercial immovable properties	1	12	31	21	44	25	29	98	30%
5	of which Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated								63,733	100%
6	<b>Total non EU area as at 31.12.2025</b>	<b>104</b>	<b>116</b>	<b>212</b>	<b>17</b>	<b>18</b>	<b>43</b>	<b>14</b>	<b>2,753</b>	<b>40%</b>
7	of which Loans collateralised by commercial immovable property	85	93	185	11	4	1	-	1,343	32%
8	of which Loans collateralised by residential immovable property	19	23	27	7	14	42	14	1,409	47%
9	of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	2	3%
10	of which Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated								1,114	100%
	<b>Total EU area as at 30.06.2025</b>	<b>8,240</b>	<b>6,566</b>	<b>5,141</b>	<b>4,489</b>	<b>4,047</b>	<b>4,235</b>	<b>5,274</b>	<b>107,335</b>	<b>66%</b>
	<b>Total non EU area as at 30.06.2025</b>	<b>124</b>	<b>68</b>	<b>165</b>	<b>15</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>2,794</b>	<b>27%</b>

# Environmental, Social and Governance risks (ESG)

## Template 3 - Banking book - Indicators of potential climate change transition risk: Alignment metrics

In 2021 UniCredit committed to align its 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<sup>20</sup>.

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 2025, with the aim to expand the coverage of targets and align with stakeholders' requests, metrics for the Net Zero Oil & Gas and Power Generation sectors have been revised to include bond securities, as this product is considered material and for Oil & Gas, clients' Scope 1 and 2 emissions for the entire client value chain, while refocusing clients' Scope 3 emissions on upstream, refineries and integrated players. Considering the changes in the KPIs, 2021 baseline values for both Oil & Gas and Power Generation have been recalculated according to the new design elements; however, the 2030 ambitions remain unchanged.

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), UNEP FI (United Nations Environment Programme Finance Initiative) and common market practices in place at the time of Net Zero targets definition. Over 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 information below is updated annually in the absence of new targets or methodological changes disclosed by UniCredit during the year.

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 2025<sup>21</sup>.
- **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<sup>22</sup>.
- **Portfolio Gross Carrying Amount:** includes on balance sheet lending exposure considered in Net Zero perimeter and debt securities for Oil&Gas and Power Generation only (as for Net Zero disclosure on 2025 Sustainability Statements). Equity instruments are not included. The amounts are referred to year end 2024 (related to the latest reference date for which UniCredit computed the alignment metric<sup>23</sup>).
- **Alignment metric:** includes last available Net zero emissions baseline (as of year-end 2024), computed and disclosed in the 2025 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 1, 2 emissions and, only for upstream, refineries and integrated players, clients' Scope 3 (Category 11) emission;
  - 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<sup>24</sup>.
  - Maritime Transport: emissions intensity metric on clients' Scope 1 and 3 (Category 3 - "Well-To-Wake") emissions<sup>25</sup>
  - 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 2024.
- **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<sup>26</sup>)/Metric in 2030, applying IEA % reduction 2021-2030 to the 2021 UniCredit group metric. As regards 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<sup>27</sup>).

<sup>20</sup> As for UNEP FI guidelines and list of most carbon intensive sectors.

<sup>21</sup> Alignment metrics published in Pillar 3 disclosure are aligned with Sustainability statements as at December 2025.

<sup>22</sup> For Iron and steel, coke, and metal ore production sector, the perimeter is defined according to the Sustainable Steel Principles guidelines. Also counterparties belonging to Crude steel making groups and performing financial services or/and guaranteed by parent companies are reallocated in the sector.

<sup>23</sup> Computed on portfolio in scope when data available.

<sup>24</sup> As for Fixed System Boundary.

<sup>25</sup> Scope 1 downstream emissions from fuel combustion and Scope 3 upstream emissions from fuel production and distribution.

<sup>26</sup> Fossil fuel combustion sector initial baseline for UniCredit is 2021.

<sup>27</sup> Maritime Transport sector initial baseline for UniCredit is 2022.

# Environmental, Social and Governance risks (ESG)

- 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);
  - Iron and steel, coke, and metal ore production: enhancement of IEA NZE2050 provided by Sustainable Steel Principles Association<sup>28</sup> 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 2025 Sustainability statements).

For more details on Net Zero sectorial emissions baselines, targets, and Group Net Zero transition plan, reference is made to UniCredit group 2025 Sustainability statements<sup>29</sup>.

## 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 NZE 2050 IN %	TARGET (YEAR OF REFERENCE + 3 YEARS)	
1	Power	35.11	9,702	93 gCO <sub>2</sub> e/kWh	2024	-15.8%	
2	Fossil fuel combustion	06.10; 06.20; 09.10; 19.20; 35.21; 46.71; 47.30; 49.50	5,405	9.9 MtCO <sub>2</sub> e	2024	-27.7%	
3	Automotive	29.10	1,610	108 gCO <sub>2</sub> /vKm	2024	4.5%	
4	Aviation			8.5 gCO <sub>2</sub> e/DWT-nm; 13.3 gCO <sub>2</sub> e/GT-nm	2024	24.4%	
5	Maritime transport	50.10; 50.20	2,267				
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; 29.32; 30.20; 46.72; 46.77	1,760	1.28 tCO <sub>2</sub> /tSteel	2024	15.7%	
8	Chemicals						
9	Commercial Real Estate	41.10; 64.30; 64.99; 68.10; 68.20; 68.31; 68.32	29,262	39.8 kgCO <sub>2</sub> e/m <sup>2</sup>	2024	152.1%	

**Notes:**

- For reconciliation purposes, some names of the sectors required for Pillar 3 are mapped the same as in the Sustainability statements 2025 of UniCredit group: Power generation (row 1), Oil & Gas (row 2), Shipping (row 5), Steel (row 7).
- Acronyms reported in column (d) alignment metric:
  - gCO<sub>2</sub>e/kwh: Grams of carbon dioxide equivalent per kilowatt-hour of electricity generated;
  - MtCO<sub>2</sub>e: Million Tonnes of carbon dioxide equivalent
  - gCO<sub>2</sub>/vKm: Grams of carbon dioxide per kilometer driven by a vehicle;
  - tCO<sub>2</sub>/tSteel: Tons of CO<sub>2</sub> per ton of crude steel produced;
  - gCO<sub>2</sub>e/GT-nm (passenger): Grams of carbon dioxide on gross tons (i.e. volume) per nautical mile (passenger vessels);
  - gCO<sub>2</sub>e/DWT-nm (merchant): Grams of carbon dioxide on deadweight (i.e. weight carried) per nautical mile (merchant vessels);
  - kgCO<sub>2</sub>e/m<sup>2</sup>: kilograms of carbon dioxide per m<sup>2</sup> surface area.
- With reference to the more granular template K43 in the Pillar Data Hub platform, it should be noted that the amounts reported in column C are shown by NACE codes considered in the perimeter for the specific sector; however the alignment metric (column D) and the distance to IEA NZE 2050 (column F) in each row refer to the values at sector level, as shown in the template above.

<sup>28</sup> IEA NZE2050 adjusted to the Fixed System Boundary and considering the trajectory split into the primary and secondary production.  
<sup>29</sup> Sections E1-1, E1-3 and E1-4 within the 2025 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);
- 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 Regulation (EU) 2024/3172, 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, based on emission (scope 1 and 2), at the Group level. The emission levels can be actual (retrieved by public disclosures) or estimated.

Following this approach, in December 2025 the Top 20 Polluters groups towards - which UniCredit has an exposure - are 8, for an amount of about €0.86 billion, showing a decrease compared to June 2025 (-11%). The incidence of Corporate Portfolio (as reported in the template below) is also decreasing at 0.38% (vs 0.44% as of June 2025), confirming the limited exposure of the Group versus the top 20 polluters firms.

Moreover, with reference to column c of the template 4 below (column "of which environmentally sustainable (CCM)"), in coherence to the Green Asset ratio (GAR) disclosure suspension foreseen in the EBA/CP/2025/07 of 22 May 2025, the information is not published for the purpose of the Pillar 3 starting from 30 June 2025 until 31 December 2026 (entry in to force of the new ESG disclosure).

## Template 4 - Banking book - Indicators of potential climate change transition risk: Exposures to top 20 carbon-intensive firms

(€ million)

	a	b	c	d	e
		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
REFERENCE DATE	GROSS CARRYING AMOUNT (AGGREGATE)				
1 Amounts as at 31.12.2025	857	0.38%	-	3.74	8
Amounts as at 30.06.2025	963	0.44%	-	3.41	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<sup>30</sup> 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).

<sup>30</sup> The Bank is working on the extending the perimeter to include loans collateralised 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 available data;
- 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 Bedford scale, return period 50y	Annual probability of extreme events (11-12 Bedford 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 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 to 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
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							
		<= 5 YEARS	> 5 YEAR <= 10 YEARS	> 10 YEAR <= 20 YEARS	> 20 YEARS	AVERAGE WEIGHTED MATURITY	OF WHICH EXPOSURES SENSITIVE TO IMPACT FROM CHRONIC CLIMATE CHANGE EVENTS		
1	A - Agriculture, forestry and fishing	3,507	1,080	342	78	11	3.65	20	
2	B - Mining and quarrying	955	33	1	-	0	0.97	0	
3	C - Manufacturing	51,086	4,757	563	65	70	2.05	695	
4	D - Electricity, gas, steam and air conditioning supply	12,893	551	103	114	112	6.89	148	
5	E - Water supply; sewerage, waste management and remediation activities	2,177	144	68	76	84	8.48	24	
6	F - Construction	13,720	1,597	275	144	127	5.42	121	
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	38,338	2,673	270	45	257	3.90	420	
8	H - Transportation and storage	11,526	537	128	274	1	3.97	317	
9	L - Real estate activities	41,628	856	637	490	123	8.59	336	
10	Loans collateralised by residential immovable property	96,754	605	1,383	4,805	5,616	19.19	123	
11	Loans collateralised by commercial immovable property	53,115	3,010	1,135	483	27	5.01	35	
12	Repossessed collaterals	263	-	-	-	-	0.00	-	
13	Other relevant sectors	49,001	2,993	966	403	31	4.24	672	
14	<i>of which: M - Professional, scientific and technical activities</i>	14,510	892	143	12	1	2.93	38	
15	<i>of which: J - Information and communication</i>	9,159	138	61	2	12	4.36	27	
16	<i>of which: K - Financial and insurance activities</i>	9,039	401	217	12	-	3.04	33	
17	<i>of which: N - Administrative and support service activities</i>	5,370	369	67	41	1	4.43	51	
18	<i>of which: I - Accommodation and food service activities</i>	4,358	654	402	290	8	5.60	271	
<b>Subtotal at 31.12.2025</b>									
<b>Sectors (sum rows 1 to 9 + row 13)</b>		<b>224,831</b>	<b>15,220</b>	<b>3,353</b>	<b>1,691</b>	<b>816</b>		<b>2,754</b>	
<b>Loans collateralised by immovable property (sum rows 10 + 11)</b>		<b>149,869</b>	<b>3,615</b>	<b>2,518</b>	<b>5,288</b>	<b>5,642</b>		<b>158</b>	
<b>Repossessed collateral (row 12)</b>		<b>263</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	
<b>Subtotal at 30.06.2025</b>									
<b>Sectors (sum rows 1 to 9 + row 13)</b>		<b>220,994</b>	<b>15,493</b>	<b>3,345</b>	<b>1,791</b>	<b>973</b>		<b>2,795</b>	
<b>Loans collateralised by immovable property (sum rows 10 + 11)</b>		<b>148,253</b>	<b>3,237</b>	<b>2,149</b>	<b>5,055</b>	<b>5,579</b>		<b>163</b>	
<b>Repossessed collateral (row 12)</b>		<b>280</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	

# 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)

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							
	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	ACCUMULATED IMPAIRMENT, ACCUMULATED NEGATIVE CHANGES IN FAIR VALUE DUE TO CREDIT RISK AND PROVISIONS			
					OF WHICH STAGE 2 EXPOSURES	OF WHICH NON-PERFORMING EXPOSURES	OF WHICH NON-PERFORMING EXPOSURES	
1	A - Agriculture, forestry and fishing	1,390	101	297	93	(88)	(17)	(63)
2	B - Mining and quarrying	22	12	4	10	(11)	(1)	(10)
3	C - Manufacturing	4,100	659	942	276	(259)	(91)	(151)
4	D - Electricity, gas, steam and air conditioning supply	604	128	128	7	(6)	(2)	(4)
5	E - Water supply; sewerage, waste management and remediation activities	279	70	26	3	(4)	(2)	(2)
6	F - Construction	1,765	258	436	86	(99)	(41)	(50)
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	2,406	419	443	149	(135)	(38)	(81)
8	H - Transportation and storage	459	163	131	20	(21)	(10)	(8)
9	L - Real estate activities	1,470	301	252	55	(37)	(19)	(11)
10	Loans collateralised by residential immovable property	10,980	1,305	1,348	141	(466)	(46)	(33)
11	Loans collateralised by commercial immovable property	4,228	392	1,061	124	(620)	(45)	(46)
12	Reposessed collateral	30	6	-	-	-	-	-
13	Other relevant sectors	3,053	669	588	192	(118)	(31)	(74)
	<i>of which: M - Professional, scientific and technical activities</i>	944	66	151	10	(10)	(4)	(4)
15	<i>of which: J - Information and communication</i>	177	9	26	34	(4)	(1)	(3)
16	<i>of which: K - Financial and insurance activities</i>	541	57	115	21	(21)	(3)	(18)
	<i>of which: N - Administrative and support service activities</i>	301	126	61	12	(13)	(4)	(9)
18	<i>of which: I - Accommodation and food service activities</i>	745	337	177	91	(52)	(17)	(27)
<b>Subtotal at 31.12.2025</b>								
	<b>Sectors (sum rows 1 to 9 + row 13)</b>	<b>15,547</b>	<b>2,778</b>	<b>3,247</b>	<b>890</b>	<b>(778)</b>	<b>(250)</b>	<b>(453)</b>
	<b>Loans collateralised by immovable property (sum rows 10 + 11)</b>	<b>15,208</b>	<b>1,697</b>	<b>2,409</b>	<b>266</b>	<b>(1,086)</b>	<b>(91)</b>	<b>(80)</b>
	<b>Reposessed collateral (row 12)</b>	<b>30</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Subtotal at 30.06.2025</b>								
	<b>Sectors (sum rows 1 to 9 + row 13)</b>	<b>16,244</b>	<b>2,545</b>	<b>2,956</b>	<b>839</b>	<b>(695)</b>	<b>(238)</b>	<b>(409)</b>
	<b>Loans collateralised by immovable property (sum rows 10 + 11)</b>	<b>14,122</b>	<b>1,735</b>	<b>1,627</b>	<b>288</b>	<b>(214)</b>	<b>(85)</b>	<b>(89)</b>
	<b>Reposessed collateral (row 12)</b>	<b>31</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note:**

Average weighted maturity (column g) is in years.

In the second half of 2025, both NFCs perimeter and collateralized portfolio by immovable property have increased, respectively by 1.7% and 1.1%. The physical risk exposure incidence decreased slightly to 9% on the corporate portfolio (ca. 10% as of June 2025) and it is stable at ca. 11% on the mortgage perimeter.

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)

continued: Template 5 - Banking book - Indicators of potential climate change physical risk: exposures subject to physical risk (Italy)

(€ million)

	a	GROSS CARRYING AMOUNT						
		OF WHICH EXPOSURES SENSITIVE TO IMPACT FROM CLIMATE CHANGE PHYSICAL EVENTS						
		i	j	k	l	m		n
						o		
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	ACCUMULATED IMPAIRMENT, ACCUMULATED NEGATIVE CHANGES IN FAIR VALUE DUE TO CREDIT RISK AND PROVISIONS			
					OF WHICH STAGE 2 EXPOSURES	OF WHICH NON-PERFORMING EXPOSURES		
1	A - Agriculture, forestry and fishing	563	62	62	40	(35)	(6)	(27)
2	B - Mining and quarrying	17	1	2	0	(1)	(1)	(0)
3	C - Manufacturing	3,100	362	606	192	(190)	(72)	(105)
4	D - Electricity, gas, steam and air conditioning supply	92	52	18	7	(5)	(1)	(4)
5	E - Water supply; sewerage, waste management and remediation activities	142	14	14	0	(1)	(1)	(0)
6	F - Construction	1,089	127	314	50	(60)	(28)	(29)
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	1,602	252	203	102	(86)	(22)	(59)
8	H - Transportation and storage	267	82	54	9	(11)	(4)	(6)
9	L - Real estate activities	536	119	95	21	(25)	(15)	(8)
10	Loans collateralised by residential immovable property	6,418	995	424	107	(59)	(28)	(27)
11	Loans collateralised by commercial immovable property	1,171	300	213	15	(45)	(32)	(7)
12	Repossessed collateral	30	6	-	-	-	-	-
13	Other relevant sectors	1,412	300	204	55	(45)	(12)	(28)
14	<i>of which: M - Professional, scientific and technical activities</i>	533	22	73	3	(4)	(2)	(2)
15	<i>of which: J - Information and communication</i>	60	8	15	3	(2)	(1)	(1)
16	<i>of which: N - Administrative and support service activities</i>	239	27	15	10	(9)	(1)	(8)
17	<i>of which: I - Accommodation and food service activities</i>	434	196	87	32	(24)	(9)	(14)
18	<i>of which: Q - Human health services and social work activities</i>	53	25	4	1	(1)	(0)	(1)
	<b>Subtotal at 31.12.2025</b>							
	<b>Sectors (sum rows 1 to 9 + row 13)</b>	<b>8,821</b>	<b>1,370</b>	<b>1,573</b>	<b>476</b>	<b>(458)</b>	<b>(162)</b>	<b>(266)</b>
	<b>Loans collateralised by immovable property (sum rows 10 + 11)</b>	<b>7,589</b>	<b>1,295</b>	<b>636</b>	<b>122</b>	<b>(104)</b>	<b>(60)</b>	<b>(34)</b>
	<b>Repossessed collateral (row 12)</b>	<b>30</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Subtotal at 30.06.2025</b>							
	<b>Sectors (sum rows 1 to 9 + row 13)</b>	<b>9,155</b>	<b>1,393</b>	<b>1,233</b>	<b>476</b>	<b>(418)</b>	<b>(148)</b>	<b>(245)</b>
	<b>Loans collateralised by immovable property (sum rows 10 + 11)</b>	<b>7,959</b>	<b>1,335</b>	<b>591</b>	<b>129</b>	<b>(119)</b>	<b>(53)</b>	<b>(38)</b>
	<b>Repossessed collateral (row 12)</b>	<b>31</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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							
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	OF WHICH EXPOSURES SENSITIVE TO IMPACT FROM CHRONIC CLIMATE CHANGE EVENTS		
1	A - Agriculture, forestry and fishing	152	4	15	18	0	8.80	9	
2	B - Mining and quarrying	79	2	0	-	-	3.49	0	
3	C - Manufacturing	7,323	207	24	7	1	1.74	28	
4	D - Electricity, gas, steam and air conditioning supply	1,452	54	42	76	73	12.04	122	
5	E - Water supply; sewerage, waste management and remediation activities	261	10	2	1	40	16.85	4	
6	F - Construction	2,126	125	17	4	3	2.04	6	
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	8,001	356	19	9	11	2.23	181	
8	H - Transportation and storage	1,412	47	6	15	-	5.23	10	
9	L - Real estate activities	18,304	139	189	368	111	11.68	224	
10	Loans collateralised by residential immovable property	25,668	57	92	336	771	21.57	-	
11	Loans collateralised by commercial immovable property	16,025	171	66	156	17	8.61	-	
12	Repossessed collaterals	1	-	-	-	-	0.00	-	
13	Other relevant sectors	10,312	730	240	37	13	4.19	279	
14	of which: K - Financial and insurance activities	3,499	270	197	7	-	4.53	32	
15	of which: J - Information and communication	2,006	54	3	1	1	3.00	15	
16	of which: O - Public administration and defence, compulsory social security	1,250	20	-	-	-	0.08	20	
17	of which: M - Professional, scientific and technical activities	1,146	66	5	3	-	3.14	7	
18	of which: N - Administrative and support service activities	932	11	9	2	-	4.06	6	
<b>Subtotal at 31.12.2025</b>									
Sectors (sum rows 1 to 9 + row 13)		49,422	1,674	554	536	252		863	
Loans collateralised by immovable property (sum rows 10 + 11)		41,694	229	158	491	789		-	
Repossessed collateral (row 12)		1	-	-	-	-		-	
<b>Subtotal at 30.06.2025</b>									
Sectors (sum rows 1 to 9 + row 13)		51,173	1,459	598	553	153		759	
Loans collateralised by immovable property (sum rows 10 + 11)		40,945	175	228	426	796		-	
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)

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							
	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	ACCUMULATED IMPAIRMENT, ACCUMULATED NEGATIVE CHANGES IN FAIR VALUE DUE TO CREDIT RISK AND PROVISIONS			
					OF WHICH STAGE 2 EXPOSURES	OF WHICH NON-PERFORMING EXPOSURES	OF WHICH NON-PERFORMING EXPOSURES	
1	A - Agriculture, forestry and fishing	27	1	2	0	(0)	(0)	(0)
2	B - Mining and quarrying	1	1	1	-	(0)	(0)	-
3	C - Manufacturing	192	19	58	45	(24)	(2)	(21)
4	D - Electricity, gas, steam and air conditioning supply	53	70	39	0	(1)	(0)	(0)
5	E - Water supply; sewerage, waste management and remediation activities	44	6	1	0	(0)	(0)	(0)
6	F - Construction	129	14	20	3	(2)	(1)	(1)
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	178	37	89	7	(6)	(2)	(3)
8	H - Transportation and storage	18	39	31	5	(2)	(1)	(0)
9	L - Real estate activities	516	68	46	2	(2)	(1)	(1)
10	Loans collateralised by residential immovable property	947	310	94	7	(3)	(1)	(1)
11	Loans collateralised by commercial immovable property	324	86	45	3	(2)	(1)	(2)
12	Reposessed collateral	-	-	-	-	-	-	-
13	Other relevant sectors	706	35	108	37	(31)	(3)	(27)
14	of which: K - Financial and insurance activities	431	10	74	19	(18)	(2)	(16)
15	of which: J - Information and communication	44	0	9	2	(2)	(0)	(1)
16	of which: O - Public administration and defence, compulsory social security	-	-	-	-	-	-	-
17	of which: M - Professional, scientific and technical activities	67	0	4	3	(1)	(0)	(1)
18	of which: N - Administrative and support service activities	14	1	5	0	(0)	(0)	(0)
<b>Subtotal at 31.12.2025</b>								
	<b>Sectors (sum rows 1 to 9 + row 13)</b>	<b>1,864</b>	<b>290</b>	<b>395</b>	<b>99</b>	<b>(68)</b>	<b>(10)</b>	<b>(54)</b>
	<b>Loans collateralised by immovable property (sum rows 10 + 11)</b>	<b>1,270</b>	<b>396</b>	<b>139</b>	<b>10</b>	<b>(5)</b>	<b>(2)</b>	<b>(3)</b>
	<b>Reposessed collateral (row 12)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Subtotal at 30.06.2025</b>								
	<b>Sectors (sum rows 1 to 9 + row 13)</b>	<b>1,692</b>	<b>312</b>	<b>412</b>	<b>99</b>	<b>(65)</b>	<b>(15)</b>	<b>(47)</b>
	<b>Loans collateralised by immovable property (sum rows 10 + 11)</b>	<b>1,228</b>	<b>396</b>	<b>131</b>	<b>12</b>	<b>(5)</b>	<b>(2)</b>	<b>(2)</b>
	<b>Reposessed collateral (row 12)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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)						
GROUP - TOTAL GEOGRAPHICAL AREA SUBJECT TO CLIMATE CHANGE PHYSICAL RISK - ACUTE AND CHRONIC EVENTS	a	b	c	e			g	h
	GROSS CARRYING AMOUNT							
	OF WHICH EXPOSURES SENSITIVE TO IMPACT FROM CLIMATE CHANGE PHYSICAL EVENTS							
	BREAKDOWN BY MATURITY BUCKET							
			<= 5 YEARS	> 5 YEAR <= 10 YEARS	> 10 YEAR <= 20 YEARS	> 20 YEARS	AVERAGE WEIGHTED MATURITY	OF WHICH EXPOSURES SENSITIVE TO IMPACT FROM CHRONIC CLIMATE CHANGE EVENTS
1	A - Agriculture, forestry and fishing	1,974	650	157	30	1	3.10	2
2	B - Mining and quarrying	781	14	0	-	0	0.15	0
3	C - Manufacturing	21,387	1,014	93	17	4	1.44	41
4	D - Electricity, gas, steam and air conditioning supply	7,661	366	47	39	39	8.97	25
5	E - Water supply; sewerage, waste management and remediation activities	1,017	19	17	74	44	8.25	11
6	F - Construction	6,767	428	109	96	115	8.21	84
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	16,593	587	108	12	178	6.22	130
8	H - Transportation and storage	5,723	176	60	255	0	4.02	275
9	L - Real estate activities	18,147	307	192	80	12	6.18	60
10	Loans collateralised by residential immovable property	35,319	192	438	1,132	1,854	19.37	-
11	Loans collateralised by commercial immovable property	27,102	1,876	750	104	9	3.43	-
12	Repossessed collaterals	62	-	-	-	-	0.00	-
13	Other relevant sectors	21,489	920	362	237	16	4.53	267
14	<i>of which: M - Professional, scientific and technical activities</i>	6,385	365	36	4	0	2.70	19
15	<i>of which: K - Financial and insurance activities</i>	4,817	111	20	3	-	1.57	0
16	<i>of which: J - Information and communication</i>	3,898	20	47	0	11	6.97	4
17	<i>of which: N - Administrative and support service activities</i>	1,873	121	27	10	1	4.40	15
18	<i>of which: I - Accommodation and food service activities</i>	1,871	216	213	211	4	6.00	216
<b>Subtotal at 31.12.2025</b>								
	<b>Sectors (sum rows 1 to 9 + row 13)</b>	<b>101,539</b>	<b>4,481</b>	<b>1,147</b>	<b>839</b>	<b>410</b>		<b>896</b>
	<b>Loans collateralised by immovable property (sum rows 10 + 11)</b>	<b>62,421</b>	<b>2,068</b>	<b>1,188</b>	<b>1,236</b>	<b>1,862</b>		<b>-</b>
	<b>Repossessed collateral (row 12)</b>	<b>62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>Subtotal at 30.06.2025</b>								
	<b>Sectors (sum rows 1 to 9 + row 13)</b>	<b>96,833</b>	<b>4,615</b>	<b>1,013</b>	<b>877</b>	<b>666</b>		<b>916</b>
	<b>Loans collateralised by immovable property (sum rows 10 + 11)</b>	<b>59,964</b>	<b>1,517</b>	<b>704</b>	<b>970</b>	<b>1,748</b>		<b>-</b>
	<b>Repossessed collateral (row 12)</b>	<b>57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>

## 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)						
		i	j	k	l	m	n	o
		GROSS CARRYING AMOUNT						
		OF WHICH EXPOSURES SENSITIVE TO IMPACT FROM CLIMATE CHANGE PHYSICAL EVENTS						
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	ACCUMULATED IMPAIRMENT, ACCUMULATED NEGATIVE CHANGES IN FAIR VALUE DUE TO CREDIT RISK AND PROVISIONS		
							OF WHICH STAGE 2 EXPOSURES	OF WHICH NON-PERFORMING EXPOSURES
1	A - Agriculture, forestry and fishing	799	37	233	53	(53)	(11)	(36)
2	B - Mining and quarrying	4	11	1	10	(10)	(0)	(10)
3	C - Manufacturing	808	279	278	40	(45)	(16)	(25)
4	D - Electricity, gas, steam and air conditioning supply	459	6	70	0	(1)	(0)	(0)
5	E - Water supply; sewerage, waste management and remediation activities	93	50	11	2	(3)	(2)	(1)
6	F - Construction	547	117	102	33	(37)	(12)	(20)
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	625	129	151	40	(43)	(13)	(20)
8	H - Transportation and storage	175	42	47	6	(8)	(4)	(2)
9	L - Real estate activities	418	113	111	31	(10)	(3)	(2)
10	Loans collateralised by residential immovable property	3,616	0	830	28	(404)	(17)	(6)
11	Loans collateralised by commercial immovable property	2,733	5	804	106	(573)	(13)	(38)
12	Reposessed collaterals	0	-	-	-	-	-	-
13	Other relevant sectors	934	334	276	100	(43)	(16)	(18)
14	<i>of which: M - Professional, scientific and technical activities</i>	344	43	74	3	(4)	(2)	(1)
15	<i>of which: K - Financial and insurance activities</i>	87	47	40	2	(3)	(1)	(2)
16	<i>of which: J - Information and communication</i>	73	1	2	29	(0)	(0)	(0)
17	<i>of which: N - Administrative and support service activities</i>	48	98	40	2	(4)	(3)	(1)
18	<i>of which: I - Accommodation and food service activities</i>	301	127	80	59	(27)	(8)	(13)
<b>Subtotal at 31.12.2025</b>								
	<b>Sectors (sum rows 1 to 9 + row 13)</b>	<b>4,862</b>	<b>1,118</b>	<b>1,279</b>	<b>315</b>	<b>(252)</b>	<b>(78)</b>	<b>(133)</b>
	<b>Loans collateralised by immovable property (sum rows 10 + 11)</b>	<b>6,349</b>	<b>5</b>	<b>1,634</b>	<b>134</b>	<b>(977)</b>	<b>(30)</b>	<b>(43)</b>
	<b>Reposessed collateral (row 12)</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Subtotal at 30.06.2025</b>								
	<b>Sectors (sum rows 1 to 9 + row 13)</b>	<b>5,396</b>	<b>841</b>	<b>1,311</b>	<b>263</b>	<b>(212)</b>	<b>(74)</b>	<b>(117)</b>
	<b>Loans collateralised by immovable property (sum rows 10 + 11)</b>	<b>4,935</b>	<b>4</b>	<b>906</b>	<b>147</b>	<b>(90)</b>	<b>(30)</b>	<b>(49)</b>
	<b>Reposessed collateral (row 12)</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# Qualitative disclosure section



## Table EU OVA - Institution risk management approach

UniCredit group monitors and manages its risks through tight methodologies and procedures proving to be effective through all phases of the economic cycle.

The steering, coordination and control role of the Group's risks is performed by the Parent Company's Risk Management function.

The structure's "Risk Management" mission, under the responsibility of the Group Risk Officer (Group CRO) is to:

- optimize the quality of the Group's assets, minimizing the risk cost in accordance with the risk/profitability goals set for the business areas;
- ensure the strategic steering and definition of the Group's risk management policies;
- define and provide the Heads of the Business Functions and Group Companies with the criteria for assessing, managing, measuring, monitoring and communicating risk. It also ensures that the procedures and systems designed to control risk at Group and individual Group Company level are coherent;
- help to build a risk culture across the Group by training and developing, together with the competent Group People & Culture;
- help to find ways to rectify asset imbalances, where needed in conjunction with the Group Financial Officer;
- help the Business Functions to achieve their goals, including by assisting in the development of products and businesses (e.g. innovation of credit products, competitive opportunities linked to Basel accords, etc.).

Such mission is accomplished by coordinating the Group's risk management as a whole.

More specifically, it involves carrying out the following macro-functions:

- governing and checking credit, cross-border, market, balance sheet, liquidity, ICT, operational and reputational, climate and environmental risks at Group level as well as any other risks relating to Basel II Pillar II (e.g. strategic, real estate, financial investment, business risks), by defining risk strategies and limits, developing risk measurement methodologies performing stress tests and portfolio analysis;
- supervising, on a Group level and for UniCredit S.p.A., Basel accord related activities;
- coordinating the internal capital measurement process within the Internal Capital Adequacy Assessment Process (ICAAP) and coordinating activities for drawing up the "ICAAP Regulatory Report";
- performing internal validation activities, at Group level, on systems for measuring, credit, operating and market risks, or Basel II Pillar II risks on related processes and data quality and IT components, as well as on models for pricing financial instruments, in order to check that they conform to regulatory requirements and in-house standards, overseeing consequently the non-compliance risk regarding to such regulatory requirements;
- ensuring that the competent Bodies/Functions get adequate reports;
- developing the strategy and oversee the management, process, targets and disposals of Non-Performing Exposures (NPE), repossessed assets and any other distressed assets for the entire Group. The Group Risk Officer defines the criteria/rules for identifying the exposures and assets for sale and portfolio targets;
- drafting and managing risk policies, both at Group level (Group Rules) and at Parent Company level, on the performance of risk-related activities for which UniCredit S.p.A. is competent as well as ensuring the monitoring;
- defining framework and performing second-level controls on risks, within the Group and the Parent Company;
- assigning ratings for banks and for the Group's major exposures, carrying out the relevant mapping, at Group level, and managing the 'rating override' process regarding Group-wide rating systems as well as those for measuring the credit risk of UniCredit S.p.A.'s counterparts.
- defining the minimum standards and guidelines for validating IT infrastructures and data quality, credit risks, operating risks and Pillar II risks, for feeding Group and Parent Company reports on credit risk and for feeding credit risk measurement models.

The structure Group Internal Validation, directly reporting to Group Risk Management, has the mission to validate, at Group level, and to steer the local validation assessments of the risk measurement methodologies, the related processes, the IT components and the data quality for Pillar I and Pillar II risks, the main managerial models, as well as Group Risk Reporting, providing adequate reporting for Company Bodies and the Supervisory Authority as well as for assessing, monitoring and reporting, at Group level, the model risk for the models in scope of the Model Risk Management (MRM) framework, providing adequate reporting for competent committees and the Board of Directors.

With reference to the Capital Adequacy Statement and risk governance adequacy to the risk profile and strategy of the Group, refer to Table EU OVC chapter.

With regard to transactions involving persons in potential conflict-of-interest situations, these are governed by applicable CONSOB and Banca d'Italia regulations, as well as by Section 136 of the Italian Consolidated Banking Act<sup>31</sup>.

Within this regulatory framework, on 12 December 2024, the UniCredit Board of Directors, with the unanimous favourable opinion of the Related-Parties Committee and the Audit Committee, approved an update of the Global Policy on Transactions with Related Parties, Associated Persons and Corporate Officers ex Section 136 of the CBA (available on the UniCredit website).

Here below is the list of enforcement areas which are handled jointly by the provisions in the Global Policy:

- Governance and organisational framework, including roles and responsibilities of the Board of Directors, the Related Parties Committee and the Audit Committee, as well as dedicated structures for managing transactions with related and associated parties;
- Scope and identification criteria, covering the perimeter of CONSOB related parties and Banca d'Italia associated parties, and the criteria for identifying transactions, including those of greater relevance;

<sup>31</sup> Specifically: (i) Consob, Resolution no. 17221/2010 and subsequent updates; (ii) Regulations on "Risk activities and conflicts of interest with associated parties" provided for under Third Part, Chapter 11 of Banca d'Italia Circular no. 285/2013; and (iii) Regulations on the obligations of corporate officers at Banks pursuant to Section 136, Legislative Decree no. 385/1993.

## Table EU OVA - Institution risk management approach

- Transaction management and approval processes, including procedures for structuring and approving transactions and the application of regulatory and internal exemptions.
- Group wide controls and implementation, including checks and rules for the consistent adoption of the Policy across the Group.

Taking into consideration the peculiarities that characterise these provisions, references are also provided on the following:

- disclosure and transparency-related obligations required by CONSOB with reference to transactions with related parties;
- risk activities with associated parties pursuant to Banca d'Italia supervisory reporting terms;
- monitoring prudential limits and risk appetite levels of associated persons.

### **Risk culture in UniCredit group**

Risk culture is increasingly recognised as a cornerstone of sound governance, especially in the wake of recent banking sector crises. At UniCredit group, fostering an integrated risk culture is essential for ensuring risk awareness and responsible risk-taking behaviours at every level of the institution. This commitment aligns with international standards set by the Financial Stability Board, the Basel Committee, and the European Banking Authority (EBA). Risk culture encompasses not only formal rules but also the behaviours, attitudes, and decision-making processes related to risk awareness, management, and control. It shapes how both corporate bodies and individual employees approach risk in their daily activities, ensuring that decisions reflect the institution's values and appetite for risk.

Group Risk Management adopts a structured, integrated approach to continually enhance four foundations. A sound risk culture is based on four foundations:

- **Tone from the Top:** Senior management leads communication efforts, especially on emerging risks and market trends. For example, proactive measures against greenwashing help protect the Group's reputation and financial stability.
- **Targeted Training:** The University Risk program offers regularly updated training tailored to specific roles, such as Quants, Digital Risk, Insurance, Cyber & ICT risk, and climate risk. Special attention is given to managerial training, promoting diversity and inclusion through "speak up" and accountability initiatives.
- **Effective Communication channels:** Corporate values—Integrity, Ownership, Caring—and ESG principles are promoted through timely communication. A newsletter and a dedicated social platform facilitate open conversations on risk topics across teams and countries. Regular events are organized to boost risk culture within the Competence Line and throughout the Group.
- **Incentives:** the incentive system shall ensure that behaviours and performances are aligned to the institution's risk profile and its long-term interest sustainability.

Performance evaluations consider compliance with rules, codes of conduct, and expected behaviors. Access to the incentive system is contingent on completing mandatory training, especially those related to client management, customer due diligence (Know Your Customer), and MiFID requirements for relevant roles. UniCredit group's integrated risk culture is designed to ensure that risk awareness and responsible risk-taking are embedded in every aspect of the organization. By strengthening the four foundational pillars and promoting ongoing communication, training, and accountability, UniCredit supports a resilient and sustainable approach to risk management for all employees.

### **Risk Measurement Methods**

#### **1. Economic Capital**

Within the Internal Capital Adequacy Assessment Process (ICAAP) and in line with the proportionality principle defined in Pillar II of Basel II, the risk profile of the Group and the main Group legal entities is assessed for all the Pillar II risk types (Credit, Market, Operational, Reputational, Business, Financial Investments and Real Estate risks, as described in the respective sections and at the end of this paragraph).

The Economic Capital represents the capital needed to face the potential losses inherent in the Group's business activities and takes into consideration all the Pillar II risk types reported above that are quantifiable in terms of Economic Capital. The effect of the diversification among risk types ("inter-risk diversification") and of the diversification at portfolio level ("intra-risk diversification") is also considered. In addition, a Capital add-on is calculated as prudential cushion in order to account for Model Risk uncertainty.

As for its components, the Economic Capital is calculated on a one-year time horizon and adopting a confidence level equal to the regulatory level (99.90%). For monitoring purposes, the Economic Capital is calculated quarterly and disclosed to senior management quarterly through RAF Monitoring & Integrated Risk reporting; it is also calculated for planning purposes according to the relevant time schedule.

Consistently with the corporate governance system, the function Strategic & Integrated Risks of UniCredit S.p.A. is responsible for the Group economic methodology development and its measurement, as well as for the setting and implementation of the Group related processes. The Group Rules, after the approval, are submitted to relevant legal entities for local approval and implementation.

#### **2. Stress Testing**

The multidimensional nature of risk requires to supplement the measurement of economic capital with stress testing, not only in order to estimate losses in certain scenarios, but also to assess their impacts in terms of capital requirements. Stress testing is a key risk management tool for the

## Table EU OVA - Institution risk management approach

management of the relevant risks in order to assess the bank's vulnerability with respect to exceptional but plausible events, providing additional information to the monitoring activities.

Stress testing activities, in compliance with regulatory requirements, are performed on the basis of a set of internally defined stress scenarios, that include the Group main geographies where the Group is active and are carried out at least twice a year.

In the context of the activities of risk measurement prescribed by Pillar II, the Group stress test methodology considers the impacts on the various risks generated from the materialisation of the macroeconomic adverse scenarios. These scenarios are drawn analysing both current macroeconomic events and plausible future events that could take place and that are considered penalising for the Group.

The stress test exercise is performed both with reference to single risk types and as an overall considering possible interactions. The results of the exercise are represented by the additional expected losses and by the stressed Economic Capital. The overall results consider both the single risk variations as well as any possible benefit of diversification.

Since 2017, two complementary approaches are considered in stress testing activities: the so called "Normative Perspective" focuses on the impacts of stressed scenarios on regulatory capital metrics, while the "Economic Perspective" quantifies impacts of scenarios on the Economic Capital.

The Group Senior Management is involved in the Group-wide stress test in the following phases:

- macro-economic stressed scenarios approval used to estimate the impacts on regulatory and economic capital;
- after the exercise is finalised, with the approval of the results and impacts and a potential discussion of actions to return into the predetermined limits of capital.

The adequacy of the risk measurement methodologies supporting the ICAAP, including stress testing and risk aggregation, is checked by internal validation functions.

### **Other Risks included in Economic Capital**

Among the Group's risks there are other risks relating to Pillar II that are Business Risk, Real Estate Risk, Financial Investment Risk and Reputational Risk. For each risk, the Economic Capital calculation is performed adopting a confidence level equal to the regulatory level (99.90%) and a one-year time horizon.

### **Business Risk**

Business Risk is defined as adverse, unexpected changes in business volumes and/or margins on a one-year time horizon; in this context the margin is defined as the difference between earnings and costs not explained by risk factors already included, e.g., in credit, market, operational risk. Business risk can result, above all, from changes in the competitive situation or customer behaviour, but may also result from changes in the reference regulatory framework.

The exposure data used to calculate Business risk are taken from the income statements of each Entity of the Group for which the risk is significant. Volatility and correlations are estimated from the time series of the relevant items of the Income statement reports.

The Business Risk calculation is performed on a quarterly basis for monitoring and for planning purposes according to the relevant time schedule.

### **Real Estate Risk**

Real Estate Risk is defined as the potential loss resulting from market value fluctuations of the Group's real estate portfolio, including real estate Special purpose vehicles. It does not take into consideration properties held as collateral which are evaluated inside credit risk.

The relevant data for the Real Estate Risk calculation includes general information relating to properties and area or regional rental price indexes for each property to enable calculation of volatility and correlation in the model.

The Real Estate Risk calculation is performed on a quarterly basis for monitoring purposes and for planning purposes according to the relevant time schedule.

### **Financial Investment Risk**

Financial investments risk stems from the equity investments held in companies not included in the Group consolidation perimeter.

The relevant portfolio mainly includes listed and unlisted shares, private equity, units of mutual, hedge and private equity funds. For all the Group equity positions, capital charges may be calculated using either a PD/LGD-based approach or a market-based one. Listed equity holdings and funds, which are a subset of Financial Investment risk are treated relying on the Market Risk Internal Model infrastructure.

The unlisted component is evaluated into the Group Credit Portfolio Model (GCPM). The calculation of the risk is based on a Value at Risk (VaR) model calculated at 99.90% confidence level and is executed inside credit and market risk models according to the nature of the underlying portfolio. The Financial Investments Risk is calculated on a quarterly basis for monitoring and for planning purposes according to the relevant time schedule.

### **Reputational risk**

Reputational risk is defined as the current or prospective risk to earnings or capital decrease arising from the adverse perception of the image of the financial institution on the part of customers, counterparties (also including debtholders, market analysts, other relevant parties, such as civil society, NGOs, media, etc.), shareholders/investors, regulators or employees (stakeholders).

## Table EU OVA - Institution risk management approach

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.

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 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);
- 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.

UniCredit group constantly monitors the market for evaluating the opportunity/need to regulate new economic sectors and/or cross sectors topics that assume a relevance from a Reputational and ESG-related risk perspective or to update provisions of the current regulated Sensitive Sectors.

The reputational risk management is in charge to the Group Non-Financial Risks Department of UniCredit S.p.A. and to dedicated functions within the Group legal entities.

Since 2021 the Group Non-Financial Risks and Controls Committee (GNFRC) - Reputational Risk dedicated session has been established.

The Committee meets with approval functions, according to the regulations in place, for the following topics:

- Governance policies and guidelines for the management of the reputational risk;
- Binding Opinions, whenever a relevant reputational risk is present on strategic decisions or specific single transactions/relationships, as foreseen by the Internal Regulations, to be provided to UniCredit S.p.A. functions;
- Non-Binding Opinions, whenever a relevant reputational risk is present on specific single transactions/relationships, as foreseen by the Internal Regulations, on cases submitted by Local NFRC, to be provided to other Group legal entities.

The Committee meets with consulting and information functions for the following topics, evaluating and providing guidelines with reference to:

- reputational risk relevant emerging trends or material events, for their implications on Group and Local strategies, initiatives, transactions, projects, customers or other business activities, leveraging on evidences and assessments provided by Risk Management, Compliance, Legal, Group ESG, Group Institutional Affairs and Group Marketing and Communication;
- periodical reporting provided by Group competent structures on the business activities and decisions taken in relation to the defined sensitive sectors.

As part of UniCredit group's risk management framework and in line with the Basel principles (Pillar 2 and Pillar 3), a proprietary methodology has been developed for measuring reputational risk and determining the related Value-at-Risk (VaR).

The methodology is based on estimating the semi-elasticity between the media sentiment related to UniCredit – summarized in the Media Tonality Index, produced by CISION Ltd, a company specialised in Reputation Intelligence and Media Monitoring – and market expectations regarding the Group's future profits. These expectations are derived from share prices through a reverse engineering process applied to a dividend discount model, duly adjusted to neutralize systemic effects impacting the European banking sector.

In this context, reputational VaR represents the maximum potential reduction in future earnings, at a 99.9% confidence level, calculated on the basis of the estimated model parameters and the distribution of the Media Tonality Index.

Reputational risk is monitored within the ICAAP (Internal Capital Adequacy Assessment Process) under Pillar 2, and qualitative information is included in this document, in compliance with transparency and market discipline requirements.

Regarding the strategies and processes to manage credit risk, market risk, operational risk, liquidity risk and credit risk mitigation reference is made to the related EU Table (EU CRA, EU MRA, EU ORA, EU LIQA and EU CRC).



## Table EU OVB - Disclosure on governance arrangements

### **Information on the UniCredit corporate governance framework**

UniCredit S.p.A. is an Italian company with shares listed on the Milan, Frankfurt and Warsaw regulated markets adopting the one-tier management and control system. As a bank, parent company of the UniCredit banking group, it carries out, pursuant to the provisions of Section 61 of the Italian Legislative Decree 385, dated 1 September 1993, in addition to banking activities, governance and coordination ones, as well as control functions vis-à-vis the subsidiary banking, financial and instrumental companies within the banking Group itself.

The overall corporate governance framework of UniCredit, i.e., the system of rules and procedures that its corporate bodies refer to steer the principles of their behavior and fulfil their various responsibilities towards the Group's stakeholders, has been defined in compliance with applicable national and European provisions, as well as the recommendations of the Italian Corporate Governance Code approved by the Italian Corporate Governance Committee, made up of ABI, Ania, Assogestioni, Assonime, Confindustria and Borsa Italiana S.p.A.

Moreover, UniCredit is subject to the provisions contained in the Supervisory Regulations issued by Banca d'Italia and, specifically with regards to corporate governance issues, to regulations on banks' corporate governance (Circular 285/2013, First Part, Title IV, Chapter 1). In compliance with the aforementioned Supervisory Regulations, as a significant bank subject to the direct prudential supervision of the ECB as well as being a listed bank, UniCredit qualifies as a bank of large size or operational complexity, and consequently complies with provisions applicable to such banks.

As an issuer of shares that are also listed on the Frankfurt and Warsaw regulated markets, UniCredit also fulfils legal and regulatory obligations related to listings on said markets, as well as provisions on corporate governance stipulated under the Polish Corporate Governance Code issued by the Warsaw Stock Exchange.

### **Corporate governance model**

Starting from 12 April 2024, UniCredit has adopted the one-tier corporate governance system based on the existence of a Board of Directors, which is in charge of the strategic supervision and management of the Company, and of an Audit Committee, established within the Board itself, performing specific control functions, both appointed by the Shareholders' Meeting. The Audit Committee also carries out the Supervisory Body's duties in accordance with the Legislative Decree 231/2001.

Legal accounting supervision is entrusted by the Shareholders' Meeting to an external audit firm, upon proposal of the Audit Committee, in compliance with applicable provisions.

In addition to the Audit Committee, in compliance with the applicable laws and regulations, other Board Committees are provided for supporting the Board of Directors, vested with research, advisory and proposal-making powers, and diversified by sector of competence.

UniCredit believes that the one-tier model is suitable for managing the business efficiently, while ensuring effective controls and thus for guaranteeing the sound and prudent management of a complex and global banking group like the UniCredit group. The one-tier model also ensures a greater effectiveness of controls through the integration of the control body within the Board.

### **Corporate bodies composition**

The **UniCredit Board of Directors** may be composed of between a minimum of nine and a maximum of nineteen members, of whom at least three Directors, and, in any case, no more than five, make up the Audit Committee.

The Board of Directors is made up of 15 Directors, of whom 1 is an executive and 14 are non-executive Directors.

Pursuant to the provisions of the Articles of Association the Board of Directors has appointed within its members a Chief Executive Officer, who is entrusted not only with the specific powers needed to run the Company, but also the general task of ensuring the execution of the Board resolutions. The Chief Executive Officer, also covering the role of General Manager, is the only UniCredit Director with management powers.

The **Audit Committee**, appointed by the Shareholders' Meeting within the Board of Directors, consists of at least three, and, in any case, no more than five, Directors, who serve for the term of the Board of Directors in which they were appointed. The number of members of the Audit Committee is established by the Shareholders' Meeting.

The Audit Committee is made up of 4 non-executive Directors, one of whom is the Chair. All the members of the Audit Committee are independent pursuant to the applicable provisions and the Articles of Association and their term in office is the same as that of the Board of Directors to whom they were elected.

The UniCredit Articles of Association envisage that a member of the Audit Committee, or two members, if the Audit Committee is composed of five Directors, shall be appointed from minorities. The Chair of the Audit Committee is appointed by the Shareholders' Meeting among the Directors elected by the minorities.

## Table EU OVB - Disclosure on governance arrangements

Board members, included the members of the Audit Committee, comply with the professional experience, integrity and independence requirements envisaged under applicable provisions, also of a regulatory nature, and under the Articles of Association.

In addition to the Audit Committee, which is inherent in the one-tier governance system adopted by the Company, the UniCredit Board of Directors has established other five Committees, vested with research, advisory and proposal-making powers and diversified by sector of competence, also in line with the provisions of the Italian Corporate Governance Code: the Governance and Sustainability, Risk, Nomination, Remuneration and Related-Parties Committees.

In line with the provisions of the Board and Board Committees Regulation of UniCredit, the Committees consist of at least 3 and no more than 5 Directors. The members of each Committee, and among them the Chair, are appointed and dismissed by the Board of Directors. Their duties are undertaken based on terms of reference and procedures set forth by the Board.

With reference to the composition of the Board Committees, the Board of Directors, appointed by the Shareholders' Meeting held on 12 April 2024, set respectively:

- at 4 the number of the members of the Governance and Sustainability Committee and of the Risk Committee, and
- at 3 the number of the members of the Nomination Committee, the Remuneration Committee and the Related-Parties Committee.

### **Policy on selection and replacement of members of the management body**

In accordance with applicable legal and regulatory provisions, members of the Board of Directors, including the members of the Audit Committee, are appointed by the Shareholders' Meeting on the basis of a slate voting mechanism (voto di lista). This voting system features lists of competing candidates to ensure the election of minority shareholders' representatives.

Such an appointing process guarantees that they are gender-balanced in compliance with current regulations and provision.

The legitimate parties who are entitled to submit slates are the Board of Directors and Shareholders who individually, or jointly with others, represent at least 0.5% of share capital in the form of shares with voting rights at the ordinary Shareholders' Meetings. Each party entitled to file a slate of candidates may submit or contribute to the submission of just one slate (including via proxies or trustee companies). Shareholders belonging to the same group or Shareholders who are parties to a Shareholders' agreement concerning UniCredit shares may not submit more than one slate (including via proxies or trustee companies). Candidates must be included in one slate only, otherwise they are ineligible.

Pursuant to Clause 20 of the Articles of Association, each slate shall include two sections: the first section containing the candidates for the office of member of the Board of Directors other than the candidates for the office of member of the Audit Committee and the second section containing only candidates for the office of member of the Audit Committee.

The UniCredit Articles of Association envisage that, regardless of the total number of Board of Directors' members, two Directors, other than members of the Audit Committee, shall be appointed from the second slate receiving the highest votes, without any connection with the Shareholders who, jointly or severally, filed or voted for the slate that came first by number of votes, to ensure that the minority Shareholders have a greater presence in the Board of Directors.

In line with the applicable regulations and the provisions of the Italian Corporate Governance Code, the Board of Directors establishes its qualitative and quantitative composition deemed to be optimal for the effective fulfilment of the duties entrusted to it by law, by the provisions of the Supervisory Authority and by the UniCredit Articles of Association. The Board of Directors also establishes the requirements that its members shall meet, in addition to those envisaged under current provisions.

The Board has also adopted a procedure for identifying candidates for the posts of member of the Board of Directors, including the Chair and the Chief Executive Officer, to be applied in the event of the possible presentation by the Board of a list of candidates to be submitted to the Shareholders' Meeting, or the identification by the Board of the potential candidates suitable to cover the post of director on the occasion of the publication of the theoretical profile on the Company's website, and of a co-optation.

Prior to the appointment of its members, and at the latest when the notice convening the Shareholders' Meeting called to resolve on their appointment is published, the Board of Directors informs shareholders on the composition deemed to be optimal (the theoretical profile) in order that the expertise required may be taken into consideration in the choice of candidates. Shareholders may obviously carry out their own assessment on the best composition of the corporate bodies and file candidacies consistent with that assessment, providing reasons for any difference vis-à-vis the analyses carried out by the Board of Directors.

The outcomes of the check on the matching between the qualitative and quantitative composition deemed to be optimal and the one resulting from the appointment process done by each corporate body as per current regulatory provisions are disclosed to shareholders in due time before the first Shareholders' Meeting called for the approval of the financial statements following their renewal body or of the majority of its members.

## Table EU OVB - Disclosure on governance arrangements

In particular, in the run-up to the Board of Directors renewal for the 2024-2026 financial years, the outgoing Board made available to shareholders a theoretical profile in which specific recommendations were formulated to ensure a balanced composition of knowledge, skills and technical experience that also allows them to understand the activities and main risks to which the UniCredit group is exposed.

Regarding professional experience requirements, subject to compliance with existing regulations, the Board also selected some areas of competence, with the recommendation that they are all represented at Board level, as the presence of a diverse range of skills and experience ensures that all professional profiles are represented, encourages dialogue and helps achieving the efficient functioning of the Board.

The removal of members of the Board of Directors is resolved by the Shareholders' Meeting in the manner prescribed by applicable provisions. The proposal to remove one or more members of the Audit Committee must explain the reasons and, if submitted by the Board of Directors, it must be adopted with the favourable vote of the absolute majority of all the Directors in office and subject to the prior opinion of the Nomination Committee; if the proposal is submitted by the Audit Committee, it must be adopted by unanimous vote of the other members of the same Committee. The removal of members of the Audit Committee must be duly motivated. The removal of a member of the Audit Committee implies his/her removal also as a member of the Board of Directors.

In the event dying or leaving office, of forfeiture or lack, for any other reason, of a Director, other than a member of the Audit Committee, the Board of Directors can take steps to co-opt another Director in substitution, taking into proper account the right of the minorities to be represented. In the above cases, should the minimum number of independent Directors fall below the level established by the Articles of Association and/or should the number of Directors belonging to the least represented gender fall below the level established by applicable provisions, the Board of Directors shall provide for their replacement.

Should a member of the Audit Committee ceases to hold his/her office, he/she shall be replaced by the first non-elected candidate from the second section of the list to which the outgoing member belonged. If, at the time of his/her replacement, the person identified on the basis of the previous criterion does not meet the legal, regulatory or by-laws requirements of the departing member, he/she shall be replaced by the next non-elected candidate taken from the second section of the same list and meeting the same requirements prescribed for the member to be replaced. Should the Chair of the Audit Committee cease to hold his/her office, the member taken from the same list of the outgoing member and next in rank in the appointment list, meeting the foreseen requirements, shall take the chair. If, for any reason, it is not possible to proceed with the replacement on the basis of the above criteria, the member of the Audit Committee who has ceased to serve shall be replaced by the Shareholders' Meeting to be convened without delay.

The members succeeding the Audit Committee and the members appointed by the Board by co-optation remain in office until the next Shareholders' Meeting.

For the appointment of Directors that need to be added to the Board of Directors, the Shareholders' Meeting shall decide by relative majority, ensuring compliance with the independence and gender balance principles prescribed by the applicable provisions, also of a regulatory nature in force from time to time.

### **The diversity policy adopted in the selection of members of the management body**

The Board of Directors' composition ensures the gender balance envisaged under the applicable provisions.

In line with the applicable regulations and the provisions of the Italian Corporate Governance Code, in the run-up to the corporate bodies' renewal, the Board of Directors made available to Shareholders a theoretical profile to allow the best choice of candidates to be presented to the Shareholders' Meeting called for the appointment of Directors and members of the Audit Committee.

In the theoretical profile specific recommendations were formulated to ensure a balanced composition of knowledge, skills and experience and to promote inclusion and diversity across age, gender and geographical areas, as well as to adequately reflect the UniCredit group size and operational complexity.

When formulating its recommendations on the composition of the Board of Directors and its Committees, UniCredit recommended that its Shareholders filed slates of candidates in which at least two-fifths of candidates were drawn from the least-represented gender, in line with the relevant provisions. Moreover, UniCredit encouraged Shareholders to submit slate with a view to meet a percentage of Directors belonging to the less represented gender more than 40% towards 50%.

On the topic of diversity, when formulating its recommendations for the renewal of the Board of Directors for the 2024-2026 financial years, UniCredit reiterated, among others, the relevance of further promoting the diversity requirements in particular with regards to the presence of Directors (i) with an international training and professional experience (irrespective of nationality), (ii) having knowledge, skills and technical experience that also allow them to understand the activities and main risks to which UniCredit is exposed as well as (iii) different age of the members of the body.

## Table EU OVB - Disclosure on governance arrangements

Regarding professional experience requirements, subject to compliance with existing regulations, some areas of competence have been selected by the Board, with the recommendation that candidates preferably possess two or more of the selected competences and the same are all represented at Board level as the presence of a diverse range of skills and experiences ensures that all professional profiles are represented, encourages dialogue and helps achieving the efficient functioning of the Board.

Between such competences, to ensure that the Board of Directors can properly supervise any risk that may affect the sustainability of the Bank's business in a medium-long term perspective, including relevant impacts and opportunities, the Board selected as areas of competence respectively the Sustainability (ESG) and Legal, regulatory, AML and compliance.

Compliance with the diversity composition requirements identified in the 2024 qualitative and quantitative profile was checked by the Board at the end of the Directors' appointment process and after the appointment of a non-executive Director resolved upon by the 27 March 2025, Shareholders' Meeting.

Directors' personal qualities and gender diversity fully complied with the principles set in the theoretical profile. Furthermore, with reference to professional expertise accrued in the areas of competence envisaged under the profile, all the areas of competence were represented in the Board and the experience gained by all Directors was in line with the requirements provided for under the profile, considering that they possess good understanding of and experience in more than two of the required areas of competence. The Board composition fully complies with the principles set in the theoretical profile; in particular, as to gender diversity, the female component is above the quota established under the applicable provisions.

In particular, 53% of the Board members are women (said quota is equal to 50% in the Audit Committee); women are represented across all the other Board Committees, with their quota ranging from 25% upward 75%, approximately.

### Directorships held by the members of the Board of Directors

The offices that may be held by members of the Board of Directors and of the Audit Committee are subject to specific restrictions, in compliance with the applicable European and national provisions, also of a regulatory nature.

Without prejudice to the compliance with the maximum limits on the number of posts that may be held, UniCredit Directors may accept a position on the Board if they believe they can dedicate the time necessary to diligently perform their duties, taking into account, among other things, the number of posts they hold in other companies or entities (including non-Italian ones).

Members of Audit Committee may take on management and control offices at other companies within the limits established by applicable provisions. They shall not, however, take on offices at bodies other than those with controlling functions at other UniCredit Group companies, or in companies in which the Bank directly or indirectly holds a strategic shareholding, which means a shareholding at least equal to 10% of the share capital or of the voting rights in the ordinary shareholders' meeting of the subsidiary as well as equal to 5% of the consolidated regulatory capital of the banking Group.

Directors, including members of the Audit Committee, shall inform the Bank about any appointment or termination of office in other companies and entities and provide every information useful for determining the fulfilment of the relevant applicable provisions.

In the document dealing with the qualitative and quantitative profile as most recently approved in February 2024, the Board recalled the specific limits envisaged under the Decree issued by the Ministry of Economics and Finance 169 dated 23 November 2020, concerning the rules on suitability requirements and criteria for holding offices as corporate officer, inter alia, of banks, according to Section 26 of the TUB.

According to said provisions, each Director may hold an overall number of positions in banks or other commercial companies equal to one of the following alternative options:

- one executive position and two non-executive positions;
- four non-executive positions;

with the following specifications:

- offices refer to positions held in Board of Directors, Supervisory Board, Management Board, Board of Statutory Auditors, or as General Manager; in foreign companies, offices refer to positions equivalent to those preceding, on the basis of relevant regulations applicable to the relevant companies;
- for the purposes of calculating the above limits:
  - the position held in UniCredit is included;
  - the following aggregation mechanism is applied: the total number of positions held is considered as a single office when the offices are held within (i) the same group, (ii) banks belonging to the same institutional protection scheme, and (iii) in companies not belonging to the UniCredit group, in which UniCredit holds a qualifying shareholding as defined by Section 4 of the Regulation (EU) 575/2013, namely a direct or indirect holding in an undertaking which represents 10% or more of the share capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that undertaking. The set of positions counted as a single position is considered as an executive position if at least one of the positions is executive; in other cases, it is considered as non-executive;

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- the following are not considered: offices held (i) in companies or entities whose sole purpose is to manage the private interests of a Director or of his/her spouse who is not legally separated, of a person bound by a civil union or a de facto cohabitation, or of a relative or a relative-in-law up to the fourth degree, and which do not require any type of day-to-day management by the Director; (ii) as a professional in a professionals' company; (iii) as a substitute statutory auditor.

The holding of one non-executive additional post, with respect to the above limits, is allowed only if it does not jeopardize the possibility of the Director to commit an adequate time to the post in UniCredit to carry out effectively his/her functions under the limitations and with the manners established by the afore-mentioned Decree 169/2020.

\* \* \*

The following chart shows the overall number of offices of management and control held in other companies by UniCredit Directors. Compliance with the limits on the maximum number of offices that Directors may hold in other companies envisaged under the applicable provisions was evaluated by taking into consideration the weighting applicable to offices held in the same group, pursuant to declarations made by Directors themselves.

DIRECTOR	OVERALL NUMBER OF OFFICES OF MANAGEMENT AND CONTROL HELD IN OTHER COMPANIES (*)
Bergamaschi Paola	1
Camagni Paola	1
Cariello Vincenzo	1
Carletti Elena	--
Domingues António	3
Galbo Julie Birgitte	3
Hedberg Jeffrey Alan	--
Honold Doris	3
Lara Bartolomé Beatriz Ángela	2
Orcel Andrea	2
Padoan Pietro Carlo	--
Pierdicchi Maria	1
Rigotti Marco Giuseppe Maria	--
Tondi Francesca	--
Villa Gabriele	3

(\*) Offices updated as at 23 February 2026

### Risk Committee

The UniCredit Risk Committee consists of four non-executive Directors.

All members of the Committee comply with the independence requirements provided under the Italian Legislative Decree 58/1998 and the Italian Civil Code, the Decree issued by the Ministry of Economics and Finance 169/2020, as well as the Italian Corporate Governance Code (with a quota equal to 100% of its members).

The members of the Committee have the experience required under applicable provisions, covering the provided areas of competence, related to finance and risk assessment and management.

In the context of the one-tier model adopted by the Company, the Risk Committee provides advice and support to the Board of Directors on risk management related matters, according to the provisions of laws and regulations, 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.

More in detail, the Committee carries out preliminary activities, analyzes and submits proposals to support the Board of Directors including on the following topics:

- defining and approving risk management strategic guidelines, framework and policies (including the non-compliance risk, climate and environmental risks, risk data quality). Within the RAF, the 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);
- examining the annual funding plan;
- verifying correct implementation of risk strategies, management policies and RAF; and
- defining policies and processes for evaluating corporate activities, including verification that the price and conditions of client transactions comply with the risk-related business model and strategies.

The Risk Committee also examines the risk assessments carried out and those planned by the corporate control functions on yearly basis for determining their own annual plans of activity.

## Table EU OVB - Disclosure on governance arrangements

Pursuant to the Italian Corporate Governance Code, the Risk Committee opines on aspects relating to the identification of the main corporate risks and supports the Board in assessments and decisions concerning the management of risks attached to prejudicial occurrences which the same Committee became aware of.

Based on the succession plans defined with the support of the Nomination Committee, the Risk Committee identifies and proposes to the Board of Directors the candidate suitable for the appointment as Head of Group Risk Management or assesses his/her removal, after having consulted the Audit Committee. Moreover, the Risk Committee is consulted beforehand for the identification and proposal to the Board of the candidate suitable for the appointment as Head of Internal Audit, Group Compliance, Anti Financial Crime Compliance and Group Internal Validation, or on the assessment of their removal.

Without prejudice to the competences of the Remuneration Committee, the Risk Committee checks that the incentives underlying the remuneration and incentive system comply with the RAF, particularly taking into account risks, capital and liquidity.

In 2025, the Risk Committee held 22 meetings.

The Group Risk Management function sets up specific information flows to ensure full knowledge about the Group's risks exposure and underlying factors, as well as trends for significant variables included in the Risk Appetite Framework. This information, of which the Chief Executive Officer is aware, in part through chairing the managerial committee Group Executive Committee (GEC) and the Group Risks/Controls Committee (detailed below), chaired by the Chief Executive Officer, also with a view to draft proposals/reports for the Board of Directors, mainly relates to the topics summarised below:

- Risk Appetite Framework, liquidity risk management adequacy (ILAAP) and capital adequacy (ICAAP);
- activities performed, checks carried out and related outcomes of all covered risk types;
- development, validation and maintenance of the risks measurement and control system, also through the assessment performed by internal validation function.

The Group Risk Appetite shall include a series of parameters defined by the Group Risk Officer, with the contribution of Group Financial Officer and of other relevant functions; each parameter can be complemented by limits and thresholds proposed by the Group Risk Officer and targets proposed by the Group Financial Officer and/or by the relevant Group functions, each respecting their mission and internal regulations. The Group Risk Officer is responsible for ensuring the overall coherence of the proposed parameters and values. Furthermore, the Group Risk Officer is responsible for ensuring the Chief Executive Officer and the Board of Directors the coherence of the Group Risk Appetite with the Group strategic guidelines, as well as the coherence of the budget goals with the Group Risk Appetite setting and the periodical monitoring of the Risk Appetite Framework (RAF). The Group Financial Officer remains responsible for monitoring the performances of the Group and of the business functions, in order to identify possible underperforming areas and the related corrective measures.

In order to strengthen the capacity of independent steering, coordination and control of Group risks, to improve the efficiency and the flexibility on the risk decision process and to address the interaction among the relevant risk stakeholders, specific Committees are in place:

- the Group Executive Committee (GEC), the Group Financial and Credit Risk Committee (GFRC) and Group Non Financial Risks and Controls Committee (GNFRC) support the CEO in the role of steering, coordinating and monitoring the strategic and all categories of risks (included compliance risk), at Group level, as well as defining the Group Recovery Plan;
- the GEC - "Risk" session, which has approval as well as consulting and proposal functions, aims at supporting the CEO in its role of steering, coordinating and monitoring all categories of risks (included compliance risk), managing and overseeing the Internal Control System (ICS) also at a Group level, as well as discussing and approving strategic risk topics such as Group Risk Appetite Framework, ICAAP, ILAAP, SREP, NPE strategy coherently with the overall risk profile defined by RAF and the steering of Environmental, Social and Governance (ESG) including Climate & Environmental Risks (i.e. transition and physical risk);
- the GEC - "Group Recovery Plan" session support the CEO to deal with the Group Recovery Plan, defining the proposal to be submitted to the Board of Directors' final decision and to solve issues emerged during the production and the maintenance of the Plan;
- the Group Financial and Credit Risks Committee (GFRC) supports the CEO in the steering, coordination and control of the credit and financial risks (including Climate & Environmental risks) at Group level also managing and overseeing the related Internal Control System (ICS) and consists of the following sessions: (i) Credit Risk session, responsible for defining policies, operational limits and methodologies for the measurement, management and control of the Credit Risks as well as for the definition of the methodologies for the measurement and control of internal capital, (ii) Rating approval session, responsible for approving rating overrides (iii) Market Risk session, responsible for approving strategies, policies and methodologies for Market Risks and for the monitoring of related risks, (iv) ALCO session, responsible for approving strategies, policies and methodologies for Financial Risks and for the monitoring of risks related to Fund Transfer Pricing;
- the Group Non-Financial Risks and Controls Committee (GNFRC) supports the CEO in the role of steering and monitoring the Non-Financial Risks (NFRs including Climate & Environmental risks) at Group level and overseeing the related Internal Control System (ICS). The Committee consists of the following sessions: (i) General Non-Financial Risks and Controls Session, responsible for defining and approving policies, operational limits and methodologies for the measurement, management and control of Non-Financial Risks, including the methodologies for the measurement, management, and control of Non-Financial Risks (Operational and Reputational Risk) impacting internal capital; (ii) ICT, Security, Cyber and Third party Risk Session responsible for evaluating and providing guidelines for the management of risks related to ICT, Security, Cyber, a third party

## Table EU OVB - Disclosure on governance arrangements

contracts and business continuity plan; (iii) Reputational Risk Session responsible for evaluating and providing guidelines for the management of reputational risk also on single customer transactions. The GNFRFC enables the coordination the three lines of defence with the aim to identify and share Group priorities concerning Non-Financial Risks (e.g. events, regulations or emerging risks), assessing and monitoring the effectiveness of initiatives put in place in order to address them.



## Table EU OVC - ICAAP information

### **Internal Capital Adequacy Assessment Process (ICAAP) and Risk Appetite**

UniCredit group assesses its capital adequacy on a going concern approach, ensuring that an adequate level of capital is maintained to continue business activities as usual even in case of severe loss events, like those caused by an economic downturn.

The Group's approach to ICAAP consists of the following phases:

- Risk identification and mapping;
- Risk measurement and stress testing;
- Risk appetite setting and capital allocation;
- Monitoring and reporting.

#### **1. Risk identification and mapping**

The 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. The output of this activity is the Group Risk Map which includes all the risk types quantifiable by Economic Capital.

#### **2. Risk measurement and stress testing**

The second phase is the identification of the internal methodologies for measurement and quantification of the different risk profiles, resulting into the calculation of Group Economic Capital. The Economic Capital measures are supported by aggregated-stress tests, which are a fundamental part of a sound risk management process. The aim of stress testing is to assess the Bank's viability with respect to exceptional but plausible events. The impact of adverse economic scenarios is assessed on the capital position and/or the liquidity position of the Group.

#### **3. Risk Appetite setting and capital allocation**

Risk Appetite is a key managerial instrument used with the purpose of setting the adequate levels of risk the Bank is willing to have and consistently steering its business evolution. The Group capital plays a crucial role in the main corporate governance processes that drive strategic decisions, as target and risk tolerance thresholds, in terms of regulatory and economic capital. It is also a key element of the Risk Appetite Framework of the Group.

#### **4. Monitoring and reporting**

Capital adequacy evaluation is a dynamic process that requires a regular monitoring to support the decision-making processes.

The Bank monitors its main risk profile with a frequency consistent with the nature of each single risk. On top of this, a quarterly reporting of integrated risks and Risk Appetite evolution is reported to the relevant Risk Committees and Governing Bodies, in order to set and implement and efficient and effective ICAAP framework.

Capital adequacy is assessed considering the balance between the assumed risks and the available capital both in a regulatory and in an economic perspective. With respect to economic perspective and to Going Concern approach, capital adequacy is assessed by comparing the amount of financial resources available to absorb losses and to ensure the business continuity of the Group, the so-called Available Financial Resources (AFR), with the economic capital internally estimated (Economic Capital - EC). The AFR are computed according to the Group principles and consistent with prudential regulation, in fact the regulatory capital (Own Funds) is the basis for the AFR quantification. The Group capital instruments that are included in the AFR satisfy the following three criteria:

- loss absorbency in Going Concern approach;
- permanence;
- flexibility of payments.

The ratio between AFR and EC is the Risk Taking Capacity (RTC). This ratio must be above 100% (AFR>EC) in order to avoid that risk exposures are higher than the Available Financial Resources. RTC is one of the key indicators included in the Group RAF dashboard on which the Bank leverages to guide the selection of the desired risk-return profile in alignment with its business strategies.

A milestone of the ICAAP is the Risk Appetite, which in UniCredit group is defined as the level of risk that the Group is willing to take and the risk-return profile it fixes to achieve in pursuing its strategic objectives and business plan, taking into account the interest of its stakeholders (e.g. customers, policymakers, regulators, shareholders) as well as capital and other regulatory and law requirements. The Group Risk Appetite is approved on an annual basis by the Board of Directors and is regularly monitored and reported, at least quarterly, to the relevant committees, with the aim of ensuring the consistency with the risk return profile set by the Board of Directors. At local level, the risk appetite is set for the main legal entities and approved by the local competent functions.

The main goals of UniCredit group's Risk Appetite are:

- assessing explicitly the risks and their interconnections UniCredit group is willing to accept or should avoid in a forward looking view;
- specifying the types of risk UniCredit group intends to assume by setting the targets, triggers and limits, under both normal and stressed operating conditions;
- ensuring an "ex ante" risk-return profile consistent with long term sustainability, in coherence with multi-year strategic plan/budget;
- ensuring that the business develops within the risk tolerance set by the Parent Company Board of Directors, also in respect of national and international regulations;

## Table EU OVC - ICAAP information

- supporting the evaluation of future strategic options with reference to risk profile;
- addressing internal and external stakeholders' view on risk profile consistent with the strategic positioning;
- provide qualitative statements concerning identified risks in order to strategically guide the relevant processes, the internal control system and ensure prevention/early intervention on emerging risks.

The Group Risk Appetite is defined consistently with UniCredit group business model. For this purpose, Group Risk Appetite is integrated in the budget process, in order to guide the selection of the desired risk-return profile in alignment with the Strategic Plan guidelines and at inception of the budget process.

UniCredit Remuneration Policy is consistent with the Group Risk Appetite to allow the effective implementation of risk reward remuneration for bonus definition and payments.

The structure of the Risk Appetite in UniCredit group includes the Group Risk Appetite Statement and the Group Risk Appetite KPIs Dashboard. The Risk Appetite Statement defines the positioning of the Bank in terms of strategic targets and related risk profiles to address internal and external stakeholders' expectations and includes:

- a guidance on the overall key boundaries for the Group in terms of focus of activity;
- a definition of the desired risk-return profile, in line with the Group's overall strategy;
- the risks the Bank is willing to accept or should avoid both in normal and stressed conditions;
- an indication on strategies to manage key risks within the perimeter of the Group;
- qualitative statements for not quantifiable risks in order to ensure prevention/early intervention on emerging risks.

The quantitative elements of the Risk Appetite Framework are instead represented by a Dashboard, composed by a set of KPIs, based on the analysis of the expectations of UniCredit group internal and external stakeholders, including material risks to which the Group is exposed and addressing the following categories:

- Regulatory KPIs: to guarantee at any time the fulfilment of the KPIs requested by Regulators (e.g., Common Equity Tier 1 Ratio, Liquidity Coverage Ratio);
- Managerial KPIs: KPIs considered to be key from strategic and Risk Appetite standpoint and defined to ensure steering of all key financial risks (e.g., Credit Risk, Liquidity and Interest Rate Risks, Market and Sovereign Risks), Profitability, non-financial risks (e.g., Operational risk, ICT and Cyber risk, Compliance risk) and Climate & Environmental risk.

For each of the above dimensions, one or more KPIs are identified, in order to quantitatively measure the position of the Group in different ways: absolute values, ratios, sensitivities to defined parameters.

Various levels of thresholds are defined to act as early warning indicators anticipating potential risk situations that will be promptly escalated at relevant organisational level. If specific Risk Appetite thresholds are met, the necessary management measures have to be adopted for effectively adjusting the risk profile. The thresholds are identified as follows (on certain KPIs, not all the thresholds may be meaningful):

- Targets represent the amount of risk the Group is willing to take on in normal conditions in line with the Group ambition. They are the reference thresholds for the development and steering of the business;
- Triggers represent, from a managerial standpoint, the maximum acceptable level of deviation from the defined target thresholds, or more generally a Warning Level, and are set consistently to assure that the Group can operate, even under stress conditions;
- Limits are hard points that represent, from a statutory standpoint, the maximum acceptable level of risk for the Group.

Thresholds setting is evaluated by the relevant competent functions, also through managerial decision by the Board of Directors, respecting regulatory and supervisory requirements and also taking into account stakeholders' expectations and positioning versus peers. In addition, UniCredit group has a series of transversal operational limits and metrics that cover the main risk profiles in order to supplement the Risk Appetite Framework. According to the EBA guidelines, each year ICAAP information is collected for SREP purposes and sent to the Regulator. The Board of Directors, which authorises the sending of this information to the Authorities, also acknowledges that the risk governance of the Group is deemed adequate, guaranteeing that the risk management system in place is in line with the risk profile and strategy of the Group. In addition, the Board of Directors approved and signed the Capital Adequacy Statement during the last Board of Directors held on 14 March 2025. In the Capital Adequacy Statement, the Board of Directors states that the Group demonstrated to have a strong capital position, allowing to maintain under baseline scenario an adequate managerial buffer on top of Combined Buffer Requirement (CBR) and, in case of more severe conditions, to ensure adequate buffer in addition to the Total SREP Capital Ratio (TSCR). In light of the current geopolitical environment, the Management and the Board of Directors are taking a prudent and sustainable approach, assessing any possible impact on the capital adequacy and related mitigation actions, and in parallel proceeding with the implementation of the strategic plan.

UniCredit group is consistently engaged in identifying areas of improvement of the ICAAP process in compliance with Supervisory expectations.



## Table EU CRA - General qualitative information about credit risk

### **Credit risk management policies**

#### **Organisational aspects**

##### *Factors that generate credit risk*

During the ongoing credit and business activities, the Group is exposed to the risk that an unexpected change in a counterparty's creditworthiness may generate a corresponding unexpected change in the value of the associated credit exposure and may thus result in a partial or full write-off. This risk is always associated to the traditional lending practice, regardless of the form of the credit facility (whether cash or credit commitments, secured or unsecured, etc.).

The main reasons for a default lie in the borrower's failure to fulfil its credit obligation (due to the lack of liquidity, for insolvency reasons, etc.), as well as the occurrence of macro-economic and political events that are affecting the debtor's operating and financial conditions.

Other banking operations, in addition to traditional lending and deposit activities, can constitute other credit risk factors. In this view, "non-traditional" credit risk may arise from:

- subscription of derivative contracts;
- purchase and selling of securities, futures, currencies or commodities;
- holding third-party securities.

The counterparties in these transactions or issuers of securities held by Group legal entities could default as a result of insolvency, political and economic events, lack of liquidity, operational deficiencies or other reasons. Defaults of a large number of transactions, or of one or more large transactions, could have a material adverse impact on the Group's activities, financial condition and operating profits. The Group monitors and manages the specific risk of each counterparty, as well as the overall risk of loan portfolios through procedures, functions and rules that steer, govern and standardise the assessment and management of credit risk, in line with the Group principles and best practice.

##### *Organisational structure*

Credit risk management in the UniCredit group is under the responsibility of the Competence Line Group Risk Management, which is responsible for the direction, governance and control of credit risk. The operational management of credit activities is assigned to Business and Credit Risk Operations functions at local level, with the activities of granting, periodic review and performance monitoring requiring the cooperation between Commercial Relationship Managers, Credit Analysts supporting Business Managers and Credit Risk Managers of the Credit Operations functions (Credit Underwriting, Credit Monitoring) who intervene for cases of greater complexity or amount, while the activities of classification, restructuring and credit recovery are under the responsibility of local Credit Operations functions, internally divided into different levels:

- functions with responsibilities at Group level;
- functions with responsibilities at Country level.

Regarding Group Risk Management, Parent Company functions with responsibilities at Group level include:

- Group Credit Risk;
- Group Enterprise Risk Management.

#### **Group Credit Risk**

The function has the following mission: responsible for the overall steering and governance of credit risk at Group level, including, for instance, defining Group credit risk strategies, monitoring and controlling the credit risk framework and methodologies, planning and overseeing asset quality, large credit transactions, FIBS group-wide assessment, as well as monitoring country risks & cross-border risks.

Group Credit Risk function breaks down in the following structures:

- Credit Risk Strategies and Rating Desk, with the following mission: it is responsible at Group level, both for performing and non-performing credit, for defining credit risk strategies, planning, monitoring and controlling the Group portfolio's relevant credit risk KPIs (e.g. Asset Quality, provisions), as well as for defining and applying the credit risk controls to identify risk areas and mitigation actions. These responsibilities also apply to the CE&EE portfolio booked in legal entities or in UniCredit S.p.A. (Profit Center Milan), for both Retail and Corporate segments. In reference to PCM, additional activities are carried out to directly analyse and monitor the portfolio;
- Group Credit Transactions, with the following mission: it is responsible at Group level for the assessment, monitoring and supervision of Large Credit Transactions and for the management of the global credit model of Financial Institutions, Banks and Sovereign States (FIBS). Furthermore, it is responsible for the assessment, approval and daily management of Country Risks and the assumption of cross-border credit risk and the mapping of the economic Groups defined as "Top". Finally, it is responsible for supporting, as a point of reference at Group level, credit transactions above defined thresholds or in accordance with other applicable regulations, the preparation and coordination of the various procedural phases and information flows to facilitate the functioning of the approval and reporting processes involving the Committees under its jurisdiction or the higher Bodies.

## Table EU CRA - General qualitative information about credit risk

### Group Enterprise Risk Management

The function has the following mission: responsible for cross-risk oversight and coordination, including Risk Appetite Framework (RAF), Internal Capital Adequacy Assessment Process (ICAAP) and integrated stress testing.

Moreover, the function is responsible to support the Group Chief Risk Officer (CRO) in defining the strategic evolution of "Group Risk Management", including the organisational set-up and governance arrangements and to steer the integration of climate and environmental risks in the overall risk management framework.

Finally, it is also in charge of the development, maintenance, governance and oversight of credit and financial risk modelling both for regulatory and managerial purposes across the organisation.

For what credit risk coverage is concerned, the structure breaks down in the following way:

- Risk Governance and RWA Analysis, responsible for steering the evolution of the regulatory headwinds, for the planning of all the IRB model interventions (including IRB roll-out) at Group level, monitoring progress and reporting to Company governance Bodies for central steering and coordination role across the Group to ensure alignment of risk management modelling governance framework;
- Risk Modelling and Data Analytics, responsible for developing and maintaining Group methodologies, models, governance and architectures regarding credit risk and financial risk to ensure front-to-back engagement, execution and accountability, at Group level and UniCredit S.p.A. level.

With respect to credit risk, the following specific Committees are active:

- the Risks session of the GEC (Group Executive Committee), with approval, proposal and consultancy functions, supports the CEO in the direction, coordination and control of all risk categories (including compliance risk), in the management and supervision of the internal control system also at Group level as well as in the discussion and approval of risk issues of strategic relevance such as the Group Risk Appetite Framework, ICAAP, ILAAP, SREP, NPE strategy in line with the global risk profile defined by the RAF and the direction of Environmental, Social and Governance (ESG) issues including Climate & Environmental Risks (i.e. physical and transition risks);
- the Group Financial and Credit Risks Committee (GFRC) supports the CEO in the role of addressing, coordinating and controlling credit and financial risks (including Climate & Environmental risks) at Group level, also through the management and supervision of the related Internal Control System (ICS) and is divided into various sessions, two of which are relevant to credit risk management: (i) Credit Risk session, responsible for defining policies, operating limits and methodologies for measuring, managing and controlling credit risk, as well as defining methodologies for measuring and controlling internal capital and assessing risk reporting and estimating risk provisions; ii) Rating approval session, responsible, within its own scope of competence and within its delegated powers, for approving rating changes (rating override);
- the Group Transactional Committee (GTC) that consists in the following sessions:
  - *Group Credit Committee Session (GCC)* meets with consulting and proposal functions for the definition of the CEO's proposals for the Board of directors for the following topic:
    - Debt-to-Equity transactions or transactions related to Equity participations resulting from Debt-to-Equity transactions for which the powers to approve or issue a Non-Binding Credit Opinion (NBCO) have not been delegated to the Group Transactional Credit Committee.
  - *Group Credit Committee Session (GCC)* meets with approval/NBCO functions (decision-making and/or issuing of non-binding credit opinions to the Group Legal Entities), within the delegated powers, for:
    - sub-delegation to the Personnel of the Bank, without the right to further sub-delegate, the powers to take decisions in the matters referred to in subparagraphs A, N, O, Q and R of the Delegation of Powers by the Board of Directors;
    - credit proposals referring to all files, including restructuring/workout ones;
    - status classification of files;
    - relevant strategies and corrective actions to be taken for watchlist files;
    - specific limits for transactions related to Debt Capital Markets on trading book;
    - single issuer exposures limits on trading book;
    - temporary/annual breaches to Single Names Concentration Risk Limits within the thresholds defined by Group regulation of competence;
    - Debt to Equity transactions and transactions related to Equity participations deriving from Debt to Equity transactions;
    - the Debt Capital Market (DCM) transactions issuing Non-Binding Credit Opinion (NBCO);
    - ECM (Equity Capital Market) Risk transactions above specific threshold levels of transaction's value.
  - *Group Transactional Credit Committee Session (GTCC)* has, in particular, approval/NBCO functions (decision-making and/or issuing of non-binding credit opinions to the Group Legal Entities) within the delegated powers for:
    - credit proposals referring to all files, including the Group NPE files;
    - decisions regarding credit proposals within the sub-delegations of powers and competence of decisional structures regarding the perimeter of Large Corporates, Corporates CE&EE, Group Financial Institutions in case of escalation activated by them on files assessed with a "not supportive unless all conditions are met" or a "not supportive" opinion expressed by the Head of Group Credit Risk and/or the Head of Group Credit Transactions, on the basis of new evidences with respect to those presented at the time of issuing of the opinion;
    - classification status of files;

## Table EU CRA - General qualitative information about credit risk

- relevant strategies and corrective actions to be taken for watch-list files;
- single issuer exposure limits on trading book;
- Debt to Equity transactions and/or actions/rights-execution related to equity participations resulting from Debt to Equity transactions, within its assigned delegations of powers;
- Debt to Assets transactions and/or actions/rights execution related to asset resulting from Debt to Asset transactions, within its assigned delegations of powers;
- proposal of distressed asset disposal, within its assigned delegations of powers and in accordance with the regulated specifications and limitations in force;
- the Debt Capital Market (DCM) transactions issuing Non-Binding Credit Opinion (NBCO);
- on semi-annual basis, the "DCM pre-approved list": list of a selected group of names and respective commitment amounts for which there is no need to have the NBCO on the single transaction;
- ECM (Equity Capital Market) Risk transactions above specific threshold levels of transaction's value;
- temporary/annual breaches to Single Names Concentration Risk Limits within the thresholds defined by dedicated Group regulation.

### **Credit strategies**

The Group credit strategies are an effective tool for managing credit risk, contributing to the definition of the budget objectives in line with the Group's Risk Appetite, of which they are an integral part. They also constitute a management tool as they translate the metrics defined within the Risk Appetite into concrete form.

Based on the macroeconomic and credit scenario, the outlook at the economic sector level, as well as the business initiatives/strategies, the credit strategies provide a set of guidelines and operational targets aimed at the countries and business segments in which the Group work and are performed on the operating structures of each Group legal entity and included in their respective commercial policies. The ultimate goal is to ensure sustainable commercial growth, consistent with the risk profile of each company, remaining within the limits defined by the Group Risk Appetite Framework.

Within the framework of the strategies underlying credit activity, concentration risk is considered particularly important. This is the risk associated with losses generated by a single exposure or group of related exposures that (in relation to the capital of a bank, total assets, or the overall risk level) can generate potentially serious effects on the solidity and "core" operation of the Group.

In compliance with the relevant regulatory framework, UniCredit group manages the concentration credit risk through specific limits that represent the maximum risk that the Group intends to accept regarding, for example:

- individual counterparties or groups of connected counterparties (Single Name Bulk Risk);
- counterparties belonging to the same economic sector (Industry Concentration Risk).

The results of stress test simulations relating to expected loss are an integrated part of the definition of credit strategies.

### **Credit risk management, measurement and control**

#### **Credit risk management**

The credit risk, associated to the potential loss arising either from a default of the borrower/issuer or from a decrease in the market value of a financial obligation due to a deterioration in its credit quality, is measured at both single borrower/transaction and at whole portfolio level.

Credit lending to single customers, during both the approval and monitoring phases, is supported by a credit rating process, differentiated by customer segment and product. The assessment of a counterparty's creditworthiness, within the credit proposal evaluation, begins with an analysis of the financial statements and the qualitative data (competitive positioning, corporate and organizational structure, etc.), regional and industry factors and counterparty behavior within the entity or the banking system (e.g. Centrale dei Rischi di Banca d'Italia). Such analysis results in a rating, i.e. the counterparty's probability of default (PD) on a one-year time horizon.

Each borrower's credit rating is reviewed at least annually based on the new information acquired. Each borrower is also assessed in the context of the belonging economic group by taking into account, when needed, the risk for the entire Group.

The internal rating assigned to each borrower and its economic group exposure both contributes to the lending decision calculation, defined in such a way that, at a constant credit amount, the approval powers granted to each decision-making corporate body are gradually reduced in proportion to the increased borrower related risk level.

The organizational model used by UniCredit group also includes a dedicated function, which is separated from loan approval and business functions and is responsible for the management of the so-called rating "overrides", i.e. any changes to the automatic rating calculated by the rating system (where it is foreseen).

Regular monitoring of the rating focuses on the borrower's performance management, using all the internal and external available information in order to get a score representing a synthetic assessment of the risk associated. This score is obtained using a statistical function that summarizes the available information using a set of significant variables that are predictors of an event of default within a 12 months horizon.

## Table EU CRA - General qualitative information about credit risk

In addition to the usual estimation of risk parameters over one-year time horizon, multi-period risk parameters are estimated to provide a more robust assessment of the risk-adjusted performance in compliance with the accounting standards requirements.

All the above-mentioned risk parameters are subject to initial validation and a regular monitoring process for each rating system in all its components: models, processes, IT architecture and data quality. The aim is to give evidence of the systems compliance, highlighting improvement areas as well as possible misalignments in the methodologies, which could limit the full comparability among the resulting risk measures.

### Risk parameters

Besides the methodologies summarised in the rating systems (reference is made to Table EU CRE), the Group Risk Management function leverages on portfolio model enabled to measure credit risk for Basel Pillar 2 purposes on an aggregated basis and to identify the contribution of single sub - portfolio or obligor to the overall risk.

There are two fundamental portfolio credit risk measures which are calculated and evaluated on a time horizon of one year:

- Expected Loss (EL);
- Credit Value at Risk (Credit VaR).

The estimate of Credit VaR at overall portfolio level is derived from the distribution of losses obtained by Monte Carlo simulation on the horizon of one year, considering the correlations among counterparties. The total loss in each default scenario is the sum of the individual losses, being defined as the product of LGD TTC (Loss Given Default Through the Cycle) and EAD (Exposure at Default) for transactions related to defaulted counterparties. For exposures classified at amortised cost, in each simulated scenario, the loss estimation related to their simulated creditworthiness deterioration is added to the total loss related to the counterparties simulated in default.

Within the Credit VaR framework, the Expected Loss (EL) at portfolio level is defined as the sum of the product of PD, LGD (both TTC) and EAD for each obligor in the considered portfolio plus a migration risk charge related to the expected creditworthiness deterioration for exposures classified at amortised cost.

The Value at Risk (VaR) represents the monetary threshold of the losses distribution which is overcome only with a given probability level (a 99.9% confidence level VaR implies that the loss threshold is exceeded in 1 case out of 1,000). Economic Capital is derived from Value at Risk subtracting the Expected Loss and is an input for determining Economic Capital set up to cover potential losses from all the sources of risk (Reference is made to paragraph "Other risks included in Economic Capital" in the Table EU OVA).

The measures of Economic Capital based on Credit VaR are also a fundamental input for the design and application of credit strategies, the analysis of credit limits and risk concentration. The Economic Capital calculation engine is also one of the instruments used for the analysis of stress testing of the credit portfolio.

The internal Credit VaR model is also subject to assessment in the context of Pillar II validation.

The calculation of the credit economic capital is available on a single technological platform (Group Credit Portfolio Model, GCPM), with a shared methodology for the structures of UniCredit S.p.A. and the main legal entities of the Group.

In order to assess the credit risk transfer created by securitisation transactions originated by the Group, an engine (Structured Credit Analyser) has also been developed, which simulates the loss distribution of the securitised portfolio and of the tranches, both for synthetic securitisations (in which the risk is transferred through guarantees/credit derivatives) and for traditional ones (where the assets are sold to a special purpose vehicle).

### Stress Test

With reference to the strategies of credit risk management, the use of Credit Risk Stress Test is considered of particular importance because its aim is to analyse the portfolio vulnerability in case of an economic downturn or a structural change of the macroeconomic framework. In performing the stress test exercises, different scenarios are considered, based on increasing levels of severity. In addition, scenarios may also be defined based on specific economic hypotheses.

The credit Stress Test models (or satellite models) are the set of models aimed at translating the macro-economic conditions into credit risk parameters (PD/LGD). Within the wider stress testing framework, the models serve as basis for calculating the stressed PD/LGD projections under the Adverse Scenarios. They are used in the same way for the estimation of Forward-Looking component within the IFRS9 framework.

As regards the modelling methodology, the current framework envisages to estimate the relationships between the macro-economic factors and the internal default/recovery rate historically observed at cluster level (Country/Asset Class), through time series and/or panel regressive analysis. However, with regard to the low default portfolios (e.g. Multinational, Banks, Sovereigns), for which not enough defaults events are available, alternative approaches are considered. These imply to leverage either on external data (i.e. external rating) or stressing directly the input of Group Wide Rating System (i.e. Sovereign Rating System).

Model's output in terms of expected variations of PD/LGD conditional to the macro-economic scenarios are then used in order to obtain stressed PD/LGD of each credit exposure. Starting from the stressed PD/LGD the Pillar I Credit Risk metrics (LLP and RWEA) are calculated through

## Table EU CRA - General qualitative information about credit risk

dedicated simulation engine and according to the EBA Stress test methodology, while Pillar II stress metrics (EC and AFR) are calculated according to the following methodology:

- Credit Economic Capital: stressed PDs and LGDs are used as a basis to recalculate the Credit Economic Capital using the GCPM. The result represents the Credit Economic Capital that would be obtained in the current Bank portfolio if the stressed scenario is experienced.
- AFR: the amount stemming from the difference between the Stressed Expected Loss (calculated based on PD-TTC and LGD-TTC) and the actual Expected losses is deducted from AFR.

### **Rating system**

For information regarding the use of the rating systems reference is made to the Table EU CRE – Qualitative disclosure requirements related to IRB approach chapter.

### **Coordination procedures among the parties involved in the internal controls and risks management system**

In accordance with Banca d'Italia provisions, UniCredit S.p.A.'s "Document of Corporate Bodies and Control Functions" defines the tasks and responsibilities of the control bodies and functions, the information flows among the various functions and bodies, as well as the coordination and cooperation procedures to be applied when the areas subject to control potentially overlap or allow for the development of synergies.

UniCredit's mechanisms for cooperation and coordination among its control functions range from reciprocal exchanges of information to participation in managerial committee meetings focused on control-related topics.

Furthermore, interactions between second- and third-level corporate control functions take place within a stable and active cooperation framework, largely formalized through specific internal regulations, and carried out through activities such as:

- participating in the definition and/or update of internal regulations on risk- and control-related matters;
- mutually exchanging information flows, documents, and data-e.g., those relating to controls planning and the monitoring of related outcomes-as well as ensuring control functions' access to any internal resources or corporate information required to fulfil their control-related responsibilities;
- taking part (regularly or upon request) in Board Committees and managerial Committees meetings, where provided;
- attending, on an ad-hoc basis, Work Groups established from time to time on risk and control topics.

Enhanced interaction among control functions and the continuous provision of activity updates to the corporate bodies ultimately aim to foster a corporate governance environment capable, over time, of ensuring sound corporate management, also through more effective oversight of risks at all levels of the Company.



## Table EU CRB - Additional disclosure related to the credit quality of assets

### **Non-performing credit exposures**

UniCredit applies an harmonised approach for classifying credit exposures for both regulatory and reporting purposes, pursuing the substantial alignment between the definition of “default” exposures, disciplined by EBA guidelines on default definition in line with article 178 of Regulation (EU) 575/2013, “impaired” exposures defined by IFRS9 Accounting Standards and non-performing exposures in line with the Implementing Technical Standards issued by the European Banking Authority in 2014.

With reference to impaired exposures (Stage 3) the expected recoverable amount, and therefore the complementary expected credit loss, is a function of the present value of future cash flows expected to be recovered, discounted at the original interest rate.

Therefore, the main determinants of this value are:

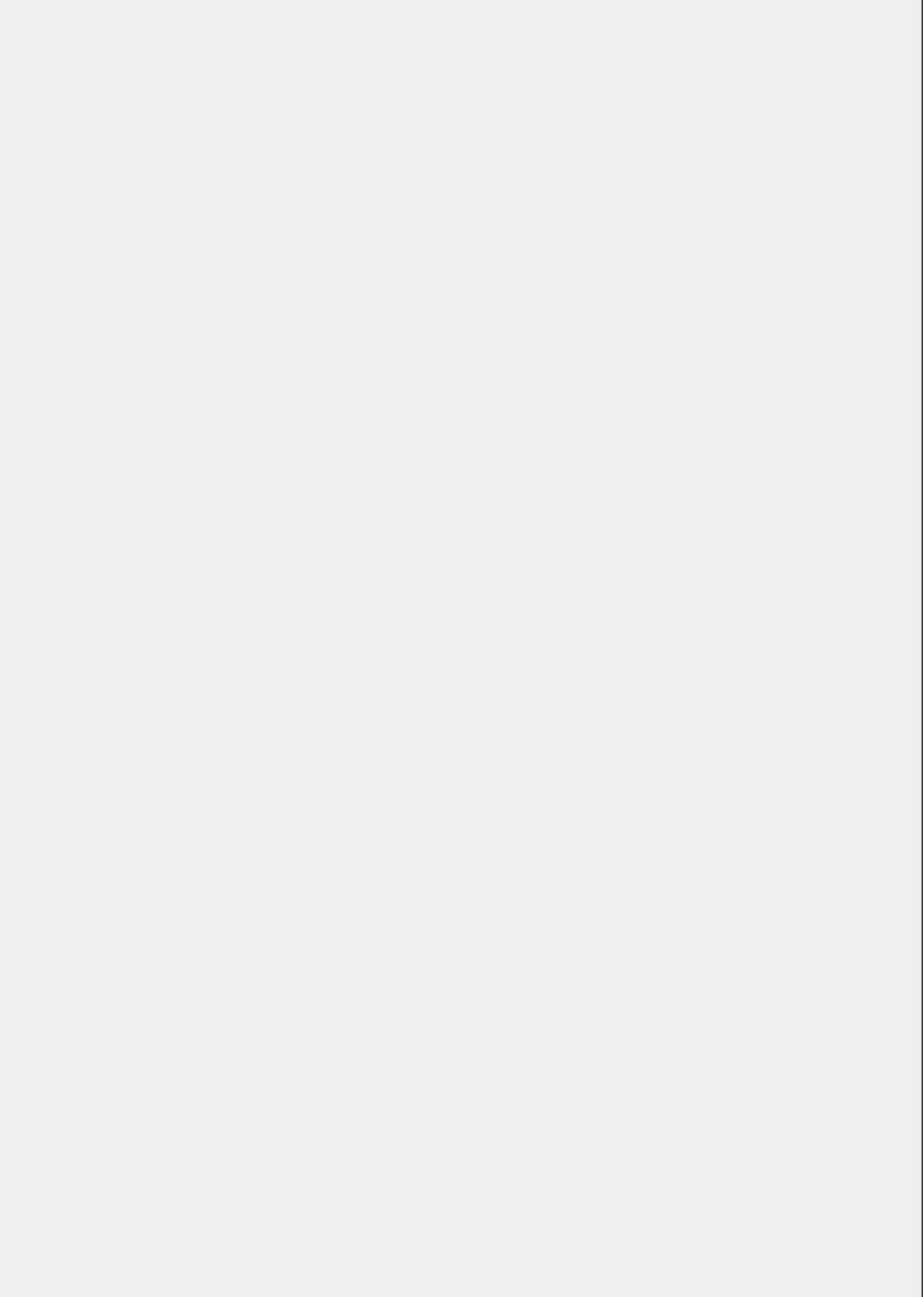
- the expected cash flows;
- the expected timing of payments of these cash flows;
- the effective interest rate used for discounting.

Expected cash flows on defaulted exposures are calculated on an individual basis for individually significant exposures.

Expected cash flows on already defaulted exposures that are not individually significant are calculated either on an individual or a collective basis.

Where a legal entity has several individually significant exposures towards one single counterparty, each loan is individually assessed while also considering the overall position of the counterparty.

Future cash flows must be estimated by considering the historical trend of recovery for exposures having similar credit risk features. The historical trend, in any case, is adjusted so as to embed the current economic environment and the expected economic outlooks.



## Table EU CRD - Qualitative disclosure requirements related to standardised model

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 <sup>1</sup>
Exposures to central governments or central banks	Fitch Ratings Standard and Poor's Rating Services Cerved Rating Agency <sup>2</sup>	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.



## Table EU CRE - Qualitative disclosure requirements related to 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 authorised to use internal estimations of PD, LGD and EAD parameters for Group-wide credit portfolios (for Sovereign and Global Project Finance) and for local credit portfolios of relevant subsidiaries (Corporate and Retail). Considering CRR3 provisions, only PD internal models are used for Banks & Financial Institutions and Multinational Corporate.

Starting from 2025, the revert to Standardised Approach (Permanent Partial Use) has been authorised in UniCredit Bank SA in Romania for all former Group-wide and Local IRB portfolios and in UniCredit Bulbank AD for all former local IRB portfolios. Moreover, starting from July 2025, UniCredit International Bank (Luxembourg) SA is authorised to use the GW Multinational Corporate PD model.

This qualitative information provides the description of the rating systems authorised 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
Institutions		Financial Institutions & Banks (PD)	UCI S.p.A., UCB GmbH, UCBA AG, UCB SLO, UCB BG, UCB CZ & SK, UCB HU
Corporate		Multinational Corporate (PD)	UCI S.p.A., UCB GmbH, UCBA AG, UCB SLO, UCB BG, UCB CZ & SK, UCB HU, AO UCB(*), UCI LUX
		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 HU(*)
		Foreign Small and Medium Sized Enterprises (PD, LGD, EAD)	UCB GmbH
		Income Producing Real Estate (IPRE) (PD, LGD, EAD)	UCB GmbH, UCB CZ & SK
		Income Producing Real Estate (IPRE) (Slotting criteria)	UCI S.p.A., UCBA AG
		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
	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	
Private Individuals (PD, LGD, EAD)		UCB GmbH, UCBA AG, UCB CZ & SK	
Securitisation		Asset Backed Commercial Paper (PD, LGD, EAD)	UCB GmbH

**Notes:**

(\*) These entities are currently authorised 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 FRB approach is for consolidated purposes only.

(\*\*) 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.

**Keywords:**

UCI S.p.A.: UniCredit S.p.A.

UCB GmbH: UniCredit Bank GmbH

UCBA AG: UniCredit Bank Austria AG

UCB CZ & SK: UniCredit Bank Czech Republic and Slovakia a.s.

UCI LUX: UniCredit International Bank (Luxembourg) SA

UCB Slo: UniCredit Banka Slovenija d.d.

UCB BG: UniCredit Bulbank AD

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 a common view of the customer riskiness at Group level.

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.

## Table EU CRE - Qualitative disclosure requirements related to IRB approach

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 Exposure Amounts, 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. The last update has been performed during third quarter of 2025 with respect to the new S&P rating scale.

### Rating Group Master Scale Template

Rating notch	Rating	PD_min	PD_max	S&P proxy rating equivalent
1	1A	0.0000%	0.0257%	AAA,AA+,AA,AA-,A+,A
2	1B	0.0257%	0.0350%	A, A-
3	1C	0.0350%	0.0477%	A-
4	2A	0.0477%	0.0651%	BBB+
5	2B	0.0651%	0.0887%	BBB+
6	2C	0.0887%	0.1208%	BBB+
7	3A	0.1208%	0.1647%	BBB
8	3B	0.1647%	0.2245%	BBB-
9	3C	0.2245%	0.3059%	BBB-
10	4A	0.3059%	0.4170%	BB+
11	4B	0.4170%	0.5683%	BB+
12	4C	0.5683%	0.7746%	BB
13	5A	0.7746%	1.0557%	BB-
14	5B	1.0557%	1.4388%	BB-
15	5C	1.4388%	1.9610%	BB-
16	6A	1.9610%	2.6727%	B+
17	6B	2.6727%	3.6428%	B+, B
18	6C	3.6428%	4.9648%	B
19	7A	4.9648%	6.7667%	B
20	7B	6.7667%	9.225%	B-
21	7C	9.225%	12.5696%	B-
22	8A	12.5696%	17.1314%	B-
23	8B	17.1314%	23.3489%	CCC
24	8C	23.3489%	31.8230%	CCC
25	8D	31.8230%	100.00%	CCC
26	9A	PD = 100% - Past Due		D
27	9B	PD = 100% - Unlikely to pay		D
28	9C	PD = 100% - Unlikely to pay: distressed restructuring		D
29	9D	PD = 100% - Unlikely to pay: sale of credit obligations		D
30	9E	PD = 100% - 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 risk 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 model 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 an improvement of the relevant risk parameters 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.
- 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"

## Table EU CRE - Qualitative disclosure requirements related to IRB approach

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. Risk parameters 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)<sup>32</sup>.
  - 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 is a managerial tool for supporting decision-making process in the management and mitigation of risks. Group Risk Management function performs credit risk reporting at Group/portfolio 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 trend over time, and thus to detect any signals of deterioration at an early stage and, consistently, 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 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.

For more details on the Credit Risk Mitigation techniques, reference is made to the section Table EU CRC - Qualitative disclosure requirements related to CRM techniques.

The Governance framework for the management of IRB rating systems leverages on the presence of the Group Enterprise Risk Management function, within the Risk Management, responsible for guaranteeing at Group level the coordination and steering of the overall 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 legal entities that received the IRB authorization need to establish a validation process of the rating systems as well as an extension of the Internal Audit activities with respect to such systems.

<sup>32</sup> Economic Value Added (EVA), simplified EVA (sEVA), Return on Allocated Capital (ROAC) and Risk Adjusted Credit Efficiency (RACE).

## Table EU CRE - Qualitative disclosure requirements related to IRB approach

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, data quality and IT aspects 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<sup>33</sup>.

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).

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.

<sup>33</sup> Internal Audit is a function independent both from development and validation functions.

## Table EU CRE - Qualitative disclosure requirements related to IRB approach

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.

Concerning the Group-wide (GW) models, Sovereigns and Banks<sup>34</sup> are 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.

<sup>34</sup> While the Group-wide model for Global Project Finance and Multinational Corporate are based on internal defaults.

## Table EU CRE - Qualitative disclosure requirements related to IRB approach

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.

### 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.

### Banks (Institutions)

#### Group-wide models

##### Banks Rating model

The Banks PD model is in production since 2008, for regulatory purposes and internal use, while LGD is currently used for managerial purposes, being the relevant perimeter treated according to FIRB approach as per CRR3 since 2025.

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<sup>35</sup>.

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.

<sup>35</sup> EBA Guidelines on PD estimation, LGD estimation and treatment of defaulted assets (EBA/GL/2017/16) and ECB Guide to Internal Models - February 2024.

## Table EU CRE - Qualitative disclosure requirements related to IRB approach

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 Banks PD model different topics are introduced:

- the enlargement of the scope of application with respect to the previous one since also Authorised 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.

In May 2025, a calibration has been implemented with the aim to address both regulatory requirements and internal findings.

### **Banks' LGD model**

The introduction of CRR3 implemented since January 2025 has led to the decommissioning of the Banks' LGD model, therefore a reversion to Foundation-IRB has been adopted.

### ***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 Group-wide Multinational Corporate rating model (GW MNC) is in production since 2008, for regulatory purposes and internal use, while LGD is currently used for managerial purposes, being the relevant perimeter treated according to FIRB approach as per CRR3 since 2025. A new redevelopment went live in July 2025 after receipt of the ECB authorization.

The new MNC model's application perimeter differs from the existing one since only pure MNC customers and counterparties belonging to other segments that inherit the MNC rating have been considered. In details:

- the model has been extended to UniCredit International Bank (Luxembourg) SA;
- the following portfolios have been excluded: i) Italian Large Corporates "ILC" counterparties and ii) Acquisition and Leveraged Finance "ALF".

## Table EU CRE - Qualitative disclosure requirements related to IRB approach

The main changes performed are related to the following areas:

- Update of perimeter of application (as stated above);
- Review of both Quantitative and Qualitative modules for all Multinational as well as their integration step;
- A new country risk framework has been defined which involves the introduction of specific country risk;
- Review of the Transfer Risk component (TR);
- Revision of "Group Support" component a specific questionnaire envisaging a positive and negative support;
- Introduction of "Government Support" component by envisaging both a positive and negative support through a specific questionnaire;
- Change in internal rating scale considering Group default experience instead of Standard & Poor's Empirical Default Rates (EDR) history;
- Review of calibration methodology by adopting a calibration based on Group default data;
- Estimation of Margins of Conservatism to cover data quality issues, model deficiencies and uncertainty stemming from underlying data or from potential estimation errors;
- Revision of Corporate Treasury and Vehicle Funding (CTFV) sub-model passing from a single model to a group logic rule, since a CTFV counterpart is strongly dependent from its MNC sponsor.

### Multinational Corporate LGD model

The introduction of the CRR3 implemented since January 2025 has led to the decommissioning of the multinational corporate LGD model therefore a reversion to Foundation-IRB has been adopted.

### 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 and latest recalibration was implemented in May 2021.

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, incorporating also the local project finance transactions through the removal of the €20 million threshold, 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 counterparties, is based on the historical internal and external project finance LGD evidence.

The current version of the LGD model was implemented in 2011 and recalibrated in May 2021.

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 for the revert to F-IRB has been submitted to ECB for approval and currently under assessment of the Supervisory Authority.

### Group-wide EAD model

The introduction of the CRR3 implemented since January 2025 has led to the reduction of the scope of application, either due to a migration of exposures to less sophisticated approaches for the exposures assigned to counterparties belonging to Banks & Financial Institution and Multinational Corporate rating systems which was subject to the treatment of F-IRB approach, for regulatory capital computation in accordance with CRR art. 151.8) or due to a modification of the assignment of exposures to exposure classes (i.e. CRR art. 166.8 specifying that STD CCFs shall be used for all other off-balance-sheet items, in particular undrawn non-revolving commitments and contingent liabilities (for product families (banking credit exposures with predefined maturity and without credit limit to be drawn)/(Leasing exposures)/(and short-term letters of credit arising from the movement of goods). Therefore, for the aforementioned rating systems a reversion to the use of less sophisticated approach from Advanced-IRB to Foundation-IRB and Standardised approach has been adopted.

The GW EAD model is in production since 2010, a new version of the model has been implemented in 2021 and recalibration in February 2023. The segmentation of the EAD model 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.

## Table EU CRE - Qualitative disclosure requirements related to IRB approach

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.

### **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 €500 million.

In 2019 the model has been subject to a revision 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) which includes Italian companies with an operating revenue between €250 million and €500 million. Moreover, Real Estate counterparties (not classified as IPRE) were carved-out from the scope of application of the RIC model and included into a dedicated Real Estate model (reference is made to the paragraph "Real Estate Rating model" in this section).

In May 2024 a calibration of the model has been implemented with updated time-series.

The structure of the rating system consists of three basic modules (each differentiated based on the macro-segments covered by the RIC model), 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 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 model has been updated according to CRR overcoming the technical past due treatment.

#### **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

## Table EU CRE - Qualitative disclosure requirements related to IRB approach

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 2025, a recalibration with the extension of the historical time series up to December 2023 has been implemented.

### 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. The latest redevelopment has been 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<sup>36</sup>, RIC, Real Estate and Italian Large Corporate segments and excluding portfolios treated with dedicated models (e.g. Global Project Finance, Income Producing Real Estate).

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 the LGD Corporates Model while they were in scope of LGD Individuals Model.

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 March 2025, the scope of application of the LGD Enterprises model of UniCredit SpA has been amended and implemented to reflect the revert to F-IRB approach for (i) Real Estate companies with turnover higher than €500 million (ii) Financial Companies falling under Corporate Exposure Class and (iii) Enterprises belonging to a Multinational Group.

### Italian Corporate EAD model

The development activities on EAD model for Corporates segment will start 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.

<sup>36</sup> 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).

## Table EU CRE - Qualitative disclosure requirements related to IRB approach

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.

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 2025, a recalibration with the extension of the historical time series up to December 2024 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 authorised 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.

In March 2025, a recalibration of the Mid corporate PD Model with the extension of the historical time series up to December 2023 has been implemented, including Corporate-to-Corporate partners (descoped from the Acquisition and Leveraged Finance Rating). Moreover, calibration segments have been enhanced to consider a separate segment for rating recipients within a full liability Group link receiving a flat PD on stand-alone. Considering CRR framework, the scope of application of PD Mid corporate has been amended due to a migration of exposures to less sophisticated approaches or due to a modification of the assignment of exposures to exposure classes on the perimeter. In more details, there has been the decommissioning of PD/LGD Equity Method pursuant to CRR art. 165.

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 authorised 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.

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.

## Table EU CRE - Qualitative disclosure requirements related to IRB approach

In March 2025, a recalibration of the FSME PD Model with the extension of the historical time series up to December 2023 has been implemented, within this change scope of local IRB Model for FSME PD to include Corporate-to-Corporate partners that are going to be descope from the Acquisition and Leveraged Finance Rating. Moreover, calibration segments enhanced to consider a separate segment for rating recipients within a full liability Group link receiving a flat PD on stand-alone. In Addition, the scope of application of PD FSME has been reduced and implemented, either due to a migration of exposures to less sophisticated approaches or due to a modification of the assignment of exposures to exposure classes on the perimeter. In more details, there has been the decommissioning of PD/LGD Equity Method pursuant to CRR art. 165.

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 (e.g. to CREF customers with an approval limit below €50 thousand).

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.

In March 2025, the scope of application of PD CREF has been reduced and implemented, ensuring the exclusion of equity exposures, either due to a migration of exposures to less sophisticated approaches or due to a modification of the assignment of exposures to exposure classes on the perimeter. In more details, there has been the decommissioning of PD/LGD Equity Method pursuant to CRR art. 165.

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.

## Table EU CRE - Qualitative disclosure requirements related to IRB approach

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.

In January 2025, ECB agreed with descoping of Corporate-to-Corporate (C2C) Acquisitions from ALF rating and their incorporation in suitable corporate ratings. The scope of Mid-Corporate PD Model and FSME PD Model were already enhanced in March 2025 with these corporates.

In March 2025, the scope of application of PD ALF has been reduced and implemented, ensuring the exclusion of equity exposures, either due to a migration of exposures to less sophisticated approaches or due to a modification of the assignment of exposures to exposure classes on the perimeter. In more details, there has been the decommissioning of PD/LGD Equity Method pursuant to CRR art. 165.

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<sup>37</sup>;
- a qualitative assessment of e.g. quality of the management, contractual design or review of customer relationship.

For this model, 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.

In March 2025, the scope of application of PD IPRE has been reduced and implemented, ensuring the exclusion of equity exposures, either due to a migration of exposures to less sophisticated approaches or due to a modification of the assignment of exposures to exposure classes on the perimeter. In more details, there has been the decommissioning of PD/LGD Equity Method pursuant to CRR art. 165.

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).

<sup>37</sup> 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.

## Table EU CRE - Qualitative disclosure requirements related to IRB approach

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.

In March 2025, the scope of application of PD Wind has been reduced and implemented, ensuring the exclusion of equity exposures, either due to a migration of exposures to less sophisticated approaches or due to a modification of the assignment of exposures to exposure classes on UniCredit Bank GmbH (UCB GmbH) perimeter. In more details, there has been the decommissioning of PD/LGD Equity Method pursuant to CRR art. 165 and therefore a scope reduction of the model perimeter is necessary also for Wind.

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

A re-developed LGD model 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.

## Table EU CRE - Qualitative disclosure requirements related to IRB approach

In March 2025, the LGD model scope of application has been reduced and implemented, either due to a migration of exposures to less sophisticated approaches or due to a modification of the assignment of exposures to exposure classes on the perimeter. In details:

- Revert to FIRB of Multinational Companies and Banks: the local LGD model components related to Haircut and LGD Secured applied on collaterals supporting MNC and Banks exposures;
- Revert to F-IRB of below segments: i) ALF customers with a turnover > €500 million; ii) CREF customers with a turnover > €500 million; Financial Entities belonging to the corporate asset class; iii) Recipients of local segments (MIT, SBC, CREF) consolidated under a MNC or CRE > €500 million turnover sponsor.

### 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 Gro Group-wide up 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.

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.

In March 2025, the EAD model scope of application has been reduced and implemented, either due to a migration of exposures to less sophisticated approaches or due to a modification of the assignment of exposures to exposure classes on the perimeter. In details:

- Revert to SA-CCF of the non-revolving undrawn commitments and contingent liabilities: these products are already segregated into separated segments i.e product type (except for a minor component of on the revolving lines, with immaterial number of historical observations in historical data).
- Revert to FIRB of below segments: i) ALF customers with a turnover > €500 million; ii) CREF customers with a turnover > €500 million; iii) Financial Entities belonging to the corporate asset class; iv) Recipients of local segments (MIT, SBC, CREF) consolidated under a MNC or CREF > €500 million turnover sponsor.

### 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.

## Table EU CRE - Qualitative disclosure requirements related to IRB approach

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 automatized 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.

In March 2025, the Mid Corporate PD model scope of application has been reduced and implemented, either due to a migration of exposures to less sophisticated approaches or due to a modification of the assignment of exposures to exposure classes on UniCredit Bank Austria AG perimeter. In details, there has been the decommissioning of PD/LGD Equity Method pursuant to CRR art. 165.

### **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.

## Table EU CRE - Qualitative disclosure requirements related to IRB approach

In March 2025, the RECR PD model scope of application has been reduced and implemented, either due to a migration of exposures to less sophisticated approaches or due to a modification of the assignment of exposures to exposure classes on UniCredit Bank Austria AG perimeter. In details, there has been the decommissioning of PD/LGD Equity Method pursuant to CRR art. 165.

### 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;
- 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.

## Table EU CRE - Qualitative disclosure requirements related to IRB approach

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.

In March 2025, the LGD model scope of application has been reduced and implemented either due to a migration of exposures to less sophisticated approaches or due to a modification of the assignment of exposures to exposure classes on the perimeter. In details:

- based on CRR3 article 151.8, Multinational Companies and Banks (falling in UniCredit within the related Group-wide rating systems) shall be treated under the F-IRB approach starting from January 2025 with the entrance in force of the CRR3. Therefore, the local LGD model will not be applied anymore on these Group-wide customers;
- the following customers shall be treated under the F-IRB approach: i) RECR customers with a turnover > €500 million; ii) Financial Entities belonging to Corporate Asset Class; iii) Customers in the local segments such as Mid-Co/SB/RECR which are rating recipient consolidated under Sponsor Group-wide multinational or RECR customers with a turnover > €500 million including Full liability rating groups, restricted rating groups and economic link only.

### Local Austria portfolios EAD model

A redevelopment of the EAD model has been performed and authorised by the Supervisory Authority and has been implemented in March 2025.

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;
- allocated maximum credit limit;
- currency (EUR or non-EUR).

The estimated parameters are as follows:

- 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.

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 March 2025, the EAD model scope of application has been reduced and implemented. In details, based CRR3 articles 151.7, 151.8 and 166/8b Non-Revolving products (one time credits (BCE2) and endorsements (END)) revert to SA-CCF and the local EAD model is not applied anymore. These products are already segregated in separated sub-models therefore there is no impact at the revolving products (BCE1).

Additionally, to the products mentioned above the following customers according to CRR article 142 is treated under the F-IRB approach; i) RECR customers with a turnover > €500 million; ii) Financial Entities belonging to Corporate Asset Class Customers in the local segments such as Mid-Co/SB/RECR which are rating recipient consolidated under Sponsor Group-wide multinational customers, or RECR customers with a turnover > €500 million including full liability rating groups, restricted rating groups and economic link only.

### Local Models Central and Eastern European Countries

With reference to the Group perimeter in the Central and Eastern Europe (CEE) area, the Group was authorised 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 authorised 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 authorised starting from July 2016.

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

Starting from 2025, the revert to Standardised Approach (Permanent Partial Use) has been authorised in UniCredit Bank SA in Romania for all former Group-wide and Local IRB portfolios and in UniCredit Bulbank AD for all former local IRB portfolios.

## Table EU CRE - Qualitative disclosure requirements related to IRB approach

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)	UCB HU

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 authorised local models have been maintained for the treatment of exposures respectively in Czech Republic and Slovakia.

UCB CZ&SK was authorised 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 authorised 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 authorised internal model CZ PD Leasing (submission in September 2019), authorised 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;
- 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. The last recalibration on the new model with the extension of the time series up to 2024 is implemented since November 2025;
- 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. The last recalibration on the new model with the extension of the time series up to 2023 is implemented since June 2025;
- 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. In March 2025, the EAD scope of application has been reduced and implemented considering the CRR3 requirements. In more details, the following exposure types are excluded: i) Work in progress Mortgages (BCE2); ii) Short term letters of credit arising from the movement of goods (END\_LOC); iii) Purchased Receivables (PR) non-revolving, BCE2 and END\_LOC product families are fully segregated into dedicate sub-models, thus not affecting the other types of exposures. For PR product family fall-back solution is applied due to low number of observation, thus exclusion of not revolving cases does not affect the estimates;
- a unique PD model for CZ and SK Small Business, to replace the two separate models, implemented since November 2023. The last recalibration on the new model with the extension of the time series up to 2023 is implemented since June 2025;
- a unique LGD model for both CZ and SK portfolios with the aim to replace several separate models, is implemented since August 2024. In March 2025, the LGD scope of application has been reduced and implemented considering the CRR3 requirements. In more details, with respect to the scope of EAD and LGD model's existing AIRB perimeter the following specific client types are excluded: i)- Financial Institutions falling under

## Table EU CRE - Qualitative disclosure requirements related to IRB approach

Corporate Asset Class; ii) Corporate Real Estate customers above €500 million turnover; iii) Local Corporate Recipient that belongs to MNC /Corporate Real Estate customers above €500 million turnover Sponsors under the group juridical link Full Liability, Restricted Rating Group and No Link.

### **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.

A material model change on PD Mid Corporate has been performed and submitted to the Supervisory Authority for approval in April 2025 and it's currently under the assessment of ECB.

### **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 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;
  - 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.

## Table EU CRE - Qualitative disclosure requirements related to IRB approach

In July 2025, a recalibration with the extension of the historical time series up to December 2023 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

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;
- forbome 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.

### 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).

## Table EU CRE - Qualitative disclosure requirements related to IRB approach

The main changes regard:

- the Definition of Default, in force starting from 2021;
- the compliance to the 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.

In March 2025, a change on the EAD RIP One of UniCredit SpA scope of application has been amended and implemented to reflect the revert to SA-CCFs for the not revolving undrawn commitment exposures (basically represented by work-in-progress mortgage). In the model such exposures are segregated with a dedicated sub-model and as such the model scope reduction is considered neutral in terms of modelling approach and model performance.

### 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.

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.

## Table EU CRE - Qualitative disclosure requirements related to IRB approach

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 unauthorised 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.

In March 2025, the scope of application of PD Small Business has been reduced and implemented, ensuring the exclusion of equity exposures, either due to a migration of exposures to less sophisticated approaches or due to a modification of the assignment of exposures to exposure classes on the perimeter. In more details, there has been the decommissioning of PD/LGD Equity Method pursuant to CRR art. 165.

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 customer 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.

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.

In March 2025, the Small Business PD model scope of application has been reduced and implemented, either due to a migration of exposures to less sophisticated approaches or due to a modification of the assignment of exposures to exposure classes on the perimeter. In details, there has been the decommissioning of PD/LGD Equity Method pursuant to CRR art. 165.

## Table EU CRE - Qualitative disclosure requirements related to IRB approach

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.

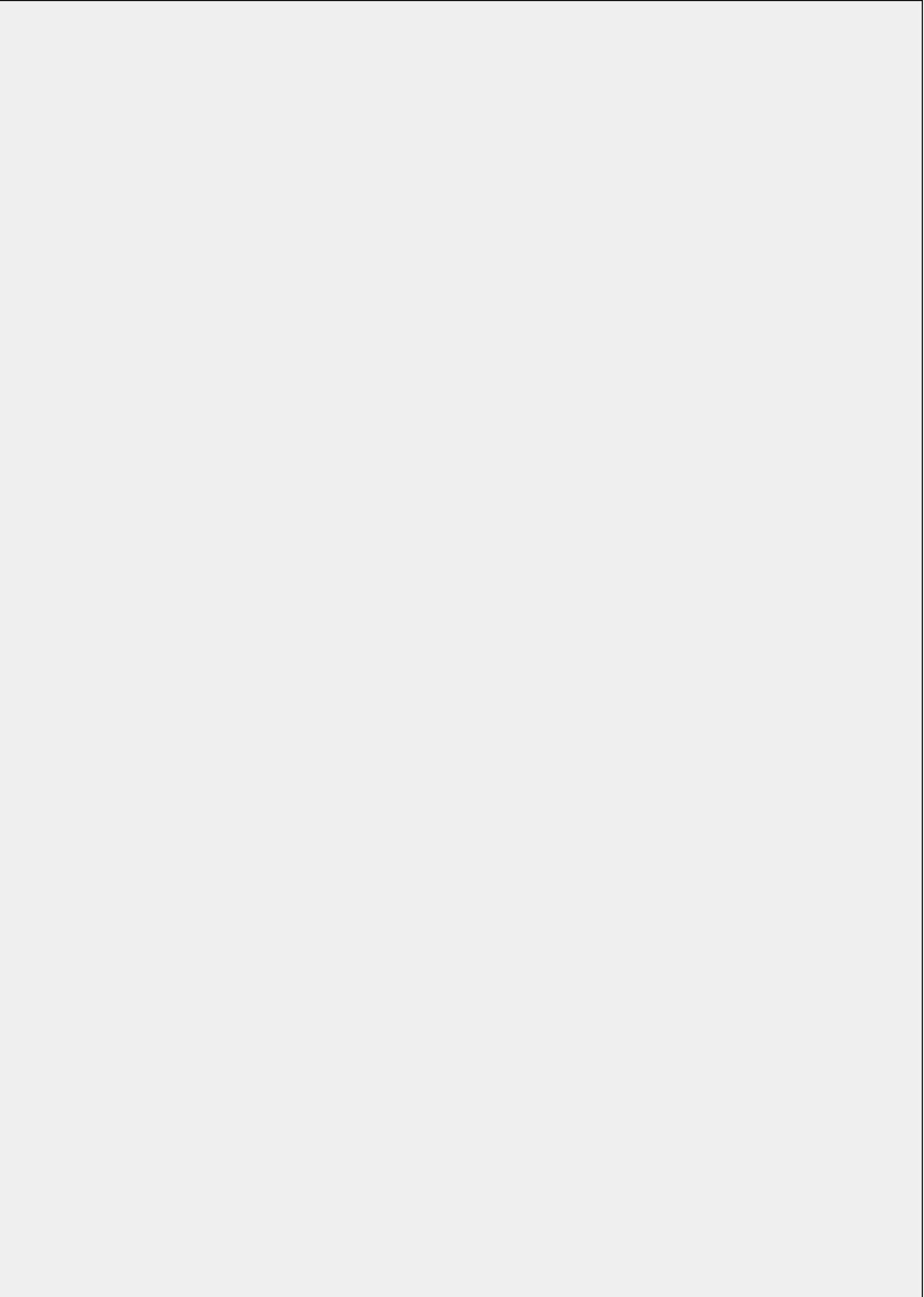
Regarding to the LGD/EAD model see as described in paragraphs "Local Austrian portfolios LGD model" and "Local Austrian portfolios EAD model".

### **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 "Table EU SECA - Qualitative disclosure requirements related to securitisation exposures".



## Table EU CRC - Qualitative disclosure requirements related to CRM techniques

UniCredit group uses various credit risk mitigation techniques to reduce potential credit losses in case of the obligor default. Consistent with the CRR, UniCredit group is firmly committed to satisfy the requirements for the correct application of credit risk mitigation techniques, according to the different approaches adopted Standardised, Foundation IRB (F-IRB) or Advanced IRB (A-IRB), for both operational and regulatory purposes.

Specific Group guidelines are in force, issued by the Parent Company, including the Global Credit Risk Mitigation Policy (CRM), defining group-wide rules and principles with the aim to steer the credit risk mitigation management, in accordance with the relevant regulatory requirements.

Group legal entities have integrated these guidelines by adopting local regulations that specify processes, strategies, and procedures for collateral management. In particular, such internal regulations detail, according to each country's local legal system, collateral eligibility, acquisition, valuation and monitoring rules and ensure, the soundness, legal enforceability and timely liquidation of valuable collateral.

Group legal entities are responsible for managing collateral and verifying the compliance of risk mitigation techniques with regulatory requirements, with a particular focus on Internal Rating System applications, in order to assess the presence of adequate documentation and procedure concerning the credit risk mitigation instruments used for supervisory capital.

According to the credit policies, collaterals or guarantees can be accepted to support loans but cannot serve as a substitute for the borrower's ability to meet its obligations. For this reason, in addition to the overall analysis of the borrowers' credit worthiness and of his repayment capacity, collaterals are subject to specific assessment with the aim to verify their viability to support the repayment of the exposure<sup>38</sup>.

Collaterals accepted in support of credit lines granted by the legal entities, primarily include:

- real estate, both residential and commercial;
- financial collateral, including cash deposits, debt securities, equities, and units of Undertakings for Collective Investment in Transferable Securities (UCITS).

Other types of collateral are envisaged, including insurance policies and pledged goods or pledged loans (the latter are less common).

UniCredit group also makes use, between funded credit protection, of bilateral netting agreements regarding OTC derivatives (by means of ISDA and CSA agreements), repos and securities lending transactions where the counterparties are, generally, financial institutions.

In relation to personal guarantees, their use is widespread within UniCredit group, though their characteristics differ among the different local markets; they can be accepted as complementary and accessory to the granting of loans.

Personal guarantees can be provided by banks, government, central banks and other public entities and others. The last category includes the personal guarantees provided by natural persons, whose eligibility for CRM depends on the approach used by the different legal entities.

In case the guarantee is represented by credit derivatives, the protection providers are mainly banks and institutional counterparties. As already highlighted, the list of eligible protection providers depends on the specific approach adopted by each single legal entity. Specifically:

- both the standardised approach and the F-IRB approach, eligible protection providers pertain to a restricted list of counterparts, such as central government and central banks, public sector entities and regional and local authorities, multilateral development banks, supervised institutions and corporate entities that have a credit assessment by an eligible ECAI;
- under A-IRB approach, for the recognition of guarantees in the calculation of capital requirements, in addition to verify that the relevant minimum requirements are satisfied, the legal entity can evaluate the protection provider risk profile, through an internal rating system, at the time the guarantee is provided and over its entire duration.

The management system of credit risk mitigation techniques is embedded in the credit approval process and in the credit risk monitoring process, to support the evaluation and data quality checks of collaterals/guarantees and their linking to the defined categories. Controls and related responsibilities are duly formalised and documented in internal rules. Furthermore, processes are implemented to control relevant information regarding the identification and evaluation of the credit protection and for their proper registration in the system.

In the collateral acquisition phase, UniCredit group emphasises the importance of processes and controls of the legal certainty requirements of the protection, as well as the assessment of the suitability of the collateral or guarantee. In case of personal guarantees, the protection provider (or the protection seller in case of credit default swap) has to be assessed in order to measure his/her credit worthiness and risk profile.

monitoring processes of credit risk mitigation techniques ensure that general and specific requirements set by credit policies, internal and regulatory rules are met over time.

Among such processes it is pointed out that one connected to concentration risk, which occurs when the major part of group-wide collateral financial assets (at portfolio level) is concentrated in a small number of collateral types, protection instruments, or specific providers of collaterals.

Such concentration is monitored and controlled by the following processes/mechanisms:

- in case of personal guarantees/credit derivatives, a contingent liability (indirect risk) is charged to the protection provider. In the evaluation of the credit application, a secondary commitment is added to the guarantor, and it is reflected in the guarantor's total credit exposure as deemed competent and approved in accordance with the internal authority system of each Group legal entity;
- in case the protection provider, directly or indirectly, is a Central Bank or a Sovereign country, a specific credit limit has to be instructed; if the guarantor is a foreign subject, it is necessary to evaluate, case by case, the definition of a country limit.

<sup>38</sup> Except for "asset-based" loans, which identify the primary source of repayment in the collateral supporting the loan in preference to the borrower's cash flow/income, which is usually the source of income to be considered for borrower valuation purposes.



## Table EU CCRA - Qualitative disclosure related to CCR

### **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 in to 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 Exposure Amount 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.

## Table EU CCRA - Qualitative disclosure related to CCR

In March 2019 UniCredit received the Regulatory authorization to extend for 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 CRR 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 mentioned, 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.

## Table EU CCRA - Qualitative disclosure related to CCR

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.

## Table EU CCRA - Qualitative disclosure related to CCR

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.



## Table EU MRA - Qualitative disclosure requirements related to market risk

Market risk derives from the effect that changes in market variables (interest rates, securities prices, exchange rates, etc.) can cause to the economic value of the Group's portfolio, including the assets held both in the trading book, as well as those posted in the banking book, which involve both the operations typical of the commercial banking and in the choice of strategic investments. Market risk management within UniCredit group accordingly includes all the activities relating to cash transactions and capital structure management, both for the Parent Company, as well as for the individual entities of the Group.

From a regulatory perspective, market risk stems from all the positions included in Banks' trading book as well as from commodity and foreign exchange risk positions in the whole balance sheet. Therefore, the risks subject to market risk capital requirements include but are not limited to:

- default risk, interest rate risk, credit spread risk, equity risk, foreign exchange (FX) risk and commodities risk for trading book instruments;
- FX risk and commodities risk for banking book instruments.

From a managerial perspective, the Group extends the definition of Market risk to include Fair value through Profit and Loss (i.e., FVTPL) and Other Comprehensive Income (i.e., FVOCI assets, net of Micro Fair Value Hedges) portfolios, which are therefore monitored and limited through a set of market-risk specific metrics.

Amortised Cost (AC) securities are also included in the scope with the aim to check the consistency with the Investment Plan.

The current organisational model guarantees the ability to steer, coordinate and control the activities of some aggregated risks (so-called Portfolio Risks), through dedicated responsibility centers (Portfolio Risk Managers), completely focused and specialised on such risks, under a Group and inter-divisional perspective. According to this organisation, the structure at first level of reporting to "Group Risk Management", dedicated to market risk governance is the "Group Financial Risk" department.

### **Risk management strategies/processes and hedging policies and risk mitigation**

The Parent Company's Board of Directors lays down strategic guidelines for taking on market risks by calculating capital allocation for the Parent Company and its subsidiaries, depending on risk appetite and value creation objectives in proportion to the risks assumed. The Parent Company has defined Global Rules to manage and control market risk, including strategies and processes to be followed. Market risk strategies are set by the Parent Company at least on an annual basis, in line with the definition of the overall Group Risk appetite and then cascaded to the legal entities. Market risk appetite is also fundamental for the development of the Group's business strategy, ensuring the consistency between the budgeted revenues and the setting of Value-at-Risk limits.

In this context, on an annual basis Market risk management function of the Parent Company agrees with the local Market risk functions possible changes to the Group market risk framework. Changes to the Group market risk framework can include changes to the perimeter for the calculation of managerial market risk metrics and methodological changes in the limit monitoring framework.

For this purpose, Market risk management of the Parent Company gathers the information needed to set up the Group market risk strategy for the following year. In particular, Group Market risk management receives from the competent function the Group Risk Appetite Framework, which sets, among others, market risk KPIs and from local Market risk functions the list of legal entities (LEs)/business lines allowed to assume market risk exposures, the severities of the related limits and the proposals for the review of market risk levels.

Based on these inputs, the Group market risk strategy is defined including the following information:

- the proposed Market Risk Takers Map;
- limits and Warning Levels (WLs) proposal in accordance with the proposed Market Risk Takers Map;
- any change occurred to the risk limit framework compared to the previous year;
- overview on the macroeconomic scenario and related risks for the Group;
- Market Risk RAF KPIs;
- the business strategy and key initiatives to support the limit proposal.

After that all the Group relevant Bodies have approved the Group market risk strategy and given the relevant NBOs for local market risk limits, the approval is communicated to the local functions.

In terms of monitoring, the legal entities carry out periodical activities (e.g., daily monitoring of VaR, weekly monitoring of Regulatory VaR, IRC and SVaR, monthly monitoring of Stress Test Warning Level) under the coordination of the Parent Company Market Risk Management function and the breaches are timely escalated locally to Senior Management and to the Parent Company.

Ultimately, it has to be highlighted that detailed Global Rules on market risk strategy definition, limits setting, monitoring, escalation and reporting activities are in place and applied at Group level.

The financial instruments (an asset or a liability, cash, or derivative) held by the Group are exposed to changes over time driven by moves of market risk factors. The market risk factors are classified in the following five standard market risk asset classes:

- Credit risk: the risk that the value of the instrument decreases due to credit spreads changes, issuer correlation and recovery rates;
- Equity risk: the risk that the value of the instrument decreases due to increase/decrease of index/stock prices, equity volatilities, implied correlation;

## Table EU MRA - Qualitative disclosure requirements related to market risk

- Interest rate risk: the risk that the value of the instrument decreases due to interest rates changes, basis risk, interest rates volatility;
- Currency risk: the risk that the value of the instrument decreases due to foreign exchange rates changes, foreign exchange rates volatility;
- Commodity risk: the risk that the value of the instrument decreases due to changes of the commodity prices, for example gold, crude oil, commodity prices volatility.

Market risk in UniCredit group is measured and limited mainly through two sets of metrics: Broad market risk measures and Granular market risk measures:

- **Broad market risk measures:** these measures are meant to set a boundary to the regulatory capital absorption and to the economic loss accepted for FVtOCI and/or FVtPL exposures. Limitations on Broad market risk measures must be reviewed at least annually in the context of the drafting of the Group and Local market risk strategies and must be consistent with assigned budget of revenues, the defined risk-taking capacity (ICAAP process) and Group Risk Appetite KPIs. The set of all limitations on Broad market risk measures assigned to a specific market risk taker must be consistent with each other. The consistency must be checked whenever a level for a Broad market risk measures is defined. The legal entity Market risk function needs to provide evidence of such consistency when required. Broad market risk measures are:

- Value at Risk (VaR), the potential 1-day loss in value of a portfolio for a 99% single-tail confidence interval; calculated through historical simulation in full revaluation using the last 250 equally weighted daily observations;
- Stressed VaR (SVaR), the VaR of a portfolio calculated using a 250-day period of significant financial stress;
- Incremental Risk Charge (IRC), the amount of regulatory capital aimed at addressing the credit shortcomings (migration and default risks) that can affect a portfolio in one year at a 99.9% confidence level;
- 60 days PL, set as the 60 calendar days rolling period Accumulated Economic P&L without resetting at year end; the limitation on this metric is called Loss Warning Level (LWL);
- Worst Stress test result, defined as the worst conditional loss on a given portfolio resulting from the application of a predefined set of scenarios; the limitation on this metrics is called Stress Test Warning Level (STWL); for all STWL included in the Market Risk Taker Maps, Parent Company monitoring is based on the set of scenarios defined in the Group market risk strategy; legal entities are allowed to add specific scenarios for local monitoring purposes.

The Group has undertaken a progressive review of Market risk measure scope and, starting from 2019, Warning Levels for 60 days PL and Worst Stress test result have been defined on FVtPL and FVtOCI perimeters;

- **Granular market risk measures:** these measures allow a more detailed and stringent control of risk exposures than Broad Market Risk measures. Limitations on Granular market risk measures (so-called Granular Market Limits, GMLs) are specific limits to individual risk factors or group of risk factors:
  - sensitivity levels, which represent the change in the market value of a financial instrument due to small moves of the relevant market risk asset classes/factors. Among others, and not limited to, particularly relevant considering the asset and liability structure of the commercial Bank are the Basis Point Value Sensitivity, that measures the change in the present value of the interest rate sensitive positions resulting from a 1 bp parallel shift to interest rate, and the Credit Point Value Sensitivity, that measures the change in the present value of the credit risk sensitive positions resulting from a 1 bp parallel shift to credit spread (per issuer, rating or industry);
  - stress scenario levels, which represent the change in the market value of a financial instrument due to large moves of the relevant market risk asset classes/factors;
  - nominal levels, which are based on the notional value of the exposure.

The main objectives of Granular market limits are:

- supporting the management of market risk;
- ensuring desk's focus to exposure under their mandate;
- restricting risk concentration, i.e., preventing the build-up of positions that, although consistent with allocated VaR limits, could become unmanageable in case of turmoil or in case of reduced market liquidity;
- complementing VaR when it does not cover sufficiently a specific risk factor;
- facilitating interaction with traders, who manage their books according to sensitivities or scenario analysis;
- limiting P&L volatility due to a specific risk factor;
- complementing the compliance framework (e.g., Volcker rule and the German Trennbanken Act).

The Granular market limits must be consistent with limitations on Broad market risk measures.

To also cover Amortised Cost securities, the Market risk strategy defines notional and CPV granular limits on regulatory banking book perimeter. This ensures the monitoring of credit spread risk in the banking book, which originates mainly from government bond portfolios held for liquidity purposes. The main credit spread exposure relates to Italian sovereign risk in the Italian perimeter.

As for banking book FX risk, the FX Management & Control Global Policy in force requires every legal entity to setup local processes and controls to transfer the transactional exchange risk exposures to one single unit, generally in the Treasury department, mandated to manage the open exposure within the allotted limits and the general market risk appetite.

Finally, the Group is exposed to FX risk in relation to the holding of subsidiaries, associates and joint ventures presenting their financial statements in currencies different than EUR (Structural FX Risk). To limit the impacts of the FX rates movements on the Capital ratios volatility, a RAF KPI on Structural FX risk is set at Group level to identify an appropriate level of risk the Group is willing to maintain and thresholds that in case of breaches require the activation of the proper escalation mechanisms.

## Table EU MRA - Qualitative disclosure requirements related to market risk

Group risk management strategy could envisage the steering of the FX risk exposure in the legal entities or the booking in the Holding of positions deliberately taken to hedge the Total capital ratio from FX volatility. On a yearly basis, this strategy is presented to the relevant Group committees and approved by the BoD. The potential losses deriving from the implemented strategy are limited through the market risk metrics. The general policy is to hedge the foreign currency exposures from dividends and contributions to consolidate profit (loss) considering hedging cost and market circumstances. The FX exposure is hedged using forwards and options. This general rule is valid for the Parent Company. The hedge strategy is reviewed by the relevant risk committees on a regular basis.

The mitigation of trading book risk is performed through the market risk strategy, where broad and granular limits are defined. The effective limit utilisation is provided to "Group Financial and Credit Risks Committee" (through the Market Risk Overview report) and related breaches are escalated to the competent body, according to the severity assigned by the Market risk strategy. The escalation process is ruled by the Global Policy "Group Market Risk Governance Guidelines" which defines the nature of the various thresholds/limits applied, as well as the relevant bodies to be involved establishing the most appropriate course of action to restore exposure within the approved limits.

A set of risk indicators is also provided to the Group Executive Committee (and subsequently to the Internal Control & Risk Committee and to the Board of Directors) on a quarterly basis through the Group Risk Appetite Framework (RAF) and Integrated Risk Report (IRR).

If required, focus is provided to relevant committees on the activity of a specific business line/desk to ensure the highest level of understanding and discussion of the risks in certain areas which are deemed to deserve particular attention.

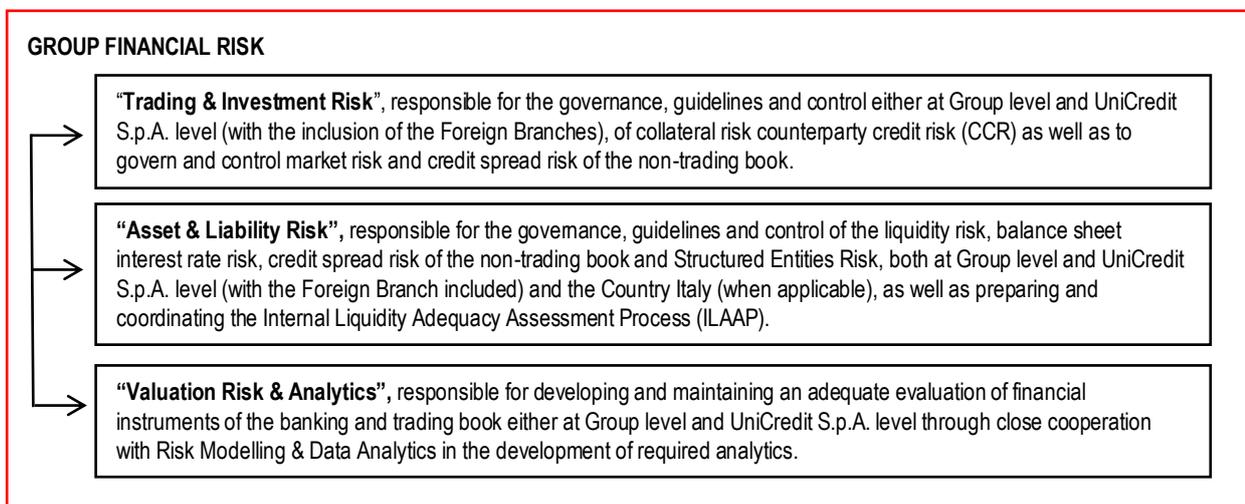
### Structure and organisation

The Group Financial Risk department is responsible for the governance and control and for evaluating the exposure of financial risk of the Group through the definition of the framework in close coordination with the Methodology function in Enterprise Risk Management. The structure is also responsible for defining strategies to be submitted to the competent functions/Bodies in order to mitigate such risks and containing the related losses and risk weighted assets as well as for setting their continual and independent monitoring and controlling.

Furthermore, it ensures that the control activities of the risk in charge of the UniCredit S.p.A. Foreign Branches are monitored and reported to the Group Risk Officer and to the Top Management.

Finally, the structure governs the Group activities aimed at ensuring the independent control of the process and on the Front Office relevant parameters, for the fair value calculation.

The structure breaks down as follows:



The relevant Committees of reference are:

- Group Financial and Credit Risks Committee (GFRC) - Market Risk session;
- Group Executive Committee (GEC) - Risk Session.

The "Group Financial and Credit Risks Committee (GFRC) - Market Risk session" meets monthly and is responsible for approving strategies, policies and methodologies for Market, Counterparty and non-trading book Credit Spread Risks and for the monitoring of risks, with the aim to optimize the usage of financial resources (e.g., capital) in coherence with Risk Appetite and Business Strategies. It is also responsible for evaluating the impact of transactions significantly affecting the overall market risk portfolio profile.

## Table EU MRA - Qualitative disclosure requirements related to market risk

The “Group Executive Committee (GEC) - Risk Session” which has approval as well as consulting and proposal functions, meets monthly and aims at supporting the CEO in its role of steering, coordinating and monitoring all categories of risks (included compliance risk), managing and overseeing the internal control system also at a Group level, as well as discussing and approving strategic risk topics such as Group Risk Appetite Framework, ICAAP, ILAAP, SREP, NPE strategy coherently with the overall risk profile defined by RAF and the steering of Environmental, Social and Governance (ESG) including Climate & Environmental Risks (i.e. transition and physical risk).

### **Risk measurement and reporting systems**

UniCredit group continued to improve and consolidate market risk models to properly measure, represent and control the Group risk profile, reflecting these changes in the reporting activity. As regards market risk measurements, further details are reported in the paragraph “Internal model for price, interest rate and exchange rate risk of the regulatory trading book” in the Table EU MRB, while for both monthly and daily reporting process, Global Process Regulation is periodically updated.

Within the organisational context described above, the policy implemented by UniCredit group within the scope of market risk management is aimed at gradually adopting and using common principles, rules and processes in terms of appetite for risk, limit calculations, model development, pricing and risk model scrutiny.

The Group Financial Risk department is specifically required to ensure that principles, rules, and processes are in line with industry best practice and consistent with standards and uses in the various countries in which they are applied.

The main tool used by UniCredit group to measure market risk on trading positions is Value at Risk (VaR), calculated using the historical simulation method. Further details on risk valuation models are included in the following chapter.

Group Financial Risk defines market risk reporting standards, both in terms of contents and recurrence, and provides timely information to the Senior Management and regulators regarding the market risk profile at consolidated level.

In addition to VaR and Basel 2 risk measures, stress tests represent an important risk management tool that provides UniCredit with an indication of how much capital might be needed to absorb losses in case of large financial shocks. Stress testing forms an integral part of the Internal Capital Adequacy Assessment Process (ICAAP), which requires UniCredit to undertake rigorous, forward-looking stress testing that identifies possible events or changes in market conditions that could adversely impact on the Bank.



## Table EU MRB - Qualitative disclosure requirements for institutions using the internal market risk models

In accordance with the CRR, and as defined in the current policy "Group Market Risk Governance Guidelines", the trading book is defined as all positions in financial instruments and commodities held either with trading intent, or in order to hedge positions held with trading intent.

Books held with trading intent are composed of:

- positions arising from client servicing and market making;
- positions intended to be resold in the short term;
- positions intended to benefit from actual or expected short-term price differences between buying and selling prices or from other price or interest rate variations.

In addition, trading book may include internal or intra-group hedging derivatives transferring risk from banking book into trading book, entitled to manage the relevant risk and having access to the derivatives market.

The essential requirement for the regulatory trading book assignment is a clear "trading intent", as defined above, which the trader has to commit to and has to confirm on an ongoing basis. Additionally, the so-called "tradability", "marketability" and "hedge-ability" requirements have to be assessed in order to evaluate the appropriateness for the trading book assignment:

- tradability refers to positions free of restrictions on their tradability and coherently reflected within the "Trader Mandate" of the risk taker;
- marketability refers to the positions for which a reliable Fair Value can be evaluated based to the largest extent on independently verified observable market parameters;
- hedgeability refers to positions for which a hedge could be put in place. The hedge-ability is meant to concern the "material" risks of a position which implies not necessarily that all the various risk features are to be hedge-able.

When opening a new book, the book manager makes the proposal whether the book should be managed as a trading book, or a banking book based on the planned trading activity. This has to be in line with the Bank's internal rules and criteria for the assignment to either trading book or banking book. The book manager is required to clearly declare the trading intent and therefore to explain the business strategy behind the request for the regulatory trading assignment. The book manager is then responsible for all the positions held in his book and the eligibility criteria are expected to be fulfilled on an ongoing basis.

Concerning the monitoring phase, to demonstrate adequate trading intent, the following minimum criteria must be fulfilled at book level and are checked at least on a quarterly basis:

- minimum of 5 trades during the past 90 trading days;
- minimum of 5% of the volume of each book traded during the past 90 trading days with reference to the last day of the period.

In case a breach of the trading intent criteria, the possibility to re-classify the book must be assessed.

With reference to the methodology used to ensure that the policies and procedures implemented for the management of the trading book are appropriate, first of all it has to be noted that any new/updated regulation has to be preliminary shared with the main impacted functions/legal entities in order to collect their feedback. The competent Group function also assesses the compliance risks with reference to the regulations falling within its direct scope of competence. In addition, before the issuance, the owner of the rule submits to the competent body/function for the approval.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants in the principal market at the measurement date (*exit price*).

The fair value of a financial liability with a demand feature (e.g., a demand deposit) cannot be lower than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

For financial instruments listed in active markets, fair value is determined on the basis of official prices in the principal market to which the Group has access (*Mark to Market*).

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from a pricing service, dealer, broker, agency that determines prices or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. If a published price quotation in an active market does not exist for a financial instrument in its entirety, but active markets exist for its component parts, fair value can be determined on the basis of the relevant market prices for the component parts.

The Group may use valuation techniques, such as:

- a market approach (e.g., using quoted prices for similar assets, liabilities or equity instruments held by other parties as assets);
- cost approach (e.g., it reflects the amount that would be required currently to replace the service capacity of an asset, that is the current replacement cost);
- an income approach (e.g., a present value technique that takes into account the future cash flows that a market participant would expect to receive from holding the liability or equity instrument as an asset).

## Table EU MRB - Qualitative disclosure requirements for institutions using the internal market risk models

The Group uses valuation models (*Mark to Model*) in line with the methods generally accepted and used by the market. Valuation models include techniques based on the discounting of future cash flows and on volatility estimates, and they are subject to revision both during their development and periodically in order to ensure their consistency with the objectives of the valuation.

These methods use inputs based on prices set in recent transactions for the instrument being valued and/or prices/quotations for instruments having similar characteristics in terms of risk profile. Indeed, these prices/quotations are relevant for determining significant parameters in terms of credit, liquidity and price risk of the instrument being valued.

Reference to these market parameters allows to limiting the discretionary nature of the valuation and ensures that the resulting fair value can be verified. If, for one or more risk factors it is not possible to refer to market data, the valuation models employed use estimates based on historical data as inputs.

As a further guarantee of the objectivity of valuations derived from valuation models, the Group employs:

- independent price verifications (IPVs);
- fair value adjustments (FVAs).

Independent price verification requires that the prices are verified at least monthly by Risk Management units that are independent from the units that assume the risk exposure.

This verification calls for comparing and adjusting the price in line with valuations obtained from independent market participants.

For instruments not quoted in active markets, the above verification process uses prices contributed by info providers as a reference and assigns a greater weighting to those prices that are considered representative of the instrument being valued.

This valuation can include the feasibility of the transaction at the price observed, the number of contributors, the degree of similarity of the financial instruments, the consistency of prices from different sources, and the process followed by the info provider to obtain the information.

### **Internal model for price, interest rate and exchange rate risk of the regulatory trading book**

The current Market Risk internal model is based on Value-at-Risk (VaR) framework, integrated with other risk measures: incremental risk capital charge (IRC) and stressed Value-at-Risk (SVaR) aimed at reducing the pro-cyclicality of the minimum capital requirements for market risk, in line with the European directives in force.

All the regulatory requirements in the contest of Market Risk have been addressed via internal development of the necessary model and IT infrastructure as opposed to the external acquisition of ready-made solutions.

This enabled UniCredit to craft solutions that in many aspects can be considered on the sophisticated end of the spectrum of practices that can be found in the industry. In this respect one distinctive feature of the market (and counterparty) risk frameworks implemented in UniCredit group is the full revaluation approach employing the same pricing libraries used in the Front Office.

UniCredit group calculates both VaR and SVaR for market risk on trading positions using the historical simulation method.

Under the historical simulation method, positions are revalued (in a full revaluation approach) based on trends in market prices over an appropriate observation period. The empirical distribution of profits/losses deriving therefrom is analysed to determine the effect of extreme market movements on the portfolios.

For a given portfolio, probability and time horizon, VaR is defined as a threshold value so that the probability that the mark-to-market loss on the portfolio, over the given time horizon, not exceeding this value (assuming no trading in the portfolio) has the given confidence level. Current configuration of the internal model defines VaR at a 99% confidence level on the 1-day P&L distribution obtained from equally weighted historical scenarios covering the last 250 days.

Historical scenarios are built relying on proportional shocks for Equities and FX rates, and on absolute shocks for Interest Rates and Credit Spreads. UniCredit VaR Model simulates all the risk factors, both referring to general and specific risk, thus providing diversification in a straightforward approach. The model is recalibrated daily. The use of a 1-day time horizon makes the immediate comparison with realised profits/losses possible and such comparison is the core of the back-testing exercise.

The VaR measure identifies a consistent measure across all the portfolios and products, since it:

- allows a comparison of risk among different businesses;
- provides a means of aggregating and netting position within a portfolio to reflect correlation and offset between different assets classes;
- facilitates comparisons of market risk both over time and against daily results.

Although a valuable guide to risk, VaR should always be viewed within its limitations:

- historical simulation relies on past occurrences to forecast potential losses. In case of extreme shifts this might not be appropriate;
- the length of the time window used to generate the forecasted distribution will necessarily embed a trade-off between the responsiveness of the metric to recent market evolutions (short window) and the spectrum of scenarios that will embed (long window);
- assuming a constant one/ten-day horizon there is no discrimination between different risk-factor liquidity.

Stressed VaR calculation is based on the very same methodology and architecture of the VaR, and it is analogously calculated with a 99% confidence level and 1-day time horizon on a weekly basis, but over a stressed observation period of 250 days. The chosen historical period identifies the 1-year observation window which produces the highest resulting measure for the current portfolio.

## Table EU MRB - Qualitative disclosure requirements for institutions using the internal market risk models

Stress windows are recalibrated monthly and are tailored to the portfolio of each legal entity of the Group subject to the internal model, plus the Group itself that is relevant for RWEA calculation on a consolidated level. The SVaR window for UniCredit S.p.A. at Group level is the "Sovereign Tension" period (2011-2012), for UniCredit S.p.A. at solo level is the "Covid" period (2020-2021), while for UniCredit Bank GmbH and for UniCredit Bank Austria AG is the "Lehman Crisis" period (2008-2009).

The 10-day capital requirement is however obtained by extending the 1-day risk measure to the 10-day horizon taking the maximum of the square root of time scaling and a convolution approach that turns the one-day distribution into a 10-day distribution for both the VaR and the Stressed VaR. The 1-day measures are instead actively used for market risk management.

In order to validate the consistency of VaR internal models used in calculating capital requirements on market risks, back-testing is performed by comparing the internal model risk estimates with the portfolio profit and loss, to check if the 99% of the trading outcomes is covered by the 99th percentile of the risk measures.

The test is based on the last twelve months' data (250 daily observations). In case the number of exceptions in the previous year exceeds what forecasted by the confidence level assumed, a careful revision of model parameters and assumptions is initiated.

Group Internal Validation performed the periodic validation of the VaR/SVaR framework to assess the compliance with regulatory requirements including an independent back-testing analysis complemented with different parameterisations and detailing the results for a set of representative portfolios of the Bank.

The IRC capital charge captures default risk as well as migration risk for un-securitised credit products held in the trading book. The internally developed model simulates via multivariate version of a Merton-type model the rating migration events of all the issuers relevant to the Group trading positions over a capital horizon of one year. The transition probabilities and the sector correlations are historically calibrated, while idiosyncratic correlations are derived from the IRB correlation formula. Simulated migration events are turned into credit spread scenarios while default events are associated to a simulated recovery rate. In doing so, a constant position assumption is employed and products are conservatively all attributed a common liquidity horizon of 1 year.

In each scenario all the relevant product inventory is revaluated under such spread and default events producing a simulated profit or loss (P&L) that fully reflects convexity, basis risk, portfolio effects and portfolio concentration risks. In this way, a Monte Carlo simulation with a high number of paths generates a P&L distribution for the Group (and each leaf of its portfolio tree).

IRC is defined as the 99.9 percentile of such loss distribution.

Additional capital charge for securitisations and credit products not covered by IRC is evaluated through the standardised approach.

The following table summarises the main characteristics of the different measures that define the capital requirement for market risk in UniCredit.

MEASURE	RISK TYPE	HORIZON	QUANTILE	SIMULATION	CALIBRATION
VaR	All Market Risk Factors	10d	99%	Historical	1Y window, equally weighted
SVaR	All Market Risk Factors	10d	99%	Historical	1Y window, equally weighted
IRC	Rating Migration & Default	1Y	99.9%	Monte Carlo	Through-the-cycle (min 16Y)

The IRC model is subject to a quarterly programme of stress tests aimed at evaluating the robustness of the model. The relevant parameters as Recovery Rates, Transition Probabilities, idiosyncratic correlation, Credit Spread shocks are stressed and the impact on the IRC measure is computed.

Group Internal Validation department performed its analyses to evaluate the conceptual soundness of the IRC model, to supplement the available analyses on that topic and to ensure the compliance of the resulting risk management environment with all the relevant regulatory requirements and internal standards. As already remarked by the regulation, traditional back-testing procedures, regarding the 99.9% one-year soundness standard for IRC, are not applicable due to the 1-year time horizon of the measure.

Consequently, while validation of the IRC model relied heavily on indirect methods (including stress tests, sensitivity analysis and scenario analysis) in order to assess the qualitative and quantitative reasonableness of the model, special focus has indeed been given to the specific situation of UniCredit portfolios.

Group Internal Validation department kept the scope of their analyses as wide as possible in order to comprise the many diverse issues that are acting concurrently in such a model (general model design, regulatory compliance, numerical implementation, outcomes explanation). Group Internal Validation performed a full spectrum of validation analyses on the IRC measure calculation using its internal replica libraries. The replica allows a simple verification of the results provided by the productive environment, and in addition opens the door to a more dynamical and tailored implementation of the needed tests. The spectrum of analysis encompassed Monte Carlo stability, correlation analysis and stressing, assessment on portfolio concentration, calculation of parameters sensitivity, marginal contribution analysis, alternative models' comparisons. All major parameters were tested, i.e., correlation matrices, transition probabilities matrices, transition shocks, recovery rates, probabilities of default, number of scenarios.

To understand the overall performance of the model in replicating the real-world migration and default phenomena, Group Internal Validation also performs a historical performance exercise comparing the migrations and defaults predicted by UniCredit IRC model with the ones actually observed since 1981 (due to data availability).

## Table EU MRB - Qualitative disclosure requirements for institutions using the internal market risk models

Banca d'Italia authorised UniCredit group to use internal models for the calculation of capital requirements for market risk. As of today, the Group legal entities within CEE countries are the ones that are mainly using the standardised approach for calculating capital requirements relating to trading positions. However, the VaR measure is used for the management of market risk in the abovementioned entities.

For trading book VaR, the Bank differentiates between regulatory and managerial views. The managerial measure is used for Risk monitoring and Business steering purposes as prescribed by Market Risk Framework: in particular VaR limits represent the main metric translating the Risk Appetite into the Market Risk framework.

The managerial VaR has a wider scope: it is used to monitor both the trading book and banking book perimeter (specifically FVtPL and FVtOCI positions), also including legal entities for which the standardised measurement method is applied for Regulatory purposes, in order to have a complete picture of risk through PL and capital.

Furthermore, the exposure coming from hedges of the XVA sensitivities is excluded from managerial VaR monitoring but included in the regulatory VaR limits in order to allow a proper steering of Market Risk RWEA; additionally, respective sensitivities are closely monitored against XVA risk.

The standardised measurement method is also applied to the calculation of capital covering the risk of holding Banking book exposure in foreign currencies for UniCredit S.p.A., which does not have an approval for FX Risk simulation under Internal Model. In this respect, the FX risk for both trading and the banking book is included in VaR and SVaR for Regulatory purposes as for the approved legal entities (UniCredit Bank GmbH and UniCredit Bank Austria AG); as regards the managerial view the FX Risk of banking book is included in the Overall (trading book and banking book) VaR. UniCredit Internal Model Approach includes the Risk Not In Model Engine framework, that provides an estimate on the completeness of the risk factors included in VaR, SVaR and IRC. Although RNIME program shows that UniCredit IMA captures adequately the material price risks, since the fourth quarter 2019, UniCredit computes, via stress test a prudential capital add-on.

To sum up, the Internal Model approach is used for Regulatory purposes for UniCredit S.p.A., UniCredit Bank GmbH, UniCredit Bank Austria AG, and UniCredit Bank Austria sub-group, while it is used for all legal entities (including CEE countries) for managerial purposes.

Finally, trading portfolios are subject to stress tests according to a wide range of simple and complex scenarios. Simple scenarios which envisage the shock of single asset classes, are defined in the context of Interest Rate Risk/Price Risk/Exchange Rate Risk/Credit Spread Risk Sensitivity. Complex scenarios apply simultaneous changes on several risk factors. Both simple and complex scenarios are applied to the whole trading book.

Stress test results are calculated in the Group Market Risk system, thus ensuring a common methodological approach across the Group. Results are calculated applying a full revaluation approach meaning that all positions are revalued under stressed conditions; no ad hoc models or pricing functions are applied for stress testing.

According to national regulations, some relevant scenarios are also a matter of regulatory reporting on a quarterly basis.

In addition, a set of scenarios is run monthly on overall Group perimeter, thus covering both trading and banking book positions. Results are shared monthly in Market Risk Stress Test Open Forum involving Market Risk function's representatives of all the legal entities and Business' representatives.

Results are analysed in depth in the monthly report "Monthly Overview on Market stress test".

Stress test Warning levels Usage is monitored monthly. More details on Warning Levels and Strategy are given in the previous paragraph Risk management strategies and processes.



## Table EU IRRBBA - Qualitative information on interest rate risks of non-trading book activities

### **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 annually.

The Internal Validation functions periodically carry 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 Audit 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.

## Table EU IRRBBA - Qualitative information on interest rate risks of non-trading book activities

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 3.1 years (the longest repricing maturity is up to 40 years for a residual part of the portfolio naturally hedging assets in some countries).



## Table EU CVAA - Qualitative disclosure requirements to credit valuation adjustment risk

The credit valuation adjustment (CVA) is a fair-value accounting adjustment to the price of a derivative transaction, aiming to provision against potential losses due to the deterioration in the creditworthiness of the counterparty to that transaction. CVA risk stems from the effect that changes in market variables (interest rates, exchange rates, etc.) and counterparty credit spreads can have on the CVA value.

In UniCredit, own funds requirements (OFRs) for CVA risk are computed for all OTC derivatives. Fair-valued SFTs are excluded given their immateriality. The scope of counterparties is defined according to CRR article 382.

Concerning the computation of OFRs for CVA risk, UniCredit setup is the following:

- The Standardised Approach (SA-CVA, CRR article 383) is used for all transactions covered by counterparty credit risk internal model (IMM-CCR). It is a variance-covariance approach based on CVA sensitivities and regulatory prescribed risk weights and correlations. CVA and CVA sensitivities computation leverage on the building blocks of IMM-CCR (scenario generation, instrument valuation, aggregation) combining exposures, counterparties default probabilities and expected loss given default;
- the Full Basic Approach (BA-CVA, CRR article 384) is used for transactions covered by counterparty credit risk standardized approach (SA-CCR). It is a variance-covariance approach based on SA-CCR EADs and effective maturities and regulatory prescribed risk weights;
- the Simplified Approach (CRR article 385) is never used.

SA-CVA (in combination with BA-CVA) is used for UniCredit S.p.A., UniCredit Bank GmbH and UniCredit Bank Austria AG following the authorization obtained in December 2024. All the other legal entities of UniCredit group capitalize CVA risk using only BA-CVA.

Validation of group-wide models used within UniCredit is performed by the Group Internal Validation function.

The main mission of XVA Desk is to mitigate the P&L fluctuations due to XVA movements, executing dedicated hedging, minimizing at the same the impact on regulatory capital.

An overarching limit framework on CVA is defined as part of the overall Market Risk Framework and based on Granular Market Limits (GMLs), aimed at limiting the exposure on the different XVA components, such as Non-DVA (CVA and FundVA) and DVA.

Specific framework is defined for Credit Counterparty Spread exposure, given the peculiarity of the Risk and in order to take into account also the natural offsetting effect coming from the Own Credit Spread movement.

All GMLs represent specific limits to individual risk factors or group of risk factors, which require the definition of a remedial action in case of breach, as defined in the Market risk qualitative information section.

Framework is complemented by a Loss Warning Level (LWL) which monitors the last 60 calendar days cumulative P&L of the overall XVA, including the hedges.

Specifically on Regulatory CVA perimeter additional warning thresholds are defined to monitor the related hedging activity on a daily basis.

The CVA limit structure is part of the overall Market risk limits framework as described in the Market risk qualitative information section.

In the Group market risk strategy is reported the approval function associated to each severity level.



## Table EU CVAB - Qualitative disclosure requirements related to CVA risk for institutions using the Standardised Approach

The Group Financial Risk (GFR) department is responsible for the governance and control and evaluating the exposure of financial risk of the Group through the definition of the framework in close coordination with the Risk Modelling & Data Analytics function within Enterprise Risk Management department.

The structure is also responsible for defining strategies to be submitted to the competent functions/Bodies in order to mitigate such risks and contain the related losses and risk weighted assets as well as for setting their continual and independent monitoring and controlling.

Within GFR, Trading & Investment Risk function is responsible for the governance, guidelines and control either at Group level and UniCredit S.p.A. level (including the Foreign Branches), of collateral risk counterparty credit risk (CCR) as well as to govern and control market risk and credit spread risk of the non-trading book.

Senior management receives on a daily basis the GMLs reporting dedicated to CVA and information in case of breaches, following the escalation process. Based on the severity of CVA GMLs, local committees and risk function provide local-level approval and escalation, while Parent Company is required to acknowledge to ensure alignment.

On a monthly basis an XVA strategic meeting is held to discuss P&L evolutions as well as CVA relevant topics with business and risk functions.

The mitigation of CVA exposure across UniCredit group is managed by a dedicated XVA Desk within Client Risk Management, which is also separated from the other Client Risk Management business lines. Its mandate is to provide a centralized front office service function with the responsibility for XVA pricing & exposure management for OTC derivatives.

The XVA Desk actively hedges the exposure to risk factors within the prescribed limit framework in UniCredit S.p.A., UniCredit Bank GmbH and UniCredit Bank Austria AG. Execution of the hedging strategy is monitored by risk function in an independent way from business.



## Table EU SECA - Qualitative disclosure requirements related to 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.

### **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<sup>39</sup> 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-collateralisation, 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 reorganization, M&A or divestment 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, in contrast 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 securitised<sup>40</sup>, net of transactions in which the Group has purchased all liabilities issued by the vehicles (so-called self-securitisations), accounts for 6.60% of the Group's total loan portfolio as at 31 December 2025. Self-securitisations account for 1.55% of the loan portfolio.

For more information on both traditional and synthetic securitisations originated by Group's legal entities during the year 2025 reference is made 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.

<sup>39</sup> 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.

<sup>40</sup> It is referred to loans sold, also synthetically, but not derecognised from the balance sheet.

## Table EU SECA - Qualitative disclosure requirements related to securitisation exposures

The first programme, guaranteed by UniCredit BpC Mortgage S.r.l., is characterised by a Soft Bullet method<sup>41</sup> 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<sup>42</sup> 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.

As at 31 December 2025 the series of covered bonds issued under the two programmes totalled 15 and were worth €14,506 million, of which €10,250 million was repurchased by UniCredit S.p.A.

As at 31 December 2025 similar covered bonds under German, Austrian (Pfandbriefe), Czech and Hungarian law amounted to €34,137 million, of which €29,969 million backed by mortgage loans and €4,168 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 neither transferred nor 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.

Furthermore, 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.

<sup>41</sup> 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.

<sup>42</sup> 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.

## Table EU SECA - Qualitative disclosure requirements related to 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 (no new traditional transaction was conducted in 2025) and synthetic securitisations originated by entities belonging to the Group and concluded during 2025, reference is made to - Annex 3 - Securitisations - qualitative tables of the Consolidated financial statements as at 31 December 2025.

### ***The Group as sponsor***

UniCredit group has many years of experience in securitising 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 multi-seller customer conduits 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 the 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.

From a regulatory point of view the risk is measured on liquidity facilities provided to each purchase company within the ABCP Conduit Programme.

## Table EU SECA - Qualitative disclosure requirements related to securitisation exposures

### **Conduit Program**

As at December 2025 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 realised 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)<sup>43</sup> updated by Regulation (EU) 2017/2401 of the European Parliament and of the Council 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 (79%), Car Leases (13%) and Car residual values (8%).

The majority of assets are concentrated in Italy (34%) and Germany (33%), followed by France and Switzerland (8% each one), Austria (7%), South Africa (5%) and China (4%).

As at 31 December 2025 the total portfolio is composed by 42 Pools (41 as at December 2024) and total amount is €4.7 billion. The total committed liquidity activities amount is €5.7 billion.

The ABCP issued as at 31 December 2025 amount to €4.7 billion (from €4.8 billion as at 31 December 2024), of which €2.1 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.

<sup>43</sup> 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.

## Qualitative disclosure section

# Table EU SECA - Qualitative disclosure requirements related to 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 2025 there were 2 SPVs of third parties securitisations, Ice Creek Pool No.5 DAC and PaDel Finance 01 DAC where the Group acts as investor, and subject to consolidation. Exposures to these vehicles amount to €674 million of cash exposures and €41 million of credit lines.

At the end of December 2025, the Group has not provided financial support to any non-consolidated securitisation vehicle in absence of contractual obligation to do so. Moreover, the Group does not have 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 2025 related to re-securitisation exposures, i.e. transactions in which at least one of the underlying assets is in turn a securitisation position.

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	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	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. - Sirti	Loans	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	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.

Qualitative disclosure section

# Table EU SECA - Qualitative disclosure requirements related to securitisation exposures

Securitisation Special Purpose Entities (SSPE) sponsored by the institution

NAME OF THE ENTITY	TYPES OF EXPOSURES	INCLUDED IN THE INSTITUTION'S 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. 66 DAC	Credit line	Yes	-
Elektra Purchase No. 83 DAC	Debt securities Credit line	Yes	-
Elektra Purchase No. 84 DAC	Debt securities Credit line	Yes	-
Elektra Purchase No. 85 DAC	Loans	Yes	-
Elektra Purchase No. 8 DAC	Credit line	No	-
Elektra Purchase 17 S.A. RE COMPARTMENT 14	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. 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. 75 DAC	Debt securities Credit line	No	-
Elektra Purchase No. 76 DAC	Debt securities Credit line Loans	No	-
Elektra Purchase No. 77 DAC	Credit line	No	-
Elektra Purchase No. 80 DAC	Debt securities Credit line	No	-

Note:

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

Qualitative disclosure section

# Table EU SECA - Qualitative disclosure requirements related to 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
	OLYMPIA SPV S.r.l.	Elektra Purchase No. 28 DAC
	PRISMA SPV S.r.l.	Elektra Purchase No. 31 DAC
		Elektra Purchase No. 32 S.A. - Compartment 1
		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. 66 DAC
		Elektra Purchase No. 83 DAC
		Elektra Purchase No. 84 DAC
		Elektra Purchase No. 85 DAC
		Elektra Purchase No. 8 DAC
		Elektra Purchase 17 S.A. RE COMPARTMENT 14
		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. 68 DAC
	Elektra Purchase No. 70 DAC	
	Elektra Purchase No. 72 DAC	
	Elektra Purchase No. 75 DAC	
	Elektra Purchase No. 76 DAC	
	Elektra Purchase No. 77 DAC	
	Elektra Purchase No. 80 DAC	

## Table EU SECA - Qualitative disclosure requirements related to 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, the securitisation is "a transaction or scheme, whereby the credit risk associated with an exposure or pool of exposures is tranching, 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 CRR article 147(8)".

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 the CRR.

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 securitised 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, which have 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 non-STS securitisation.

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

Qualitative disclosure section

# Table EU SECA - Qualitative disclosure requirements related to securitisation exposures

Template 1 - Securitisation positions

CREDIT QUALITY STEP	SENIOR TRANCHE		NON SENIOR (THIN) TRANCHE	
	TRANCHE MATURITY (M <sub>t</sub> )		TRANCHE MATURITY (M <sub>t</sub> )	
	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 <sub>t</sub> )		TRANCHE MATURITY (M <sub>t</sub> )	
	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%

## Table EU SECA - Qualitative disclosure requirements related to 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) programmes.

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 exposure underlying the securitisation 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), calculates the rating and proposes it 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 required 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).

## Table EU SECA - Qualitative disclosure requirements related to securitisation exposures

The models are reviewed on a regular basis in line with the Group Internal Validation Policy. Full ongoing validation of the model and processes has confirmed that, in general, both the 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 with one methodological issue of low importance identified in 2025.

Some process deficiencies addressed in 2022 have been worked off. The remediation will be subject to validation activities in 2026. Annual model updates are subject to thorough validation procedures.

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

(€ million)		
EXPOSURE TYPE	EXPOSURE AS AT 31.12.2025	EXPOSURE AS AT 31.12.2024
Letter of credit	-	-
Liquidity facility	5,656	5,923
Currency & Interest rate Swap (*)	-	2
<b>TOTAL</b>	<b>5,656</b>	<b>5,925</b>

**Note:**

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

The IAA model falls under Regulation (EU) 2017/2401 and is compliant with CRR art. 265. The underlying methodology replicates the asset-specific rating criteria of ECAs; 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 2025 UniCredit group structured No.14 new securitisation transactions, executed the early termination clauses for No.2 transactions and No.5 are no longer recognized for risk transfer due to the full redemption of the senior and mezzanine notes. The securitisations transactions recognised for risk transfer that produce benefits in terms of regulatory capital are No.45 of which No.31 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., No.1 by UniCredit Bank Austria AG, No.1 by Zagrebačka banka d.d., No.1 by UniCredit Bank S.A. Romania, No.1 by UniCredit Factoring 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.).

## Table EU SECA - Qualitative disclosure requirements related to securitisation exposures

The synthetic securitisations on performing portfolio are: A.R.T.S. Belvedere 2025, A.R.T.S., Corporate Ramp-up 2025, A.R.T.S. Factoring 2025, ACT Toscana, Arabellapark 2023, Arabellapark 2024, Arabellapark 2025., A.R.T.S. Corporate 2024, A.R.T.S. Coral 2025, A.R.T.S. Corporate 2025, EaSI-MicroCredito 2, A.R.T.S.Large Corporate 2022, A.R.T.S.Large Corporate 2023-1, Large Corporate 2024, A.R.T.S. Leasing 2023, A.R.T.S. Leasing 2024, A.R.T.S. MidCap 2022-1, A.R.T.S. Morava 2024, A.R.T.S. Project Finance 2025, A.R.T.S. ReMo 2021, A.R.T.S. ReMo 2022, A.R.T.S. ReMo 2022-2, A.R.T.S. ReMo 2023, A.R.T.S. ReMo 2024, A.R.T.S. Silver 2025, TC Italia 2, TC Italia 2023, TC Italia 3, TC Italia 4, TC MiniBond 2023 and A.R.T.S. Titanium 2025.

The True sale transactions originated by UniCredit S.p.A. on performing portfolios 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., 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 2025 the securitisation transactions which meet the requirements foreseen by (EU) 2017/2402 Art. 242, point 10 and art 18 referred to simple, transparent and standardised securitisations (STS regulation) are No.10: ARTS Consumer 2022, ARTS Consumer 2023, Arabellapark 2023, Arabellapark 2024, Arabellapark 2025, Morava 2024, A.R.T.S. Factoring 2025, A.R.T.S. Coral 2025, A.R.T.S. Silver 2025 and A.R.T.S. Titanium 2025.

In accordance with CRR and the Regulation (EU) 2017/2401 and 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 CRR articles 244(6) and 245(6). This report includes recommendations on the structural features of SRT transactions aimed at ensuring that SRT is effectively achieved and that it remains operative throughout the lifetime of the transaction.

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 and EBA REPORT 2020.

In particular, the transactions are analysed in order to verify:

- the obligation of the originator (or sponsor) to retain a portion of the risk in the securitisation transaction in order to ensure the absence 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.

The 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.

For this reason, on a quarterly basis, the Group performs appropriate controls on the portfolios and on their 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.

In relation to the structured product portfolios in which the Group invests, an IPV process has been approved and implemented for 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 2025 of the potential reclassified ABS, reference is made to the 2025 Annual Reports and Accounts - Consolidated financial statements, Notes to the consolidated accounts, Part A - Accounting policies, Section A.3 - Information on transfers between portfolios of financial assets.

## Table EU SECA - Qualitative disclosure requirements related to securitisation exposures

### **Indication of the methods that the Group applies to securitisation activity for the management and mitigation of the 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 purpose 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 2025 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 an 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 securitised 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) or applying the specific haircut foreseen by CRR Regulation (UE) 575/2013 on the guarantee notional amount. With CCS 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 financial guarantee received by third party can be funded and/or unfunded. 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.

### **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
Position on securitisations different from those with short term rating	Standard and Poor's Rating Services



## Table EU ORA - Qualitative information on operational risk

### **General aspects, operational processes and methods for measuring operational risk**

#### **Operational risk definition**

Operational risk is the risk of loss 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.

#### **Group operational risk framework**

UniCredit group sets the operational risk management framework as a combination of policies and procedures for the identification, the assessment and measurement, the addressing and mitigation, the monitoring and reporting of the operational risk of the Group and of the controlled legal entities. In order to ensure that the Operational Risk framework is consistently applied throughout the Group, guaranteeing that an adequate and proportional oversight mechanism is adopted also with reference to smaller entities, the "Group Operational Risk Oversight" model has been defined.

The operational risk policies, applying to all Group legal entities, as defined by the Group Operational Risk Oversight model, are common principles defining the roles of the company bodies, the operational risk management function, as well as the relationship with other functions involved in the process.

The Parent Company coordinates the Group legal entities according to the internal regulation, Governance Mechanisms and Managerial Accountability and Organizational Book and Application. A specific Risks Committee, the Group Non-Financial Risks and Controls Committee (GNFRC) is set up to monitor risk exposure, mitigating actions, measurement, and control methods within the Group. With particular reference to UniCredit S.p.A. the Italy Non-Financial Risks and Controls Committee (INFRCC) supports the Head of Italy in the role of steering and monitoring of the Non-Financial Risks (NFRs) at Italy level, also overseeing the related Internal Control System (ICS). The methodologies for data classification and completeness verification, scenario analysis, risk indicators, monitoring and reporting, capital at risk measurement, Risk and Control Self Assessments and Mitigation Strategies are set by the Group Non-Financial Risks (GNFR) structure and applied by all legal entities. A pivot element of the risk control framework is the operational risk management application, allowing the collection of the data required for operational risk control and capital measurement.

The compliance of the Group Operational risk control and measurement system with external regulations and Group standards is assessed through an internal validation process, which is under the responsibility of the Group Internal Validation department of the Parent Company and is independent from the Group Non-Financial Risks structure.

Since March 2025 the UniCredit group applies the Basel IV standardised approach (SMA) for calculating operational risk capital for Group and legal entities.

#### **Organisational structure**

Senior management is responsible for approving all aspects related to the Group operational risk framework and verifying the adequacy of the measurement and control system; it is regularly updated on changes to the risk profile and operational risk exposure, with the support of the appropriate risk committees if required.

The Group Non-Financial Risks and Controls Committee (GNFRC) supports the CEO in the role of steering and monitoring the Non-Financial Risks (NFRs, including Climate & Environmental risks) at Group level, also overseeing the related internal control system (ICS).

The GNFRC enables the coordination among the "three lines of defence" with the aim to identify and share Group priorities concerning Non-Financial Risks (e.g., events, regulations or emerging risks), assessing and monitoring the effectiveness of initiatives put in place in order to address them.

Without prejudice to the role reserved to the Board of Directors by the provisions in being at the time, the GNFRC, in order to support the CEO in implementing the strategic guidelines and the Group general Risk Management policies is responsible for:

- defining and approving policies, operational limits and methodologies for the measurement, management and control of Non-Financial Risks, as well as for the definition of the methodologies for the measurement, management, and control of Non-Financial Risks (Operational and reputational Risk) on the internal capital;
- evaluating and providing guidelines for the management of risks related to ICT, Security, Cyber, a third party contracts and business continuity plan;
- evaluating and providing guidelines for the management of reputational risk also on single customer transactions.

With particular reference to the operational risk, GNFRC committee meets with approval, consulting, and information functions for:

1) Approving:

- Group Non-Financial Risk priorities and mitigation strategies;
- general governance policies for the different types of NFRs;
- Group policies and methodologies for the measurement, management and control of the NFRs as well as for the measurement and control of the related internal capital;
- Group insurance strategies proposed by the competent functions.

## Table EU ORA - Qualitative information on operational risk

2) Consulting and information concerning:

- the main NFRs, for the industry and for the Group, and overall strategies for their optimisation;
- the relevant Group and local legal entities issues (also emerging by the activities carried out by local NFR Committees) concerning NFR and ICS topics, evaluating weaknesses and shortcomings and, if needed, recommending and prioritising corrective actions, as well as monitoring main implementation plans milestones;
- external events having potential impact on Group NFRs profile, and best practices and/or lessons learned deriving from events, assessments and action plans defined by the Group legal entities;
- the periodical reporting provided by Risk Management on operational losses (with particular focus on events having relevant financial impacts), near misses, Risk Weighted Exposure Amounts (RWEA), Indicators and Scenario Analysis;
- the Compliance and Risk Management evidences on second level controls carried out, as well as on current and expected impacts of regulations;
- the Group relevant risks/criticalities highlighted by Internal Audit function, for specific cases and in relation to specific areas or geographies;
- Regulatory Report on operational risk significant or critical elements emerging from reports produced by External Regulators, other Group functions with control duties or operating within the ICS and External Auditors.

Group Non-Financial Risks structure (GNFR) is responsible for the governance and control of non-financial risks of the Group and of UniCredit S.p.A. and for evaluating the exposure to them, through the definition of the framework and the related methodologies. The structure is also responsible for defining strategies to be submitted to the competent functions/bodies, in order to mitigate non-financial risks and to limit the related losses and risk weighted assets, as well as for setting their continual and independent monitoring and control. The structure is responsible for ensuring integrated analysis and reporting, in alignment with the other control functions (i.e. Compliance, Audit, Group Internal Validation) on the main non-financial risks of the Group and of UniCredit S.p.A.

The structure is also responsible for the digital risks governance and control leveraging on the established framework methodology (i.e. the "Framework"), for the evaluations on mitigation measures' adequacy on digital processes for UniCredit S.p.A., for the oversight of the Framework's implementation across the Group Entities as well as for the periodic reporting to the Group Top Management to support risk-based decision making.

The structure is organised as follow:

- Operational and Reputational Risk Management is responsible for defining principles and rules at Group level for identification, assessment, control and reporting of operational and reputational risks, monitoring their correct application by legal entities. The structure is also responsible for defining operational and reputational risk economic capital measurement methodologies, conducting analysis of the Group and of UniCredit S.p.A. exposure to operational risk also based on operational risks analytics models. Furthermore, the structure identifies the operational risk strategic priority areas, coordinating and monitoring the definition and planning of related relevant risks mitigation actions by the legal entities of the Group and it is responsible for the definition of Risk Appetite Framework/RAF metrics of competence as well as for the related periodical monitoring. The structure is also responsible for the definition of the principles and minimum requirements necessary to identify and address the risks deriving from the development of new products or significant modifications to existing ones, assessing the impact of operational and reputational risks for products having a Global span (e.g. the ones submitted by "Client Solutions" functions) or in the UniCredit S.p.A. perimeter, together with the competent Group Compliance function. The structure provides oversight and challenge on the execution of the operational risk assessments for the Holding and Global functions perimeter, ensuring a specific presidia on the identification, ruling and management of Group activities connected to Reputational Sensitive Sectors and is responsible for defining the methodologies for assessing the reputational risk related to activities performed by the Group, providing reputational risk assessments for UniCredit S.p.A. and Non-Binding opinions for the other legal entities of the Group.

The structure furthermore carries out the activities as per the dedicated service agreement, for the perimeter of its competence, also for the company UniCredit Leasing S.p.A.

The structure finally supports the organization activities of the "Group Non-Financial Risks and Controls Committee" (GNFRC) and of the "Italy Non-Financial Risk & Controls Committee" (INFRCC) preparing cases for discussion and providing reporting on operational and reputational risks.

- Digital and Third Party Risk Management is responsible for defining principles and rules at Group level for identification, assessment, control and reporting - leading to a group-wide evaluation, monitoring and supervision - of digital and third parties risks, with the aim to enable the Group as a safe, secure and resilient digital Bank. Determines the most relevant areas within the operational risk framework in regard to the Group Digital perimeter of activity, in coherence with the Risk Appetite Framework/RAF and Group strategic objectives, as well as defines the guidelines for the control of the Digital risks (i.e. IT and Cyber) and Third Parties performed by the Group legal entities, monitoring their execution. The Structure is also responsible to identify, assess, respond, monitor and report Digital risks affecting processes belonging to the Group Digital & Information area. In addition, the structure is responsible for monitoring the ICT and Cyber risks for UniCredit S.p.A. through specific risk indicators and/or second-level controls, as well as for the definition of appropriate mitigation actions.

### Reporting

A reporting system has been developed by the Parent Company to keep senior management and the Management Body regularly informed on the Group operational risk exposure and the risk mitigation actions.

In particular, weekly reports are provided on operational losses trend, the main initiatives undertaken to prevent or mitigate operational risk in the various business areas and main operational risk events. Quarterly updates are provided on capital-at-risk estimations and RAF metric monitoring. Operational loss reports, submitted to Group Non-Financial Risks and Controls Committee are periodically provided to Regulators.

## Table EU ORA - Qualitative information on operational risk

### Risk addressing and mitigation

On a yearly basis, NFR priorities are defined at Group and local level on the basis of both internal data (losses, scenarios, incidents, risk indicators) and external information (external events, market trends and emerging risks).

To address the identified NFR Priorities, the Mitigation Strategies are defined through the identification of Strategic Guidelines aimed at ensuring an effective presidium on Group and Local priorities.

NFR Priorities represent the basis for the identification and planning of the related Mitigation Strategies. NFR Priorities are yearly defined by GNFR and Local NFR functions through a qualitative evaluation on selected forward-looking key risk drivers, arising from internal and external data such as industry, market trends evolution and additional Group or Local drivers.

The defined NFR Priorities are analysed by GNFR and local NFR functions to identify the proper Group and Local Strategic Guidelines to mitigate such priorities and their main weaknesses/points of concern (overall referring to Group and Local Mitigation Strategies).

Group NFR Priorities and Mitigation Strategies, particularly, are aligned with Risk Appetite Framework (RAF), shared with the other Control Function for overall coherence and are provided to the local NFR Functions as reference for their further analysis and setting (with the goal to define the Group NFR Priorities and Strategies applicable at local level and to identify any specific NFR Priority and Strategy locally relevant).

The local NFR function analyses the relevance of each Group NFR Priority at local level to define if it is applicable also in its legal entity, consistently with the Group approach and any other methodological instructions potentially provided by GNFR.

Additionally, the local NFR management functions should identify and evaluate additional priorities affecting their own legal entity, considered relevant on the basis of the local market trends, the business evidences of the last and ongoing year and the specificities of the legal entity. For each locally relevant NFR Priority, the NFR function defines the local second level control activities (i.e. local Mitigation Strategies) addressing the related risk. Group/Local NFR Priorities and Mitigation Strategies are then submitted the Group/Local Non-Financial Risk Committee or designated risk Committee for approval.

Afterwards, the status of the related Group and Local mitigation actions is regularly monitored on a risk-based approach by GNFR and local NFR Functions, reporting any relevant deviation to the designated Committees. In particular, the monitoring is performed through:

- the second Level Controls, aimed at verifying that the actions defined through the NFR Strategic Guidelines in scope are effectively and timely carried out and in case of significative changes concerning the implementation timeline, mitigation action effectiveness or risk exposure, the local NFR function is responsible for finding the proper recovery, involving the relevant functions as needed, and/or escalating the issue to the designated Risk Committee. Same role is acted by GNFR for Group mitigation action. Local NFR function has also to timely inform GNFR;
- the oversight, during which GNFR checks the actions reported by NFR functions on a risk-based approach and in case of criticalities detected during the monitoring phase of Local and Group mitigation actions, GNFR and local NFR functions can agree on any recovery action and/or any escalation to local or Group designated Risk Committees.

### Operational Risk Permanent Work Group (PWG)

The Global Operational Regulation Operational Risk Monitoring and Control rules the PWG, an inter-functional working group established in the legal entities, which aims at identifying the root causes of Operational Risks and reduce the Operational Risk exposure of the Group legal entities, leveraging mainly on the expertise of the NFR management function and the other competent functions (e.g., Compliance, Security, Business functions, etc.) involved time by time.

The meetings, called at least quarterly, contribute to identify the risks, propose the mitigation actions, and monitor their implementation status.

### Insurance as risk mitigation

GNFR/local NFR management function, respectively at Group/Local level, is involved in the decision process related to insurance coverage with analyses regarding the exposure to operational risks, effectiveness of deductibles and of policy limits. Such functions regularly inform management on insurance related matters connected to operational risks. The role of GNFR and the local NFR management function in insurance management is defined in in the Global Operational Regulation Operational Risk Monitoring and Control.

Any proposal of relevant change in the risk transfer strategy through insurance is submitted to the competent functions/Bodies for approval.

The operational risks commonly insured in the Group are damages to physical assets, frauds, and liability toward third parties.

On the basis of a risk classification, the Group has insurance policies according to the following forms:

- internal fraud: "Bankers Blanket Bond" (BBB) policy, according to Employee Dishonesty insuring clause;
- external fraud: BBB policy, according to the following insuring clauses premises and transit (including loss of property resulting directly from theft & robbery), forgery or alteration, computer manipulation, included the cases of "fraudulent impersonation of counterparty" aimed at the execution of fraudulent transactions (e.g., "the so-called CEO frauds");
- ICT and cyber breach: Cyber policy, coverage for liability claims (including legal expenses and customer notification costs) and business interruption costs (included also damages to UniCredit group caused by the system failure of the external IT providers). The coverage is extended also to Group multimedia liability (i.e., infringement of the copyright, defamation and general negligence in the course of publication);
- protection for the personal liabilities of the management including legal expenses: Directors and Officers Liability (D&O) policy;
- Employer's Liability: protection for the Bank's liability against claims for damages suffered by employees (compared to third-parties);
- third Party Liability Policy: protection for the Bank's general liability against claims for damages suffered by third parties;
- external occurrences: "Property all risks" policy as well as "EDP (Electronic Data Processing) all risks" policy are provided in respect of buildings and other assets, extended to natural events, catastrophic losses, vandalism and terrorism, Fine Art policy to cover entrusted or owned works of art.

## Table EU ORA - Qualitative information on operational risk

### Non-Financial Risks Appetite (NFRs Appetite)

Non-Financial Risks Appetite metrics (Key Performance Indicators - KPIs) are reviewed annually and quarterly monitored; KPIs are cascaded to legal entities (in line with the perimeter defined by RAF).

ELOR (Expected Losses on Revenues) is an overarching NFRs metrics within Risk Appetite framework; in addition, ICT Security Risk, ICT Risk, Financial Crime, Third Parties Risks and Reputational Risk are monitored through dedicated KPIs and/or qualitative statements covering the main identified risk factors.

ELOR is a ratio estimated with a statistical model, based on the historical losses time series and forward-looking factors, as numerator, and the budget revenues, as denominator.

ELOR is monitored using the actual losses on actual revenues booked until end of quarters. The comparison between the thresholds estimated at the beginning of the year and the actual calculated on each quarter allows a close monitoring by the Parent Company of changes or reactions put in place by the legal entities to reduce and prevent risks. These analyses are also used to evaluate the impact of mitigation actions implemented in the past and as a base for future strategies and mitigation activities, as well as the improvement of existing ones.

A disciplined approach in monitoring expected losses and implementing remedial actions will ensure consistency with best practice standards, increasing accountability and alignment between business and risk control functions.

### Risk capital measurement and allocation mechanism

The capital requirement is calculated by applying the Business Indicator Component (BIC) as provided by the CRR3 and the EBA/CP/2024/05.

It means that the operational risk capital requirement and the corresponding OpRisk RWEA are quantified using the Business Indicator (BI) and the proper scaling factor. Therefore, as a first step, the Business Indicator is determined by relying on the Group's P&L item sources as reported in Tagetik (i.e., the IT platform used by Finance departments as the internal accounting system). The calculations are performed in ARGO (i.e., the IT platform used by the Group Non-Financial Risks department).

More in detail, the Business Indicator (BI) is calculated as the sum of the items in the last three years:  $BI = ILDC + SC + FC$

where:

ILDC = Interest, Lease, and Dividend Component,

SC = Service Component,

FC = Financial Component.

The requirement is calculated as the Business Indicator Component (BIC) by applying an increasing % (12%, 15%, 18%) to the Business Indicator in brackets as defined below:

$$BIC = \begin{cases} 0.12 \cdot BI, & \text{where } BI \leq 1 \\ 0.12 + 0.15 \cdot (BI - 1), & \text{where } 1 < BI \leq 30 \\ 4.47 + 0.18 \cdot (BI - 30), & \text{where } BI > 30 \end{cases}$$

The equivalent RWEA amount for Operational Risk (i.e., the risk exposure amount) is obtained as follows:  $OpRisk\ RWEA = 12.5 \cdot BIC$

According to the Group Finance functions, all the Group OpRisk RWEA have to be allocated to the legal entities, according to the Group-view (not related to individual or sub-consolidated regulatory requirements). Therefore, an allocation has been defined in cooperation between the OpRisk function and the Group Finance functions, taking into consideration that:

- The BI is not additive due to the rules for its construction (i.e., minimum between NI and 2.25% of AC, max between FI and FE, max between OOI and OOE, absolute values of financial P&L for trading book and banking book)
- The BIC is, in general, hyper-additive (i.e.,  $BIC(Group) \geq \sum BIC(LEs)$ ) due to its increasing scaling coefficients (i.e., 12% of BI until €1 billion, 15% between €1 billion and €30 billion, and 18% above €30 billion)

The allocation mechanism has been defined to be additive (i.e.,  $BIC(Group) = \sum Capital\ Requirement\ (LEs)$ ) as follows:

$$Capital\ Requirement\ (LE_i) = BI(LE_i) \times \frac{BIC(Group)}{\sum_{j=1}^n BI(LE_j)}$$

And then:  $OpRisk\ RWEA\ (LE_i) = 12.5 \cdot Capital\ Requirement\ (LE_i)$

### Stress test

Since 2017, the Group has regularly conducted stress analyses on operational risks. These include a comprehensive stress-testing exercise designed to evaluate, through the application of a statistical-econometric model, the potential impact on operational losses, and the corresponding implications for the economic capital-at risk, resulting from changes in key macroeconomic variables. The exercise is based on complex economic scenarios developed by the Group Stress Test Council, following proposal from the Research Department. It is performed on a semi-annual basis, or ad hoc upon request, whenever such an assessment is deemed necessary to evaluate risks associated with a potential deterioration of the macroeconomic environment.



## Table EU LIQA - Liquidity risk management

### **Strategies and processes in the management of liquidity risk**

#### **Key principles**

Liquidity risk is defined as the risk that the Group may find itself unable to fulfil its expected or unexpected payment obligations (by cash or delivery), current and future, without jeopardising its day-to-day operations or its financial condition.

The Group's liquidity framework is based upon the Liquidity Risk Mismatch Model which is characterised by the following fundamental principles:

- short-term liquidity risk management (operational liquidity), which considers the events that will impact upon the Group's liquidity position from 1 day up to one year. The primary objective is to maintain the Group's capacity to fulfil its ordinary and extraordinary payment obligations while minimising the relevant costs;
- structural liquidity risk management (structural risk), which considers the events that will impact upon the Group's liquidity position over one year. The primary objective is to maintain an adequate ratio between medium/long term liabilities and medium to long-term assets, with a view to avoiding pressures on short-term funding sources (both current and future), while in the meantime optimising the cost of funding;
- stress tests: liquidity crisis is a low probability, high impact event. Therefore, stress testing is an excellent tool to reveal potential vulnerabilities in the Balance sheet. The Bank uses several scenarios ranging from general market crisis to idiosyncratic one, and a combination hereof.

In this context, the models to manage the liquidity take into account all assets, liabilities, off-balance sheet positions and also both present and future events which generate certain or potential cash flows for the Group, thereby protecting the Group banks/companies from risks relating to the transformation of maturity.

In addition, the liquidity risk is included in the Group's risk appetite framework through some specific liquidity indicators.

#### **Funding plan**

The funding plan plays a fundamental role in the overall liquidity management, influencing both the short-term and the structural position.

The funding plan, defined at each level (i.e., Group, liquidity reference bank and legal entity level), is developed consistently with a sustainable analysis of uses and sources, both on short-term and structural positions.

One of the objectives of accessing the medium and long-term channels is to avoid the pressure on the short-term liquidity position.

The funding plan is updated at least on a yearly basis and is approved by the Board of Directors. In addition, it is aligned with the budgeting process and the risk appetite framework.

The Parent Company accesses the market for Group capital instruments and coordinates the market access of the liquidity reference banks and legal entities, while the liquidity reference banks coordinate the access of the legal entities falling within their perimeter.

Each legal entity or liquidity reference bank can access the markets for medium and long-term funding, in order to increase its self-sufficiency, exploit market opportunities and functional specialisation, safeguarding the optimisation of cost of funds of the Group.

Group Finance competence line is responsible for the elaboration of the funding plan. Risk management is responsible for providing an independent assessment of the funding plan.

### **Structure and organization of the liquidity risk management function**

#### **The liquidity reference banks**

The Group aims at maintaining liquidity at a level that enables the Group to perform the main operations in safe mode, fund its operations at the best rate conditions under normal operating circumstances, and to remain always in a position to meet payment obligations.

To this end, the Group complies accurately with the legal and regulatory provisions imposed by the national Central Banks and by the national authorities of each country where it operates.

In addition to local legal and regulatory requirements, the Parent Company, under the responsibility of the Group Risk Management, defines policies and metrics to be applied at Group level, to ensure that liquidity position of any entity meets the requirements of the Group.

For these reasons, the Group is organised on a managerial perspective, according to the concept of the liquidity reference bank.

The liquidity reference banks are legal entities that act in their responsibility as liquidity hub. They are in charge:

- of the liquidity management and concentration process of liquidity flows of the legal entities falling within their perimeter of responsibility;
- of the funding optimisation carried out on the relevant local markets and are responsible to coordinate the access to short-term and medium-long-term markets of the legal entities belonging to their perimeter;
- finally, of the implementation of the Group's liquidity rules at local level in line with Group's Governance Guideline and Policy and with local regulations.

A particularly important role is played by the Parent Company, as a "supervisory and overarching liquidity reference bank" with its role of steering, coordinating and controlling all the aspects regarding liquidity for the whole Group.

The Parent Company has the responsibility to set the overall Group risk appetite and sub-allocate the limits in agreement with the liquidity reference banks and/or legal entities. In particular, the Parent Company functions are responsible for the following:

- outlining Group overall liquidity risk management strategies;
- developing liquidity risk metrics and methodologies;
- setting specific limits for liquidity risk exposures, in line with the Group risk appetite;
- optimising liquidity allocation amongst legal entities, in compliance to the local regulations and transferability limitation;
- coordinating access to financial markets for liquidity management;
- outlining the yearly Group funding and contingency funding plan, coordinating and monitoring their execution;

## Table EU LIQA - Liquidity risk management

- assessing the adequacy of the liquidity reserves buffers at legal entity and Group level;
  - coordinating the refinancing transactions with the ECB;
  - defining, periodically reviewing the Group ILAAP and approving the Group ILAAP Report on yearly basis.
- The Parent Company moreover, acts as the liquidity reference bank for the Italian perimeter.

### Roles and responsibilities

At Group level, three main functions are identified in the management of the liquidity: the Group Risk Management competence line, the Group Finance competence line, and the Group Treasury function each with different roles and responsibilities.

In particular, the operational responsibilities reside in the Finance and the Treasury functions, while the Risk Management function has responsibilities of independent controls and independent reporting compared to the operational functions (in line with the current requirements of Banca d'Italia).

Specifically, the Risk Management function is responsible for the independent control of liquidity risk and of Balance sheet interest rate and FX risk at Group level and for the internal and regulatory stress testing.

In detail:

- defining policies and methodologies for measuring and controlling the liquidity risk and developing, updating and presenting the independent internal risk reports/assessments to internal competent functions (second level controls);
- putting in place a strong and comprehensive internal limit and control framework to mitigate or limit the liquidity risk in line with the risk tolerance in order to monitor the different material drivers of liquidity risk;
- contributing to the setting of the risk appetite framework;
- assessing and monitoring liquidity risk exposure trends at Group and Country level and confronting them with the respective limits and triggers;
- verifying the correct implementation of the agreed mapping rules;
- performing an independent assessment of the Funding Plan and of the Contingency Funding Plan as well as monitoring their execution;
- developing and performing the liquidity stress test at Group level, analysing the outcome, delineating new scenarios to be taken into account and centralising the action plan relating to the stress test results; it is also responsible of periodically reviewing the liquidity stress test framework;
- monitoring the liquidity risk and producing regular risk reporting at Group level in alignment with Basel Committee's "Principles for effective risk data aggregation and risk reporting", setting common standards in terms of presentations and communications;
- performing internal validation activities at Group level on systems for measuring liquidity risks on related processes and data quality and IT components, as well as on models for pricing financial instruments in order to check that they are conform to regulatory requirements and in-house standards;
- developing and back-testing the behavioural models for the measurement of the liquidity risk;
- validating, controlling the implementation and releases independent assessments on the models to map the liquidity profile of Balance sheet items (i.e. behavioral models on deposit stickiness, on loans prepayment, etc.).

Group Treasury acts as main coordinator in the management of infra-group flows, stemming from liquidity deficits or surplus of the various Group's Legal Entities, and applies the appropriate transfer prices to such fund's movements. By doing so, Group Treasury ensures a disciplined and efficient access to the markets.

Group Finance competence line is responsible for the coordination of the overall financial planning process at Group, liquidity reference banks and relevant legal entities level, aiming to efficiently ensure the stability and the sustainability of the financial structure through time, addressing assets and liabilities composition and maturities, in compliance with the limits and triggers set for liquidity and Balance sheet metrics.

It is also 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 and relevant LEs, exploiting local market opportunities in order to reduce the costs of funding and diversify the financing sources.

In addition to this, the function performs first level controls on liquidity positions managed by Group Finance and Group Treasury aimed at ensuring the proper P&L and liquidity workflow of the operations and defines conditions and rules for transfer price application.

All the relevant issues that concern the liquidity risk and management perspective of the Group are discussed in GFRC (Group Financial & Credit risks committee - ALCO session).

The Committee is responsible for approving strategies, policies and methodologies for Financial Risks and for the monitoring of risks related to Fund Transfer Pricing, across Liquidity Reference Banks, Business Functions and Legal Entities, with the aim to optimize the usage of financial resources (e.g., liquidity and capital) in coherence with Risk Appetite and Business Strategies.

It is also responsible for the approval of the Financial Plan, Funding Plan, Ordinary Counterbalancing Capacity Plan and Contingency Funding Plan to be submitted to the Board by the CEO as well as for evaluating the impact of transactions significantly affecting the overall financial risk portfolio profile.

The optimisation of liquidity risks is pursued through the setting of specific limits on the standard banking activity of transforming short, medium and long-term maturities.

## Table EU LIQA - Liquidity risk management

This is implemented in accordance with legal and regulatory framework in each country and internal rules and policies of the Group companies through management models in place within the individual liquidity reference banks.

Such models are subject to analyses carried out by the local Risk Management or equivalent structure with the same responsibilities in coordination with the Group's Risk Management to ensure that they comply with the metrics and the objectives of the Group's liquidity framework.

In addition, the regional rules must comply with national laws and regulatory requirements.

### **Description of the degree of centralization of liquidity management**

#### **The principle of "self-sufficiency"**

This organisational model allows self-sufficiency of the Group by accessing the local and global markets for liquidity in a controlled and coordinated way. According to Group Policies, structural liquidity surpluses can be up streamed to the Parent Company, unless legal requirements prevent it. The liquidity available at country level could be subject to restrictions due to legal, regulatory, and political constraints.

The so-called "Large Exposure Regime", applied throughout Europe, along with specific national laws like the "German Stock Corporation Act", are examples of legal constraints to the free circulation of funds within a cross-border banking Group<sup>44</sup>.

As a general rule, the large exposure regime, ruled by the CRR (from art. 387 on), limits interbank exposures to a maximum of 25% of the institution's Tier 1 capital: this rule is also applicable to intra-group exposures.

However, there are significant differences in the way in which this EU regulation has been implemented in the various countries. In many CE&EE countries the 25% limit is valid, with some countries showing even stricter rules; in Austria, according to the National law, the 25% limit is not applied to exposures towards the Parent Company, if located in the European Economic Area; finally, in Germany the national Regulator has set up a process to apply for a waiver, exempting intra-group exposures from the large exposure limitation.

In the absence of official limits valid at national level, Austrian and German Regulators reserve the right to judge the exposure level on a case-by-case basis. In the current economic environment, in many of the territories in which the Group operates, Banking Regulatory Authorities are adopting measures aimed at reducing the exposure of their national banking system towards foreign jurisdictions with potential negative impacts on the ability of the Group to finance its activities.

For these reasons, the Group Liquidity Management & Control Policy provides for a further principle in order to enhance a sound liquidity risk management; each legal entity with market access has to increase its liquidity self-sufficiency, fostering in this way the exploitation of its strengths. In addition, the Group rule states that each LE (including the liquidity reference bank) should be self-sufficient in terms of liquidity in its local currency, either on its own or by leveraging on the relevant liquidity reference bank.

This self-sufficiency principle is reflected in a specific "limit structure": limits are set both at Group and at individual level, with the purpose of avoiding/controlling significant imbalances among legal entities.

This type of organisation promotes the self-sufficiency of the legal entities, by allowing them to access the local and global markets for liquidity in a controlled and coordinated way, whilst optimising: i) the liquidity surpluses and deficits within the Group legal entities ii) the overall costs of funding across the Group.

The adoption of the Single Point of Entry by the Group implies that the Parent Company provides internal MREL to all the other subsidiaries within Europe, representing the only exception to the self-sufficiency principle.

### **Scope and nature of liquidity risk reporting and measurement systems**

#### **Techniques for risk measurement**

The different types of liquidity risk managed by the bank are:

- short term liquidity risk refers to the risk of non-conformity between the amounts and/or the maturities of cash inflows and cash outflows in the short term (below one year);
- market liquidity risk is the risk that the bank may face a considerable (and unfavourable) price change generated by exogenous or endogenous factors and incur losses as a result of the sale of assets deemed to be liquid. In the worst case, the bank might not be able to liquidate such positions;
- 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";
- structural liquidity risk is defined as the inability to raise the necessary funds to maintain an adequate ratio between medium to long-term (over one year) assets and liabilities at reasonable pricing level, in a stable and sustainable way, without affecting the daily operations or the financial condition of the Bank.  
It could have a potential impact on the cost of funding (own credit and market funding spreads), affecting future income of the institution;
- contingency risk, or stress liquidity relates to future and unexpected obligations (i.e. draw on committed facilities, deposits withdrawal, increase in collateral pledging) and could require the bank a greater amount of liquidity compared to what is considered the amount to run the ordinary business;
- intragroup liquidity risk, that might generate from an excessive exposure or dependency towards/from specific Group counterparts;
- funding concentration risk arises when the bank leverages on such a limited number of funding sources, that they become so significant that the withdrawal of one or few could trigger liquidity problems;

<sup>44</sup> Also, Banca d'Italia Rules, Circular 285, foresees that the Group should ensure the maintenance through the time of adequate reserves in each legal entity, in order to take into account possible regulatory constraints (First Part, Title IV, Chapter 6, Section III, paragraph 7).

## Table EU LIQA - Liquidity risk management

- foreign exchange liquidity risk, generated by the current and projected liquidity mismatch between cash inflows and cash outflows in foreign currencies (refinancing risk) or related with the maturity distribution of the assets and liabilities in foreign currencies (foreign currency structural mismatch risk).

The exposure of the Group and its legal entities to any of these risks is measured by associating to any of them a metric or a set of metrics.

Every legal entity of the Group is exposed to the above-mentioned risks at a different extent: a materiality analysis is performed in order to define the perimeter of the liquidity risk management and control.

Liquidity risk, for its particular nature, is addressed by means of gap analyses, liquidity stress testing, and complementary measures (mainly through a set of indicators, among which: loans to deposits ratio, liquidity coverage ratio).

In particular, gap analyses are performed within two distinct time horizons:

- liquidity imbalance mismatch approach on a daily basis, which controls the short-term liquidity risk arising from the overnight up to a 12 months maturity;
- gap ratios on a monthly basis, which control the medium to long-term risk (structural liquidity) from the 1-year maturity onwards.

### Short-term liquidity management

Short-term liquidity management aims at ensuring that the Group remains in a position to fulfil its cash payment obligations, whether expected or unexpected, focused on the exposure for the first 12 months.

The standard measures taken for such purposes are the following:

- management of the access to payment systems (operational liquidity management);
- management of cash payments to be made and monitoring of the level of liquidity reserves and the extent of their utilisation (analysis and active management of the maturity ladder).

These principles are applicable at Group level and have to be used across the liquidity reference banks.

The *operative maturity ladder* is composed by the net contractual cash flows (in/outflows) affecting the cash position at Central Banks or “Nostro Account”.

Therefore, these flows impact directly the “core liquidity” of the bank, over pre-defined time buckets.

The *operative maturity ladder* is composed of:

- primary gap, which shows the net wholesale refinancing requirements over the various time-buckets of the horizon;
- counterbalancing capacity, which shows the amount of unencumbered securities that are accepted as collateral by Central Banks and/or market counterparties. The counterbalancing capacity is considered at its “liquidity value” (i.e. the market value minus the applicable haircut).
- cumulative gap, which is the sum of the previous components;
- reservation for unexpected flows, which consists of liquidity adjustment to the operative maturity ladder, to consider a buffer that can be used by the Treasury to refinance unexpected outflows impacting the Central Bank position (included in the short-term buckets).

The reservation for unexpected flows takes into account the volatility of the funding needs of the commercial asset portfolio, the volatility of the commercial funding sources, including potential concentration effects, the change of liquidity value of the counterbalancing capacity due to observed market price changes.

The operative maturity ladder is included in the Group risk appetite framework, with a limit of 0 on the 3 months bucket.

The Group also adopts the cash horizon as a synthetic indicator of the short-term liquidity risk levels.

The cash horizon identifies the number of days after which the relevant entity is no longer able to meet its liquidity obligations as expressed in the operative maturity ladder, after having exhausted the available counterbalancing capacity.

### Structural liquidity management

The Group’s structural liquidity management aims at limiting refinancing exposures above one year and thus reducing refinancing needs in the shorter term.

The maintenance of an adequate ratio between medium to long-term liabilities and assets aims at avoiding pressures on short-term sources, whether present or future.

The standard measures taken for such purposes are the following:

- the spreading of the maturity of funding operations in order to reduce the usage of less stable funding sources, while in the meantime optimizing the cost of funding (integrated management of strategic liquidity and tactical liquidity);
- the financing of growth through strategic funding activities, setting the most appropriate maturities (yearly funding plan);
- the balancing of medium/to long-term wholesale funding requirements with the need to minimise costs, by diversifying sources, national markets, currencies of issuance and instruments used (realisation of the yearly funding plan).

The main metric used to measure the medium/long-term position has been the net stable funding ratio, as described by CRR.

In general, the net stable funding ratio is calculated as the ratio between the stable portion of liabilities and assets.

All the Balance sheet items are mapped according to their contractual maturity. In addition, they are assigned a weight that reflect, for the liabilities, their stability within the Balance sheet and, for the assets, the portion that is rolled over by the bank or that, more in general, cannot be traded on the market in exchange of liquidity that would generate relief to the institution.

The internal limit, set at 102.30% for 2025, means that stable liabilities have to fully cover the requirements of funding generated by the stable assets.

## Table EU LIQA - Liquidity risk management

In addition to the regulatory perspective offered by the net stable funding ratio, an internal metric, named structural liquidity ratio, is adopted to steer structural liquidity risk from an economic point of view, i.e. taking into account the liquidity risk stemming from different Balance sheet items under the perspective of internal models.

Another key structural metric, aimed at measuring the funding needs originated from the commercial activity of the Bank, is the loans to deposits ratio.

It measures the need of funding the bank has to finance on the wholesale market. The indicator is integrated in the risk appetite framework with the aim of monitoring and managing the level of funding coverage of net loans to customers, coming from funding sources not exclusively obtained through Treasury/Finance activity.

### ***Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring***

#### **Monitoring and reporting**

In the Group the governance and control of liquidity risk is mainly performed through the setting and monitoring of operating restrictions managerial and regulatory aimed at preventing potential vulnerabilities in the bank's ability to meet its cash flow obligations that are embedded in risk metrics limits or warning/trigger levels.

The short-term liquidity limits are monitored and reported on a daily basis.

The structural liquidity ratios and their exposure against limits are monitored and reported on a monthly basis. The survival period and the result of the liquidity stress test are reported and monitored on a monthly basis.

In case of limit breach or warning level activation at Group level, the Group risk management function investigates the rationale of the events, triggering the proper escalation and reporting them to the relevant committees.

#### **Mitigation factors**

Liquidity risk is considered a relevant risk category for the risk appetite determination of the Group.

The practices and processes are included in the "Group Liquidity Management & Control Policy", that defines the principles that the Parent Company and the legal entities have to apply for hedging and mitigating this risk and the roles to be interpreted by the different committees and functions.

In addition to an adequate liquidity buffer to face unexpected outflows and robust and regular up-to-date stress testing performed, the main liquidity mitigation factors for UniCredit group are:

- an accurate plan of short-term and medium to long-term liquidity needs, to be monitored on a monthly basis;
- an effective contingency liquidity policy with feasible and up-to-date contingency action plan to be executed in case of crisis;
- a system of early warning indicators such to anticipate any potential liquidity crisis and give enough time to the Group to restore its safe liquidity profile.

#### ***Bank's contingency funding plans***

The liquidity crisis usually develops quickly and the relevant signals may be either difficult to interpret or may even be lacking; it is, therefore, important to clearly identify players, powers, responsibilities, communication and reporting criteria, in order to increase significantly the probability of overcoming the state of emergency successfully. A liquidity crisis could be classified as systemic (e.g., overall capital and money market disruption) or specific (e.g., specific to the bank), or a combination of both.

The ability to act in time is essential to minimise the potentially disruptive consequences of a liquidity crisis.

The analysis of the stress tests will form a valuable tool to identify the expected consequences and to define up front the most suitable actions in a certain crisis scenario.

In combination with the early warning Indicators the organisation may be able to reduce the negative liquidity effects in the initial stages of a crisis. Therefore, a crisis-mode operating model, that can be activated effectively in case of crisis according to an approved procedure, has been defined.

In order to be able to proceed timely, a set of mitigating actions have been pre-defined.

Depending on the situation some of these actions can then be approved for execution.

The *Group contingency liquidity management* rules have the objective of ensuring effective interventions starting from the very outset (initial hours) of the liquidity crisis, through the definition of specific guidelines on activation, meetings, decisions, actions and communications.

This is achieved through:

- a set of early warning indicators that may help to identify emerging vulnerabilities in the Group liquidity risk position;
- activation of extraordinary liquidity governance and operating model linked to indicators included in both the risk appetite and recovery and resolution plan framework;
- a set of available standby mitigating liquidity actions;
- consistent internal and external communication.

A relevant part of the contingency liquidity management is the contingency funding plan. This plan consists of a set of potential but concrete management actions to be performed in time of crisis.

These actions are described in terms of size, instrument, and timing of execution aimed at improving the bank's liquidity position during time of crisis. The contingency funding plan is developed on the basis of the annual Funding Plan.

A specific early warning indicators dashboard is in place, both at Group and legal entities level, in order to continuously monitor situations of stress, which may, among others, be originated by market, sector or name specific events.

## Table EU LIQA - Liquidity risk management

They are based either on macroeconomic or market indicators that also reflect the monetary policy stance of the Central Banks variables, or on specific internal metrics. The system of early warning indicators helps to identify emerging vulnerabilities in the Group's liquidity risk position or potential funding needs, triggering a potential response by the senior management.

A "traffic light approach" is adopted for each metric in order to have sufficient time to inform senior management of a deteriorating situation and allow to put in place adequate actions aimed at restoring the business-as-usual state.

### **Stress testing**

Stress testing is a risk management technique used to evaluate the potential effects on an institution's financial condition of a specific event and/or movement in a set of financial variables.

As a forward-looking tool, liquidity stress testing diagnostics the institution's liquidity risk. In particular, the results of the stress tests are used to:

- determine liquidity limits both in quantitative and qualitative terms;
- plan and carry out alternative funding transactions for purposes of off-setting liquidity outflows;
- structure/modify the liquidity profile of the Group's assets;
- provide support to the development of the liquidity contingency plan.

In order to execute stress tests that are consistent across the liquidity reference banks, the Group has a centralised approach, requiring each local liquidity reference bank to run the same scenario set under the coordination of the Group risk management.

The Group runs liquidity scenarios and sensitivity analyses on a regular basis, the latter by assessing the impact on an institution's financial condition of a move in one particular risk factor, whereas scenario tests tend to consider the impact of simultaneous moves in a number of risk factors, based on a hypothetical, well defined and consistent stress scenario.

The Group identifies three different types of potential liquidity crisis:

- market (systemic, global or sector): market downturn scenario. This scenario consists of a sudden turmoil in a monetary and capital market, which may be caused by closure (or limited access) to market/settlement system, critical political events, country crisis, credit crunch, etc.;
- specific to the Group, or part of it (idiosyncratic): name crisis; the assumptions could be operational risk, events relating to the worsened perception of the Group reputational risk and a downgrade in UniCredit S.p.A. rating or another legal entities;
- a combination of market and specific crisis: combined scenario.

These scenarios are expected to cause a substantial reduction in the funding coming from rating-sensitive customers, CD/CPs' investors and inter-bank markets. In addition, a possible usage of the undrawn portion of the committed lines is considered.

The *combined scenario* is defined as a general negative development in the market environment and also as a factual or market-hypothesised problem specific to the Group.

During 2025 the Group liquidity stress test result on the combined scenario was always positive on the time horizon relevant for the internal limit system.

In addition to the internal stress test, the bank adopts and monitors the liquidity coverage ratio (LCR), calculated in accordance with the provisions of Implementing Regulation (EU) 2016/322 in force from 1 October 2016 as amended by DR (EU) 2018/1620.

It is the ratio between the high-quality liquid assets (HQLA) and the net cash outflows expected over the coming 30 days, under stress test conditions.

The compliance with this regulatory requirement is constantly monitored by setting, in the risk appetite framework, internal limitations above the binding minimum level of 100%.

Among the liquidity outflows that occur in a stress scenario, the bank monitors on a monthly basis the impact in terms of additional collateral that the bank may be required to provide given a downgrade of its own credit rating.

All the relevant rating agencies are taken into account. The testing is carried out on a legal entity level, but consolidated reporting is available to analyse the impact on Group-wide basis. Specific attention is dedicated to exposures towards special purpose vehicles (SPV).

### **Adequacy of the Liquidity Risk Management**

In the yearly process of the ILAAP, the senior management is requested to give a judgement on the adequacy of the liquidity position and stability of funding, called Liquidity Adequacy Statement (LAS). This assessment aims at showing the main drivers that had modified the liquidity position throughout the year and provides comment also on the evolution of the main metrics that are used to steer the different aspects of the liquidity risk.

During 2025, the Group liquidity situation is deemed adequate, and the liquidity risk management arrangements of the institution ensure that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy.

The framework of measurement systems and of limits in place aims to ensure that the Group has always an internal liquidity buffer/reserve that allows it to face expected and unexpected payments.

In the daily Treasury activity, the (managerial) liquidity reserve is represented by the Counterbalancing Capacity (CBC).

Group Treasury, in its role of operational liquidity management function is entitled to monetise also the bonds belonging to the trading book, if this is necessary to restore the liquidity positions, prevailing on any existing business or risk management strategies.

From a regulatory perspective, the liquidity reserve is represented by the amount of high-quality liquid assets (HQLA).

This is the numerator of the LCR and is made of assets, which can be easily and immediately converted into cash at little or no loss of value even in periods of severe idiosyncratic and market stress. These assets are unencumbered, which means free of legal, regulatory, contractual or other restrictions on the ability of the bank to liquidate, sell, transfer, or assign them.

## Table EU LIQA - Liquidity risk management

The adequacy of the liquidity reserve under both perspectives is monitored and controlled through the limitations set on the operative maturity ladder (managerial) and on the liquidity coverage ratio (regulatory), as described above.

During 2025, the operative maturity ladder of the Group, measured considering the impediments in the transfer of liquidity among legal entities, was constantly above the Risk Appetite Trigger, defined at a level that ensures that the Group would have enough liquidity to survive to a period of stress.

Similarly, the Group liquidity coverage ratio (LCR) was always well above the trigger (set above the minimum regulatory requirement of 100%), confirming that its liquidity reserve was large enough to cover one month of stress designed according to the regulatory hypothesis.

While the operative maturity ladder and the LCR restrictions ensure that the liquidity reserves are adequate, the respect of the loan to deposit ratio and other structural liquidity metrics restrictions ensure that the bank maintains an appropriate balance between assets and liabilities in the medium-long term (beyond one year), preventing additional pressure on the short-term liquidity position.

During 2025, the net stable funding ratio, the loans to deposit ratio and the structural liquidity ratio were above the limitations set in the risk appetite framework, thus confirming the relative stability of the funding source of the Group.



# Qualitative information on 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's purpose of empowering communities to progress. A principles-based approach guides the actions, enabling the Bank to embed sustainability in all activities while constantly adapting the strategy to the mutable external context.

In this evolving context, the priority of the Bank's strategy is to ensure the delivery of targeted, tangible impact, with a sharper focus on customers and communities. The bank is focusing on ESG where it matters by:

- Driving value for clients in the transition: commitment to meeting clients' evolving transition needs with a focused, dedicated approach. At the same time, development of environmental framework beyond decarbonization;
- Championing Social, backing served communities, people and wider society: UniCredit has a dedicated social financing offer and promotes social projects combining volunteering and philanthropy. At the same time, the Bank also support people with focus on well-being and training;
- Evidencing accountability and transparency, along with a robust ESG framework: full transparency on disclosure progress, while strengthening ESG governance and risk framework.

Bank's ESG efforts are indeed 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.

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 the operations and lending have on the environment:

- *Indirect impacts* - accompany the clients on their green transition journey by:
  - assessing and monitoring the portfolio exposure towards most climate-sensitive 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 the environmental footprint by:
  - steering the behaviour towards Net Zero on Bank's 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 risk management framework requirement.

UniCredit's strategy incorporates identifying and understanding climate and environmental risks (C&E) and opportunities that the Bank may encounter.

### 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.

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 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 NetZero 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.

# Qualitative information on Environmental, Social and Governance risks (ESG)

Consistently, starting in 2024, the potential impacts of climate change—covering both transition and physical risks—have been integrated into the calculation of Expected Credit Losses (ECL). This integration is achieved by explicitly incorporating these risks into the evolution of forward-looking parameters such as Probability of Default (PD) and Loss Given Default (LGD).

Following the first-time adoption, the ECL amount is reviewed annually to reflect updated climate scenarios and changes in the portfolio composition in terms of counterparties and collaterals.

For further details on how climate risk has been embedded in ECL provisioning and the related impact amounts, reference is made to the 2025 Annual Reports and Accounts, Notes to the consolidated accounts, Part E – Information on risks and related hedging policies, section 2.3 Measurement methods for expected losses, 2.3.4 Scenarios and sensitivity.

UniCredit strategy and risk framework is based on a detailed assessment and analysis of the climate risk. 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.

POTENTIAL CLIMATE-RELATED RISKS	TIME HORIZON	MAIN POTENTIAL IMPACTS	SPECIFIC ACTIONS	OVERARCHING ACTIONS
<b>Transition risks</b> Changes in or introduction of public policies and/or environmental regulations	Short and medium/long-term	<ul style="list-style-type: none"> <li>Reduction of business for corporate clients with potential drawbacks on creditworthiness/solvency</li> <li>Financial implications arising from environmental/ESG regulations and GHG emission limits and/or taxes applied to clients operating in specific economic sectors</li> <li>Reduction of Group profits deriving from concentration on sectors more sensitive to climate-related risks</li> </ul>	<ul style="list-style-type: none"> <li>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</li> <li>Enhancement of Market and Liquidity risk framework to incorporate the assessment, monitoring and control of ESG risks</li> </ul>	<ul style="list-style-type: none"> <li>Definition of data governance processes and related IT investments to integrate ESG risks into the risk management framework</li> <li>Participation in international working groups related to climate, such as the UNEP FI, stakeholder engagement initiatives and active collaboration with policy makers</li> <li>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</li> <li>Inclusion of specific KPIs related to transition and physical risks as well as Net Zero path within the Risk Appetite Framework. The risk appetite is then cascaded to more granular levels via risk strategies and policies</li> <li>Promoting a sustainable culture within the organisation by developing ESG training courses and workshops</li> </ul>
<b>Transition risks</b> Technological changes	Short and medium/long-term	<ul style="list-style-type: none"> <li>Increase in costs for corporate clients with potential drawbacks on creditworthiness/ solvency</li> </ul>	<ul style="list-style-type: none"> <li>Integration of industry steering signals within the Credit Risk Strategies framework, based on relevant Climate &amp; Environmental (C&amp;E) factors</li> </ul>	
<b>Transition risks</b> Changes in customer/ consumer preferences	Short and medium/long-term	<ul style="list-style-type: none"> <li>Reduction of business for corporate clients with potential drawbacks on creditworthiness/ solvency</li> <li>Potential changes to the offering of products and services to clients</li> </ul>		
<b>Transition risks</b> Changes in customer or community perceptions	Short and medium/long-term	<ul style="list-style-type: none"> <li>Reputational impacts or negative perceptions from the community or Stakeholders due to inadequate management of climate-related risks</li> </ul>	<ul style="list-style-type: none"> <li>Environmental sector policies and their subsequent implementation</li> <li>A Reputational Risk assessment to evaluate the positioning of clients and specific projects in relation to climate-related topics</li> </ul>	

## Qualitative information on Environmental, Social and Governance risks (ESG)

POTENTIAL CLIMATE-RELATED RISKS	TIME HORIZON	MAIN POTENTIAL IMPACTS	SPECIFIC ACTIONS	OVERARCHING ACTIONS
<p><b>Physical risks</b></p> <p><b>Acute</b> Extreme weather events such as floods, droughts, heavy rainfalls, heatwaves, fires and hail)</p> <p><b>Chronic</b> Chronic weather events such as variations in average temperatures and sea level rise</p>	Short and medium/long-term	<p>Financial implications resulting from corporate/retail clients being damaged by extreme weather events, potentially impacting their creditworthiness/solvency</p> <ul style="list-style-type: none"> <li>• Potential damage to the Group's infrastructure and the potential disruption of activities</li> <li>• Increase in energy supply costs due to higher heat/electricity demand</li> <li>• Potential fires, driven by rising temperatures, affecting areas in proximity to the Group's buildings</li> <li>• Potential impact of sea level rise on buildings located near the sea</li> <li>• Reduced productivity due to higher temperatures</li> </ul>	<ul style="list-style-type: none"> <li>• Inclusion of ESG risks considering counterparty scoring</li> <li>• Monitoring of physical risks both on counterparties within portfolio and individual collaterals</li> </ul>	<ul style="list-style-type: none"> <li>• Definition of data governance processes and related IT investments to integrate ESG risk into the risk management framework</li> <li>• Participation in international working groups related to climate, such as the UNEP FI, stakeholder engagement initiatives and active collaboration with policy makers</li> <li>• 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</li> <li>• Inclusion of specific KPIs related to transition and physical risks as well as Net Zero path within the Risk Appetite Framework. The Risk Appetite is then cascaded to more granular levels via risk strategies and policies</li> <li>• Promoting a sustainable culture within the organisation by developing ESG training courses and workshops</li> <li>• Signing (2022) of the Finance for Biodiversity Pledge (FfB) and participation as member to the working table on Biodiversity of the UNEP FI<sup>45</sup></li> </ul>

<sup>45</sup> United Nations Environment Programme Finance Initiative.

## Qualitative information on 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
<b>Business - Individual Solutions</b>	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
<b>Business - Corporate Solutions</b>	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
<b>Operations</b>	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

UniCredit current ESG penetration targets across total business volumes for 2025-2027 are set at 15% for ESG lending<sup>46</sup>, 15% for sustainable bonds<sup>47</sup>, and 50% for ESG investment products<sup>48</sup>.

In 2025, ESG lending penetration reached 19%, overachieving the current target, while ESG investment bonds and sustainable products reached 50% and 15% penetration, respectively, matching current targets.

UniCredit ambition is to pursue Net Zero on financed emissions (Scope 3, Category 15) by 2050. To achieve that, UniCredit disclosed 2030 intermediate 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<sup>49</sup>. Moreover, UniCredit has committed to pursuing Net Zero emissions on own operations (Scope 1 and 2, market-based) by 2030, without interim targets. The targets are compatible with limiting global warming to 1.5°C in alignment with the Paris Agreement objectives. The targets apply to the Group.

<sup>46</sup> Percentage defined as Environmental, Social and Sustainability linked lending new production on overall medium/long term lending new production (yearly % to be achieved).

<sup>47</sup> 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.

<sup>48</sup> 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).

<sup>49</sup> 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.

## Qualitative information on Environmental, Social and Governance risks (ESG)

UniCredit's commitment to addressing biodiversity related issues is steadily taking shape. UniCredit principles are formalized in the Statement on Natural Capital and Biodiversity, published in 2024. UniCredit is the first Italian bank to have signed up to the Finance for Biodiversity Pledge (FbBP) and is a member of the Working Group on Nature within the United Nations Environment Programme Finance Initiative (UNEP FI), related to Principles for Responsible Banking (PRB). UniCredit is following and participating in discussions at European level on regulatory frameworks (e.g. on deforestation, agriculture) with Business & Biodiversity Platform and is member of the IIF Sustainable Finance Nature Expert, a platform to address evolving nature related issues and to support advocacy efforts related to nature initiatives. Since 2024, UniCredit is also member of the TNFD Forum. Following our strengthened engagement with NGOs and civil society at large, we have dedicated initiatives with the most significant organizations to assess any gaps identified by them in Group ESG strategic positioning and to highlight the Group's improvements in areas of sustainability, focusing on material topics such as Biodiversity, Net Zero and policy updates.

In 2025, in the context of the above participations, UniCredit contributed to address the mapping of all the existing biodiversity data sources within the working group Impact Assessment of FbBP, to the Nature Impact Targets Pilot: spurring ambition and exploring leading practices for banks on nature within the Nature community of PRB and also to the TNFD Nature Transition Plan.

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 Net Zero 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 (together with reputational risk, Net Zero and physical risk 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.

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 fully 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.

## Qualitative information on 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 those regarding climate and environmental risks, non-compliance risk, 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 and the RAF, as well as 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 and the TCFD - Cross Reference Table, 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;

## Qualitative information on 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. A specific unit within Enterprise Risk Management is dedicated to climate risk management and, on top, the topic 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, 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 (GFRC) defines strategies, policies, operational limits and methodologies for Credit risk, Market risks and Financial risks<sup>50</sup>.

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 Management which oversees climate-related and environmental risks and 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 (including ESG assessment) 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).

The ESG Product Guidelines aim at establishing a consistent and comprehensive methodology for the classification and reporting of UniCredit's ESG offering and at preventing the related risks of green washing and social washing, also in communication. On this aspect the objective is to provide all useful indications for correctly and consistently defining communication and marketing messages and the related validation processes. The ESG product guidelines are based on external regulations:

- EU Taxonomy (Regulation 2020/852) and available Delegated Acts;
- Commission Delegated regulation 2022/1288 (April 2022), Regulatory technical standards about the principle of 'do no significant harm';
- Commission Delegated regulation (EU) 2021/2139 of 4 June 2021 - Technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives;
- International Capital Market Association (ICMA): Green Bond Principles (GBP) 2025, Sustainability Bond Guidelines (SBP) 2021, ICMA Social Bond Principles 2025, Sustainability Linked Bond Principles 2024, Climate Transition Finance Handbook 2023, Harmonized Framework for Impact Reporting, 2024;
- Guidelines ISDA 2021 on Sustainability-Linked Derivatives;

<sup>50</sup> As of the date of approval of the document, the two managerial committees Group Financial and Credit Risk Committee and Group Non-Financial Risks and Controls Committee have been unified into a single Committee (Group Risk & Controls Committee).

## Qualitative information on Environmental, Social and Governance risks (ESG)

- Loan Market Association (LMA): Green Loan Principles 2025, Social Loan Principles 2025, Sustainability Linked Loan Principles 2025;
- Platform on Sustainable Finance: Transition Finance report 2022; Building trust in transition: core elements for assessing corporate transition plans, 2025, ANNEX to the Commission Recommendation on facilitating finance for the transition to a sustainable economy June 2023;
- EU Transition Finance Recommendation, 2023;
- EU Sustainable Finance Disclosure Regulation 2019/2088 (SFDR);
- Directive 2014/65/EU - MiFID 2;
- European Securities and Markets Authority (ESMA): Guidelines on funds' names using ESG or sustainability-related terms, 2024.

The perimeter of application covers all Group's legal entities and business lines: lending products, bonds, investment, hedging, capital market, transactional and insurance products. The ESG Product Guidelines have been approved by Group Non-Financial Risks and Controls Committee at Group Level, and each legal entity is responsible for the policy implementation at local level. Specifically, each legal entity is made responsible to set up specific processes for the verification of the ESG features of deals and products. Moreover, the central ESG function supports the legal entities in structuring deals compliant with market standards and guidelines, performing ex-post checks on a periodical basis on new deals (social/ green/ transitional/ ESG linked).

The policy is regularly reviewed to amend or include additional qualifying activities and/or criteria based on market trends or business needs and to comply with regulatory requirements. For example, in the 2025 review new criteria have been introduced based on standards market for simplifying the assessment of financing including National/Supranational initiatives in relation to green and social financing.

The policy is meant for internal use and an abstract is also available on the institutional website.

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.

### *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 2025 Group Incentive System rules. In 2026 the same approach will be followed, with targets in line with the current and future ESG Strategy 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 2025 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.

## Qualitative information on Environmental, Social and Governance risks (ESG)

NAME OF THE INITIATIVE	TARGET	CLIMATE-RELATED
<p><b>ESG Outlook for Executives: From Macro Trends to Industry Impact</b></p> <p>(in partnership with CETIF Academy – Università Cattolica del Sacro Cuore)</p>	Group Executives	<p>Among the topics covered:</p> <ul style="list-style-type: none"> <li>• ESG Macroeconomic Scenario and Trends</li> <li>• Regulatory Developments</li> <li>• Emerging Trends and Systemic Risks</li> <li>• ESG as a Leverage for Competitiveness</li> <li>• Sustainable Finance: Tools and Opportunities to Support the Transition</li> </ul> <p>Dedicated focus to sectors:</p> <ul style="list-style-type: none"> <li>• Why Agriculture Matters for ESG Finance</li> <li>• The Fashion Industry Facing the ESG Challenge</li> <li>• ESG and Energy: A Strategic Interdependence</li> </ul>
<b>ESG Fundamentals</b>	All Group colleagues	<p>Among the topics covered:</p> <ul style="list-style-type: none"> <li>• Introduction to climate change from the Paris Agreement to COP 29 and highlight on the main European regulations about Climate</li> <li>• Content updated in 2025</li> </ul>
<b>Natural Capital and Biodiversity</b>	All Group colleagues	<ul style="list-style-type: none"> <li>• Training course, provides an overview of biodiversity, ecosystems and natural capital</li> <li>• The course explores the meaning and importance of the biodiversity as well as risks associated with the loss of biodiversity and related impacts on natural capital and climate</li> </ul>
<b>Circular Economy</b>	All Group colleagues	<ul style="list-style-type: none"> <li>• The new training module provides an in-depth understanding of the principles and practices of circular economy</li> <li>• It focuses on exploring sustainable business models for the circular economy, offering practical solutions for implementing them within businesses</li> <li>• Impacts on climate are also discussed</li> </ul>
<b>Climate &amp; Environmental Risk Assessment Training</b>	<p>Global Account Managers</p> <ul style="list-style-type: none"> <li>• Senior Relationship Managers</li> <li>• Relationship Managers</li> <li>• Group Senior Risk Managers</li> <li>• Group Credit Transactions</li> <li>• Employees of other corporate structures involved in</li> <li>• Filling in the Environmental Questionnaire in credit procedure</li> </ul>	<p>Among the topics covered:</p> <ul style="list-style-type: none"> <li>• Climate and Environmental Transition Risk Assessment: Questionnaire and Guidelines</li> <li>• Climate and Environmental Transition Risk Assessment: Transition Risk Scoring Model and Environmental Report</li> <li>• Credit Process: Integrating Environmental Considerations into Credit Decision Making</li> </ul>
<b>EU Taxonomy</b>	Business colleagues	Training on the regulatory requirements of the EU Taxonomy and the consequent impacts on business
<p><b>ESG Corporate Advising Certification</b></p> <p>(in partnership with PoliMi Graduate School of Management)</p>	Business colleagues - corporate area	<ul style="list-style-type: none"> <li>• An advanced training program — designed exclusively for our Group in collaboration with the POLIMI Graduate School of Management and part of the offering of our UniCredit University Italy — focused on Sustainable Finance skills</li> <li>• The program aims to strengthen the competencies of each colleague involved, through an ESG-focused approach aligned with our strategic development plans. Each participant (Relationship managers of the Corporate Italy network) who passes a final exam receives an “Open Badge” certificate in Sustainable Finance issued by the Politecnico di Milano</li> <li>• The goal is to enable each participant to support clients even more effectively in structuring ESG deals, thanks also to concrete case studies drawn from real experiences with our clients</li> </ul>

## Qualitative information on 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 the role and, in particular, the involvement of employees in climate risk related activities and the regulators requirements. Following this approach the training has been structured as follows:

- for all Risk Management employees, aiming at providing the fundamentals on climate risk and covering 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 learning path has been designed to strengthen their competencies linked to the regulator's requirements in particular, a day in class on "Natural Capital in Banking: dependency and Risk measurement" providing an overview on natural capital and a deep dive on social and environmental risks with a specific focus on EBA guidelines on loan origination and monitoring and an online training pills 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.

A new training path on ESG topics will be developed in 2026.

### **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 "ECB Guide on climate-related and environmental risks" (2020), 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 organizations:

- 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;
- 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.

# Qualitative information on Environmental, Social and Governance risks (ESG)

**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	TRANSMISSION CHANNELS	RISK TYPES POTENTIALLY IMPACTED
<b>Physical risk drivers</b> <ul style="list-style-type: none"> <li>• Acute</li> <li>• Chronic</li> </ul>	<ul style="list-style-type: none"> <li>• Carbon price/carbon tax</li> <li>• New climate-related regulations</li> <li>• Stranded assets</li> <li>• Damages to property</li> <li>• Shifts in prices and asset values</li> <li>• Increased volatility of asset prices</li> <li>• Lower asset performance</li> <li>• Operational disruption</li> <li>• Productivity changes</li> <li>• Losses of business opportunity</li> <li>• Dispute, claims</li> <li>• Interest rates level</li> <li>• Changes in individuals' habits</li> <li>• Changes in clients' expectations</li> <li>• Political decisions</li> <li>• Energy Performance Certificates</li> <li>• Insurance availability/affordability/ pricing</li> </ul>	<ul style="list-style-type: none"> <li>• Credit Risk</li> <li>• Market Risk</li> <li>• Operational Risk</li> <li>• Reputational Risk</li> <li>• Business Risk</li> <li>• Real Estate Risk</li> <li>• Inter-risk diversification</li> <li>• Liquidity Risk</li> </ul>
<b>Transition to low carbon Economy risk drivers</b> <ul style="list-style-type: none"> <li>• Policy changes</li> <li>• Technological changes</li> <li>• Behavioural/consumer preferences changes</li> <li>• Client or community perception changes</li> </ul>		

### 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 (2028) 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<sup>51</sup>'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.

<sup>51</sup> Network for Greening the Financial System/International Energy Agency.

# Qualitative information on Environmental, Social and Governance risks (ESG)

The scenarios' narratives for 2025 climate-risk scenario analysis are described below.

BASELINE	DELAYED TRANSITION	CLIMATE DISTRESS
<p><b>Central scenario</b></p> <p><i>Narrative:</i> Projection of commitment and measures currently adopted by different countries. Climate assumptions aligned with the International Energy Agency's (IEA) Stated Policies Scenario</p>	<p><b>Transition risk stressed scenario</b></p> <p><i>Narrative:</i> 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.</p>	<p><b>Physical risk stressed scenario</b></p> <p><i>Narrative:</i> uncertain climate policies and waning ambition hinder the energy transition, with green investment failing and fossil fuel dependence persisting. Emission rise sharply, leading to significant physical risk impacts. The scenario also includes physical damage estimates attributed to changes in temperature volatility and the increasing likelihood of acute events The scenario also considers physical damage estimates attributed to changes in temperature volatility and the increasing likelihood of acute events.</p>

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 Climate Distress scenario) and transition risk (main driver of Delayed Transition scenario) or both (Baseline).

The outcomes of the 2025 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.

Although transition risk for Credit Risk has been assessed as not material according to the current quantitative framework, it has nevertheless been considered as managerially material, taking into account the context characterized by market uncertainty and evolving transition pathways and the significant external attention and supervisory expectations associated with climate-related transition risks, thus confirming the strong commitment of the Group on this topic as evidenced by the robust risk governance framework in place (including dedicated policies, monitoring and controls). For further details please refer to Sustainability Statement, SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business, Material impacts, risks and opportunities (IROs) resulting from materiality assessment.

The heatmap also includes the assessment for Liquidity Risk, based on the ILAAP framework; for further details, please refer to "Financial Risk" section below.



# Qualitative information on Environmental, Social and Governance risks (ESG)

The outcome on the Baseline scenario shows the low magnitude of transition and physical risks in all the 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 (reference is made to the 2025 Annual Reports and Accounts, Notes to the consolidated accounts, Part E - Information on risks and related hedging policies, 2.3 Measurement methods for expected losses, 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. Based on the estimates, Climate risk is included in Economic Capital calculation and the Bank's resilience is ensured in all the time-horizons.

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.

As at 2025, 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 5 sectors with the same metrics used to set 2030 targets (financed emissions and physical intensity), to steer accordingly the portfolio in 2025:
  - Oil & Gas: Financed Emissions (MtCO<sub>2</sub>e);
  - Power generation: Physical intensity (gCO<sub>2</sub>e/kWh);
  - Automotive: Physical intensity (gCO<sub>2</sub>/vkm);
  - Commercial Real Estate: Physical intensity (KgCO<sub>2</sub>e/m<sup>2</sup>);
  - Residential Real Estate: Physical intensity (KgCO<sub>2</sub>e/m<sup>2</sup>).

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.

## *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.

## Qualitative information on Environmental, Social and Governance risks (ESG)

In particular, the industry steering signals 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:

- 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) alignment to EU Taxonomy (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.

Three steps are applied in order to determine the questionnaire result as shown in the following figure:

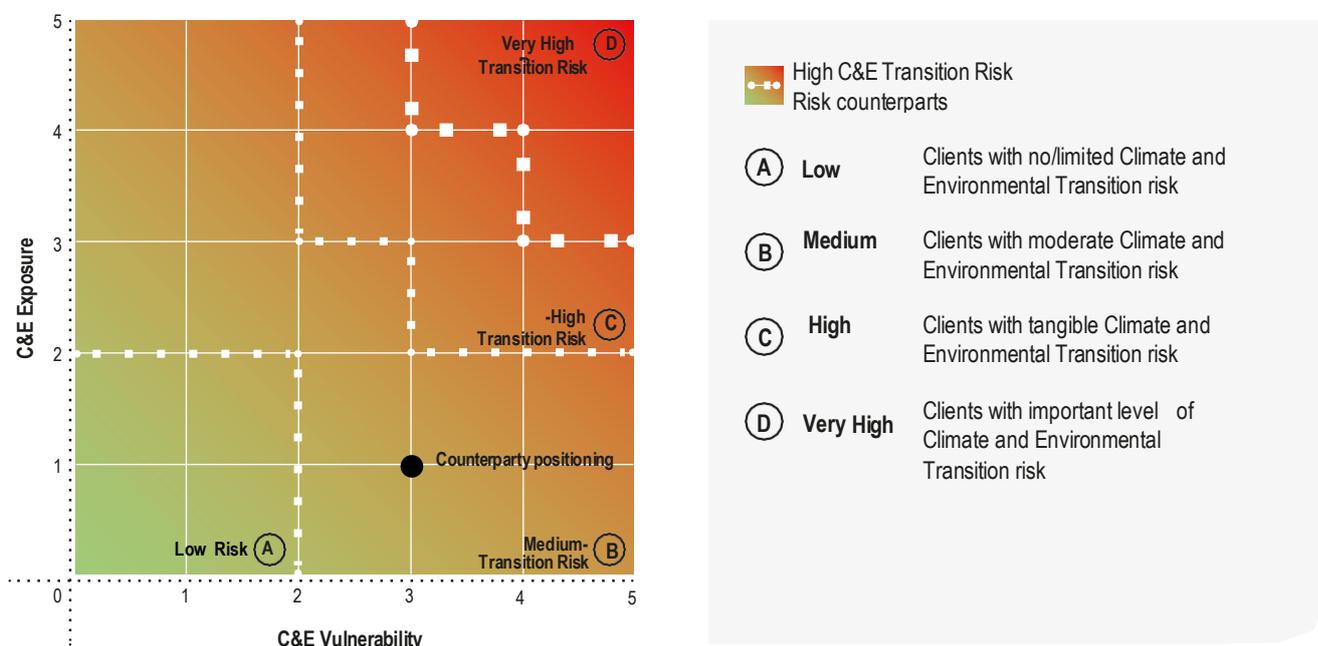


In detail:

- 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.

# Qualitative information on Environmental, Social and Governance risks (ESG)

Scoring methodology matrix



- c.1,400 approximate number of counterparties mapped by the C&E Questionnaire
- 45%-50% approximate corporate portfolio coverage
- Risk of UniCredit clients:
  - greater than 90% Medium/Low;
  - lower than 10% High/Very high.

In 2025, UniCredit refined the C&E Questionnaire (go live in 2026) by integrating a more comprehensive set of indicators, thereby strengthening the evaluation of clients' nature-related considerations. Additional indicators were introduced to capture nature-related risks more comprehensively. These include biodiversity (presence of operations in biodiversity-sensitive areas), pollution (amount of pollutants released into air, water, and soil), water consumption intensity, and waste production (total waste, diverted from disposal and hazardous). These enhancements aim to ensure greater comparability across industries, align with regulatory frameworks such as the CSRD, and maintain methodological continuity with the existing risk framework applied in credit processes.

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 (together with reputational risk, Net Zero and physical risk 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.

## 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.

# Qualitative information on Environmental, Social and Governance risks (ESG)

Climate & Environmental data collection for the corporate portfolio 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 almost the entire 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 risk score;
- Synthetic ESG score and its components: E, S, G;
- GHG emissions, with details by scope 1, 2, 3 and production data;
- Alignment to decarbonization pathway;
- Top 20 polluters information;
- Natural Capital data.

The data acquired from external providers encompasses both listed and non-listed counterparties. Coverage may vary based on the type of data (actual or proxy), geography, and underlying methodologies. The Group aims to prioritize actual 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 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 specialized 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.

Such information has been integrated into the ESG Global IT Infrastructure and is available on the local underwriting platforms at the origination stage and supports a proper monitoring and steering of the risk of the portfolio.

## *Physical risk in the credit portfolio and collateral evaluation*

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<sup>52</sup>.

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), C&E risk is integrated 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);

<sup>52</sup> As reported in the description related to quantitative Template 5 ESG.

## Qualitative information on Environmental, Social and Governance risks (ESG)

- 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.

Market Risk Stress Test Program is run on the Scenarios described in Section "Integration of climate risk into risk framework - short/medium/long term impacts".

### Investment Portfolio:

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-High category (67%) for Transition Risk and in Low category (81%) for Physical Risk. Not exposure with high transition and physical risk score.

#### Transition Risk:

- High - 0%
- Medium High - 67%
- Medium Low - 30%
- Low - 3%

#### Physical Risk:

- High - 0%
- Medium High - 0%
- Medium Low - 19%
- Low - 81%

### 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:

Transition and Physical Risk Scores are available for about 100% and 95% respectively of the relevant perimeter of the portfolio (Corporates and Financials exposure). Risk distribution is mainly concentrated in the Low category for both Transition (45%) and Physical (34%) Risk. Currently there is no material exposure for a high-risk score for either transition or physical risk.

#### Transition Risk:

- High - 0%
- Medium High - 18%
- Medium Low - 37%
- Low - 45%

#### Physical Risk:

- High - 26%
- Medium High - 10%
- Medium Low - 30%
- Low - 34%

## Qualitative information on Environmental, Social and Governance risks (ESG)

### Credit risk in the trading book:

Transition and Physical Risk Scores are available for about 100% and 70% respectively of the relevant perimeter of the Portfolio (Corporates and Financials exposure).

Risk distribution is mainly concentrated in the Medium-Low category (51%) for Transition Risk and in the Low category (60%) for Physical Risk.

Currently there is almost no exposure for a high-risk score for either transition or physical risk.

#### Transition Risk:

- High - 1%
- Medium High - 41%
- Medium Low - 51%
- Low - 7%

#### Physical Risk:

- High - 0%
- Medium High - 6%
- Medium Low - 34%
- Low - 60%

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).

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 CO<sub>2</sub> 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. In addition, in order to factor in the Net Zero strategy adopted by the Group (for main sectors Oil&Gas, Power Generation, Automotive) on Transition Risk, the shocks applied on non-financial corporates credit lines are differentiated.

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 for 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.

## Qualitative information on Environmental, Social and Governance risks (ESG)

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 criticised for supporting activities and projects through its financial products and services that harm the environment and contribute to worsen 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.

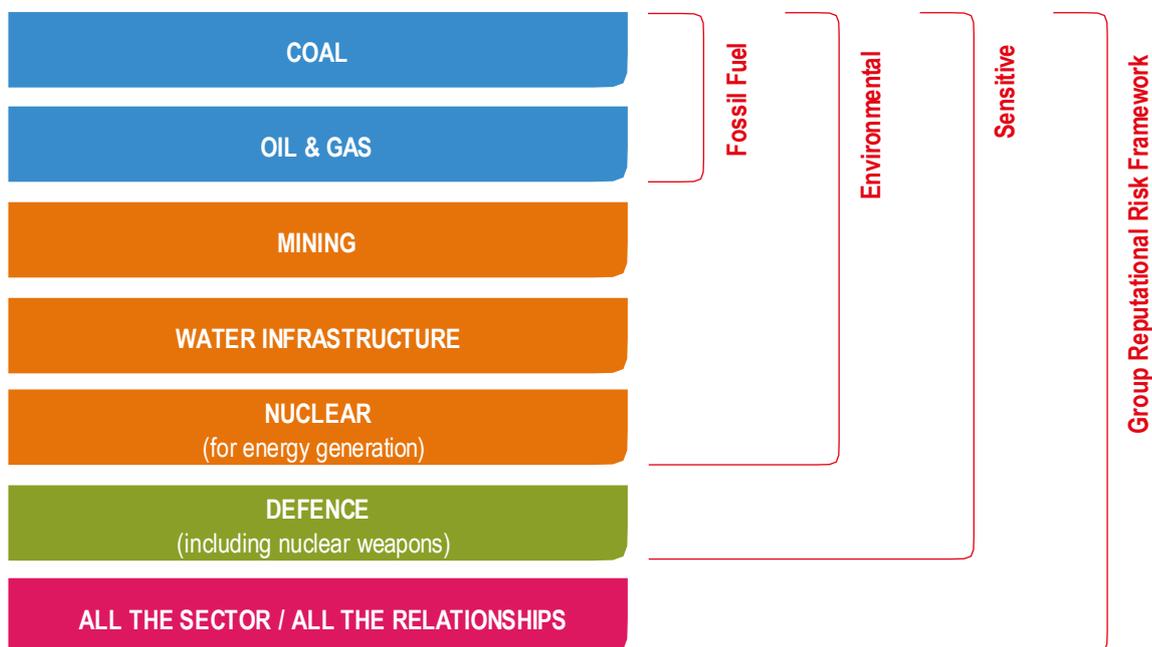
With regards to reputational risk, the Group defines reputational risk as the current or prospective risk to earnings and capital resulting from the negative perception of the Financial Institution's image by various stakeholders including clients, shareholders/investors, regulators, employees, debtholders, 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;
  - 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.

## Qualitative information on Environmental, Social and Governance risks (ESG)

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).

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.

# Qualitative information on Environmental, Social and Governance risks (ESG)

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
<b>FULL SUPPORT</b> • No coal developer (no increase in coal business since Sep. 2020) AND • Current revenues from coal <= 25% AND • Phase out by 2028	●	●	●	●	●	●	●
<b>GREEN FINANCING</b> • No coal developer (no increase in coal business since Sep. 2020) AND • Phase out in line with National Energy & Climate Plan	●	●	●	●	●	●	●
<b>PHASE-OUT</b> • 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 and owners, operators, subcontractors or suppliers of Key Components/Infrastructures/Services (e.g. EPC contractors), including companies in the juridical group, i.e. >25%.

# Qualitative information on Environmental, Social and Governance risks (ESG)

Provisions	General Financing	Dedicated Purpose Financing / Transactions Financing					Other		
	General Financing	Sustainability-linked ROF	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
<b>A FULL SUPPORT</b> • 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)	●	●	●	●	●	●	●	●	●
<b>B TRANSITION SUPPORT</b> • 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)	●	●	●	●	●	●	●	●	●
<b>C PHASE-OUT</b> • Current revenues from Unconventional Oil&Gas activities >50% OR • Current revenues from Arctic Oil&Gas activities >50%	●	●	●	●	●	●	●	● <sup>A</sup>	●

<b>LEGEND</b>	● Allowed	● Allowed, to be evaluated and approved	● Not Allowed	A. With the exception of Current/Cash accounts.
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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<sup>53</sup>, 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 LNFRFC (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.

<sup>53</sup> Reputational Risk Office, which includes the representatives of the Group Specialist Functions.

# Qualitative information on Environmental, Social and Governance risks (ESG)

- **Reputational Risk assessment by geography**

- Transactions evaluated at local level in 2025: 1,487
  - Central Europe: 558
  - Eastern Europe: 271
  - Germany: 149
  - Italy: 509

- **Reputational Risk assessment by Sectors**

- Transactions evaluated by sectors in 2025: 1,627
  - Coal: 146
  - Defence: 475
  - Mining: 90
  - Nuclear: 68
  - Oil & Gas: 171
  - Water Infrastructures: 46
  - Tobacco: 2
  - Human Rights: 1
  - ESG issues (including legal proceedings): 274
  - Sensitive sector locally regulated: 340
  - Liability risk: 14

- **Annual clearance released at group level**

- Transactions evaluated in 2025: 575
  - Central Europe: 339
  - Eastern Europe: 194
  - Germany: 118
  - Italy: 106

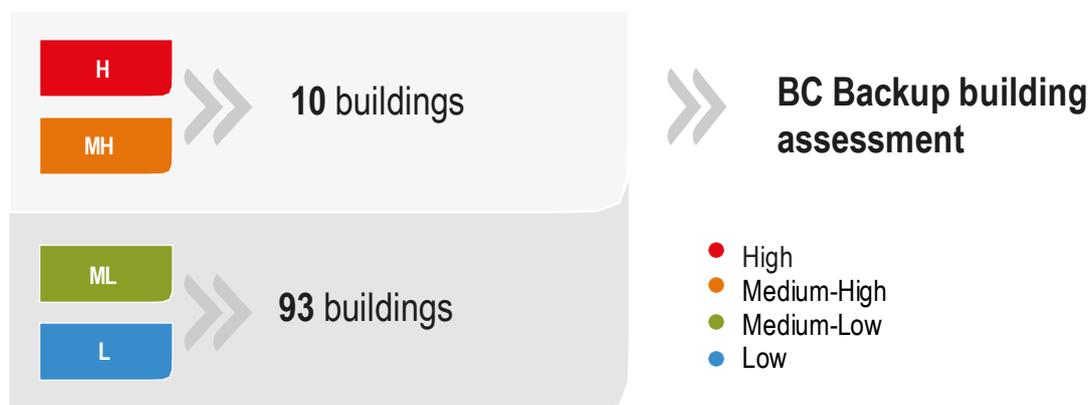
- **Single deal decisions taken at group level**

- Transactions evaluated in 2025: 730
  - Central Europe: 219
  - Eastern Europe: 77
  - Germany: 31
  - Italy: 403

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. Moreover, a set of buildings (7) currently not exposed to adverse climate condition are subject to a devoted monitoring, to check whether the risk profile might change, in order to implement immediate actions.

Scenario analysis



## Qualitative information on Environmental, Social and Governance risks (ESG)

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.

Whenever 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 recognises 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, 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).

In 2025 the assessment on impact has been further enhanced by identifying 19 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;
- **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.

The Bank has also integrated the Nature-related assessment with a new analysis to identify the dependency level from ecosystem services. The analysis leverages mainly on ENCORE<sup>54</sup> 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, in 2025, refined the C&E Questionnaire by integrating a more comprehensive set of indicators, thereby strengthening the evaluation of clients' nature-related considerations.

<sup>54</sup> ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure): opensource tool suggested by regulators as a standard to assess corporates dependency from ecosystem services.

# Qualitative information on Environmental, Social and Governance risks (ESG)

## Qualitative information on Social risk

### Business strategy and processes

As mentioned in the qualitative information on environmental risk (business strategy and processes section), UniCredit ESG strategy includes a commitment to championing social.

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 fulfills 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 requires 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 proposes 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 requires 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 are subject to a process of Informed Consultation and Participation and 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 requires 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.

Moreover, UniCredit group recognises that there are sectors that can entail a potential reputational risk 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 2025 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.

## Qualitative information on Environmental, Social and Governance risks (ESG)

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**

As mentioned in the qualitative information on environmental risk (business strategy and processes section), UniCredit ESG strategy includes a commitment to evidencing accountability and transparency, through a dedicated 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.

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.

# Qualitative information on Environmental, Social and Governance risks (ESG)

## *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.

As already mentioned Environmental Risk section, the updated ESG Fundamentals course is also available. It provides a comprehensive overview of Environmental, Social, and Governance principles, equipping participants with the essential knowledge required to embed sustainability within corporate strategies and decision-making processes.

## **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.

Social risk assessment of corporate clients and the measurement of potential impacts for banks remain at an early stage: key challenges include low data availability and the absence of a commonly agreed taxonomy, metrics and methodologies.

However, in 2025, the Group has strengthened its framework on Social risk by developing a first exposure-based industry heatmap for the loan portfolio. This assessment evaluates working conditions and equal treatment across the downstream value chain through geosectorial key indicators, focusing on workplace accidents, average working hours, collective pay agreements and gender-based compensation metrics. Results are classified into five risk categories and aggregated by industry to produce a synthetic Social Risk Score and an industry heatmap. This methodology supports exposure-based risk assessment and ensures consistency with sustainability regulations.

### *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 2025 Annual Reports and Accounts.

The management of reputational risk relies on:

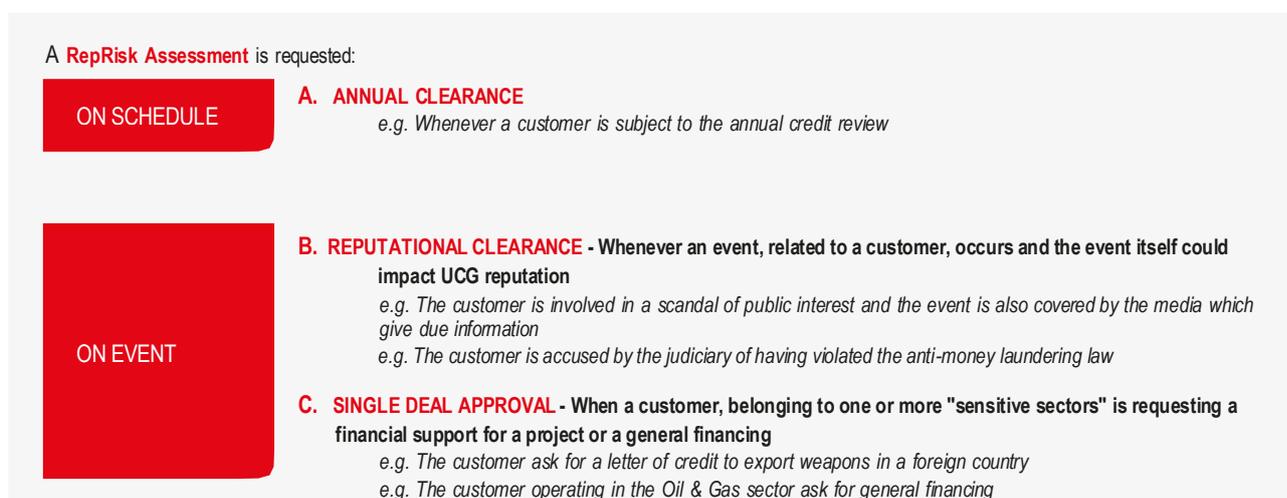
- setting clear general rules and guidelines for:
  - defining the profile of relationships (with clients as well as with other relevant counterparties such as suppliers) and operations (mainly financial support, but also investments and other financial products and services offered) that the Group is 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);

## Qualitative information on Environmental, Social and Governance risks (ESG)

- 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);
- 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:

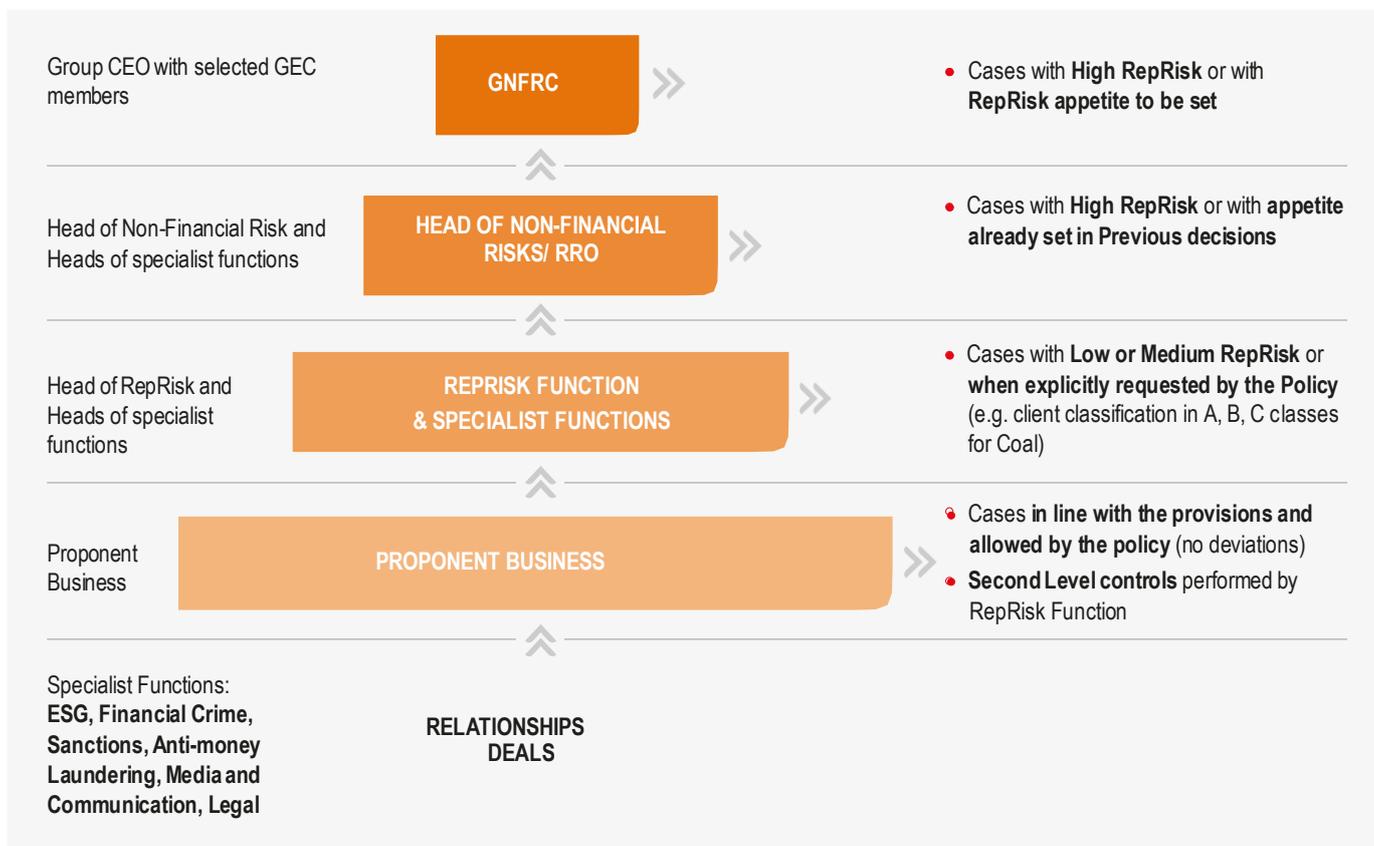


The decision-making bodies responsible for assessing cases of reputational risk can vary according to the relevance of the case and alignment with the policy provisions.

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.

# Qualitative information on Environmental, Social and Governance risks (ESG)

Decisional Bodies on RepRisk (Parent Company):



Decision makers/number of cases evaluated

- Total Assessment in 2025: 1,627
  - 14 cases evaluated by Group Non-financial Risks Committee (GNFRFC);
  - 56 cases evaluated by Head of Group Non-Financial Risk/Reputational Risk Office (RRO);
  - 1,418 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

UniCredit 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.

## Qualitative information on Environmental, Social and Governance risks (ESG)

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. The risk rating assigned should be periodically reconfirmed or changed by re-applying the checklists to the relationship; 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;
- 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 process 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 request 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 (such as the ESG Fundamentals course previously mentioned), including risks and opportunities related to governance risk aspects, have been put in place at all levels of the Bank to address various needs.

# Qualitative information on Environmental, Social and Governance risks (ESG)

## **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 paragraph of the Social risk section in the present chapter).

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 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);
- 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 is 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.



# Qualitative information on 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 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 2025, excludes (refer also to 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. 122 subsidiaries (of which No. 14 belonging to the Banking Group);
- No. 6 associates;
- No. 302 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.

The Template "EU LI3 - Outline of the differences in the scopes of consolidation" included in this chapter reports the basis of consolidation for accounting and prudential purposes as at 31 December 2025.

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

In accordance with the CRR article 13, UniCredit group, as an "EU parent institution", 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 CRR article 13 (on an individual or sub-consolidated basis), are the following:

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

## Qualitative information on Scope of application

### **Table EU LIB - Other qualitative information on the scope of application**

#### **Current or expected material practical or legal impediment to the prompt transfer of own funds or to the repayment of liabilities between the parent undertaking and its subsidiaries**

Shareholder agreements, regulatory requirements and contractual agreements can limit the ability of the Group to access the assets or settle the liabilities of its subsidiaries or restrict the latter from distribution of capital or dividends.

With reference to shareholder agreements, it should be noted that to the consolidated entities UniCredit BPC Mortgages S.r.l. and UniCredit OBG S.r.l. companies established according to Law 130/99 for the execution of securitisation transactions or the issuance of covered bonds, shareholders' agreements allow the distribution of dividends only when the credit claims of guaranteed lenders and bearers of covered bonds are satisfied.

UniCredit group is a banking group subject to the prudential and resolution framework set out under the European Union legislation applicable to credit institutions and banking groups, as amended from time to time, including, in particular: (i) Directive (EU) 2024/1619 of the European Parliament and of the Council of 31 May 2024 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks (the so-called "CRD VI"); (ii) Directive (EU) 2019/878 of the European Parliament and of the Council (so-called CRD V), amending Directive (EU) 2013/36 on "access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms"; (iii) Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor (the so-called "CRR III"); (iv) Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) 806/2014 as regards the loss-absorbing and recapitalization capacity of credit institutions and investment firms; and (v) Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive (EU) 2014/59 (the so-called "BRRD") on the recovery and resolution of credit institutions and investment firms, as subsequently amended and transposed into national law.

Within this framework, the ability of the Group's banks and other supervised entities to distribute capital, including the payment of dividends and other forms of capital remuneration, is subject to compliance with the applicable capital adequacy requirements, leverage ratio requirements and minimum requirement for own funds and eligible liabilities (MREL), as set out under the relevant prudential and resolution framework. In the event that such requirements are not met, restrictions on distributions apply in accordance with the applicable legislation, including limitations related to the Maximum Distributable Amount (MDA). Such restrictions are without prejudice to the application of any additional relevant national legislation and to any recommendations, guidelines or measures issued, from time to time, by the competent authorities.

With reference to the current geopolitical tensions, UniCredit group operates in Russia through its subsidiary AO UniCredit Bank and its controlled company. In this regard it is worth to note that (i) in March 2022 the President of Russian Federation issued a Decree subordinating the sale of shares to the permission of the Government Commission for the Control of Foreign Investments in Russia and (ii) in August 2022 an additional Decree was issued which banned the sale of shares of Russian credit institutions identified by a specific list to be approved by the President of the Russian Federation on the proposal of the Government of the Russian Federation, agreed with the Central Bank of Russia.

Moreover, in March 2022 the President of Russian Federation issued a Decree establishing that payments of dividends for an amount exceeding 10 million rubles should be made to a special account whose utilization requires special permission from the Governmental commission for the Control of Foreign Investments in Russia, unless specific authorization is obtained.

On 25 April 2023, the President of Russian Federation signed Decree No. 302 (on temporary management over certain assets), which allows for the seizure of assets owned by individuals and companies from "unfriendly" countries. This decree enables the Russian government to place such assets under external management, effectively nationalizing them.

Additionally, in August 2023, Russia passed a decree barring foreign investors from "unfriendly" countries from holding investments in major Russian businesses. This measure allows the government to transfer shares from overseas investors to Russian entities, further consolidating control over foreign-owned assets.

Latest 2025 developments include (i) government approval for the sale of shares by foreign investors, with outright bans on divesting from certain credit institutions and restrictions on accessing dividend payments above defined thresholds, significantly limiting the ability of foreign entities to exit Russian investments; (ii) while maintaining strict controls over existing foreign-owned assets, the creation of new investment mechanisms that allow new foreign investors (including from "unfriendly" countries) to invest with more flexible withdrawal options.

The capital ratios requested for 2026 to UniCredit group by European Central Bank (ECB), also because of the Supervisory Review and Evaluation Process (SREP) performed in 2025, are higher than the minimum requirements set by the mentioned regulations. For the disclosure on UniCredit group Capital Requirements, refer to the Own Funds chapter (quantitative section).

With reference to subsidiaries, it should be noted that in some jurisdictions and for some foreign legal entities of the Group, commitments to maintain local supervisory capital higher than regulatory thresholds may exist also because of SREP performed at local level.

## Qualitative information on Scope of application

With reference to free flow among legal entities based in different countries, available liquidity at Group level bears some restrictions related to the Large Exposure prudential limits, according to both CRR definition and decisions adopted by Member States (with reference to cross border intragroup exposures) some of them recently implemented: consequently, a portion of available liquidity may suffer impediments that hinder its transfer among Group legal entities. Further details are reported in the Table EU LIQA - Liquidity risk management.

With reference to contractual agreements, UniCredit group has issued financial liabilities whose callability, redemption, repurchase or repayment before their contractual maturity date, is subject to the prior permission of the competent authority. The carrying value of these instruments as at 31 December 2025 is equal to €47,235 million and includes capital instruments and MREL eligible instruments.

### 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 2025, for these companies no capital deficiencies with respect to any mandatory capital requirements were disclosed.

COMPANY NAME	TYPE	HEADQUARTER	
		TOWN	COUNTRY
ALPINE CAYMAN ISLANDS LTD.	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
EUROPA BEFEKTETESI ALAPKEZELOE ZRT (EUROPA INVESTMENT FUND MANAGEMENT LTD.)	FINANCIAL COMPANIES	BUDAPEST	HUNGARY
FOOD & MORE GMBH	OTHER COMPANIES/ INSTRUMENTAL COMPANIES	MUNICH	GERMANY
HUMAN RESOURCES SERVICE AND DEVELOPMENT GMBH	OTHER COMPANIES/ INSTRUMENTAL COMPANIES	VIENNA	AUSTRIA
HVB SECUR GMBH	OTHER COMPANIES/ INSTRUMENTAL COMPANIES	MUNICH	GERMANY
PALAIS ROTHSCHILD VERMIETUNGS GMBH	OTHER COMPANIES/ INSTRUMENTAL COMPANIES	VIENNA	AUSTRIA
UCITS FUND MANAGEMENT COMPANY UNICREDIT INVEST JSC BELGRADE	FINANCIAL COMPANIES	BELGRADE	SERBIA
UNICREDIT INVEST BH DRUSTVO ZA UPRAVLJANJE FONDOVIMA D.O.O.	FINANCIAL COMPANIES	MOSTAR	BOSNIA AND HERZEGOVINA
UNICREDIT MYAGENTS SRL	FINANCIAL COMPANIES	BOLOGNA	ITALY
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

# Qualitative information on Scope of application

## 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 2025

0009 - NAME OF THE ENTITY	0010 - METHOD OF ACCOUNTING CONSOLIDATION	0020 - FULL CONSOLIDATION	0030 - PROPORTIONAL CONSOLIDATION	0040 - EQUITY METHOD	0050 - NEITHER CONSOLIDATED NOR DEDUCTED	0060 - DEDUCTED **	0070 - DESCRIPTION OF THE ENTITY
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		X	Insurance
UNICREDIT VITA ASSICURAZIONI S.P.A.	Full consolidation			X		X	Insurance
PAI MANAGEMENT LTD	Full consolidation	X					Financial
ZAGREBACKA BANKA D.D.	Full consolidation	X					Bank
PAI (BERMUDA) LIMITED	Full consolidation	X					Financial
ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJE OBVEZNIM I DOBROVOLJNIM MIROVINSKIM FONDOVIMA	Equity method			X		X	Financial
UNICREDIT BANK D.D.	Full consolidation	X					Bank
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	X		Non financial
UNICREDIT LEASING EAD	Full consolidation	X					Financial
HVB IMMOBILIEN AG	Full consolidation	X					Financial
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 HUNGARY ZRT	Full consolidation	X					Financial
UNICREDIT LEASING FLEET MANAGEMENT S.R.L.	Full consolidation			X	X		Non financial
UNICREDIT INSURANCE BROKER EOOD	Full consolidation			X	X		Non financial
UNICREDIT INSURANCE BROKER SRL	Full consolidation			X	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
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	X		Non financial
UNICREDIT FLEET MANAGEMENT EOOD	Full consolidation	X					Instrumental
INTRO LEASING GESELLSCHAFT M.B.H.	Full consolidation	X					Financial
ISB UNIVERSALE BAU GMBH IN LIQUIDATION	Full consolidation			X	X		Non financial
JAUSERN-LEASING GESELLSCHAFT M.B.H.	Full consolidation	X					Financial
WKBG WIENER KREDITBUERGSCHAFTS- UND BETEILIGUNGSBANK AG	Equity method			X		X	Financial
UNICREDIT CONSUMER FINANCING EAD	Full consolidation	X					Financial
KUTRA GRUNDSTUECKSVWALTUNGS-	Full consolidation	X					Financial

## Qualitative information on Scope of application

0009 - NAME OF THE ENTITY	0010 - METHOD OF ACCOUNTING CONSOLIDATION	0020 – FULL CONSOLIDATION	0030 - PROPORTIONAL CONSOLIDATION	0040 - EQUITY METHOD	0050 - NEITHER CONSOLIDATED NOR DEDUCTED	0060 – DEDUCTED **	0070 - DESCRIPTION OF THE ENTITY
GESELLSCHAFT M.B.H.							
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
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 GRUNDSTUECKSV ERWALTUNGS-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
NOTARTREUHANDBANK AG	Equity method			X		X	Financial
UNICREDIT BANK A.D. BANJA LUKA	Full consolidation	X					Bank
OBERBANK AG	Equity method			X		X	Bank
OCT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H	Full consolidation	X					Financial
OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT	Equity method			X		X	Bank
OLG HANDELS- UND BETEILIGUNGSVERWALTUNGSGESELLSCHAFT M.B.H.	Full consolidation	X					Financial
OMNIA GRUNDSTUECKS-GMBH & CO. OBJEKT HAIDENAUPLATZ KG	Full consolidation			X	X		Non financial
OOO UNICREDIT LEASING	Full consolidation	X					Financial
OESTERREICHISCHE WERTPAPIERDATEN SERVICE GMBH	Equity method			X		X	Non financial
OTHMARSCHEN PARK HAMBURG GMBH & CO. GEWERBEPARK KG	Full consolidation			X	X		Non financial
PALAIS ROTHSCHILD VERMIETUNGS GMBH & CO OG	Full consolidation	X					Instrumental
FINN ARSENAL LEASING GMBH	Full consolidation	X					Financial
PAYTRIA UNTERNEHMENS BETEILIGUNGEN GMBH	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 GRUNDSTUECKSV ERWALTUNGS-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-LIEGENSCHAFTSV ERWERTUNG GMBH	Full consolidation			X	X		Non financial
REAL-LEASE GRUNDSTUECKSV ERWALTUNGS-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		X	Financial
SCHOELLERBANK AKTIENGESELLSCHAFT	Full consolidation	X					Bank
SCHOELLERBANK INVEST AG	Full consolidation	X					Financial
SECA-LEASING GESELLSCHAFT M.B.H.	Full consolidation	X					Financial
SEXT Z IMMOBILIEN LEASING GESELLSCHAFT	Full consolidation	X					Financial

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M.B.H							
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
STEWI GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	Full consolidation	X					Financial
T & P FRANKFURT DEVELOPMENT B.V.	Full consolidation			X	X		Non financial
T & P VASTGOED STUTTGART B.V.	Full consolidation			X	X		Non financial
ALLEGRO LEASING GESELLSCHAFT M.B.H.	Full consolidation	X					Financial
TERRENO GRUNDSTUECKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG	Full consolidation			X	X		Non financial
TERZ Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X					Financial
UNICREDIT AURORA LEASING GMBH	Full consolidation	X					Financial
UFFICIUM IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X					Financial
UNICOM IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	Full consolidation	X					Financial
UNIVERSALE INTERNATIONAL REALTÄTEN GMBH	Full consolidation	X					Non financial
VAPE COMMUNA LEASINGGESELLSCHAFT M.B.H.	Full consolidation	X					Financial
ALMS LEASING GMBH.	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 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 KALLISTO 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
UNICREDIT BANKA SLOVENIJA D.D.	Full consolidation	X					Bank
UNICREDIT BANK GMBH	Full consolidation	X					Bank
ARGENTURUS IMMOBILIEN-VERMIETUNGS-UND VERWALTUNGS GMBH	Full consolidation			X	X		Non financial
ARNO GRUNDSTUECKSVERWALTUNGS	Full consolidation	X					Financial

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GESELLSCHAFT M.B.H.							
CAMFIN S.P.A.	Equity method			X	X		Non financial
UNICREDIT LIFE INSURANCE S.P.A.	Full consolidation			X		X	Insurance
NUOVA COMPAGNIA DI PARTECIPAZIONI-SOCIETA' A RESPONSABILITA' LIMITATA	Full consolidation			X	X		Non financial
CASH SERVICE COMPANY AD	Equity method			X	X		Non financial
IDEA FIMIT SGR FONDO SIGMA IMMOBILIARE	Full consolidation	X					Financial
DA VINCI S.R.L.	Equity method			X	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	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
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	X		Non financial
UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H.	Full consolidation	X					Financial
BA GEBAEUVERMIETUNGSGMBH	Full consolidation	X					Instrumental
UNICREDIT LEASING TECHNIKUM GMBH	Full consolidation	X					Financial
BA/CA-LEASING BETEILIGUNGEN GMBH	Full consolidation	X					Financial
KAISERWASSER BAU- UND ERRICHTUNGS GMBH UND CO OG	Full consolidation			X	X		Non financial
PSA PAYMENT SERVICES AUSTRIA GMBH	Equity method			X		X	Financial
UNICREDIT OBG S.R.L.	Full consolidation	X					Financial
PIRTA VERWALTUNGS GMBH	Full consolidation			X	X		Non financial
WEALTHCAP ENTITY SERVICE GMBH	Full consolidation	X					Non financial
BACA KOMMUNALLEASING GMBH	Full consolidation	X					Financial
VISCONTI SRL	Full consolidation			X	X		Non financial
WEALTHCAP IMMOBILIENFONDS DEUTSCHLAND 38 KOMPLEMENTAR GMBH	Full consolidation	X					Instrumental
BACA LEASING UND BETEILIGUNGSMANAGEMENT GMBH	Full consolidation	X					Financial
VERMIETUNGSGESELLSCHAFT MBH & CO OBJEKT MOC KG	Full consolidation			X	X		Non financial
ASSET BANCARI II	Equity method			X		X	Financial
UNICREDIT PEGASUS LEASING GMBH	Full consolidation	X					Financial
COMPAGNIA AEREA ITALIANA S.P.A.	Equity method			X	X		Non financial
WEALTHCAP KAPITALVERWALTUNGSGESELLSCHAFT MBH	Full consolidation	X					Financial
UNICREDIT RE SERVICES S.P.A.	Full consolidation			X	X		Non financial
WEALTHCAP IMMOBILIEN 2 GMBH & CO. KG	Full consolidation	X					Non financial
UNICREDIT INSURANCE BROKER GMBH	Full consolidation			X	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

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BAL HYPNOS 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	X		Non financial
UNICREDIT LEASING ALPHA ASSETVERMIETUNG GMBH	Full consolidation			X	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	X		Non financial
UNICREDIT LEASED ASSET MANAGEMENT SPA	Full consolidation	X					Instrumental
UNICREDIT GUSTRA LEASING GMBH	Full consolidation	X					Financial
WEALTHCAP IMMOBILIENANKAUF KOMPLEMENTAER GMBH	Full consolidation			X	X		Non financial
WEALTHCAP OBJEKT-VORRAT 35 GMBH & CO. KG	Full consolidation	X					Non financial
UNICREDIT LEASING (AUSTRIA) GMBH	Full consolidation	X					Financial
BANK AUSTRIA CREDITANSTALT LEASING IMMOBILIENANLAGEN GMBH	Full consolidation	X					Financial
WEALTHCAP OBJEKT-VORRAT 37 GMBH & CO. KG	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
COMMERZBANK AG	Equity method			X		X	Bank
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
UNICREDIT NV/SA	Full consolidation	X					Bank
VODENO SP.ZO.O.	Full consolidation	X					Instrumental
ALPHA BANK S.A.	Equity method			X	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
UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	Full consolidation	X					Non financial
BTV VIER LAENDER BANK AG	Equity method			X		X	Bank
BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	Full consolidation	X					Financial
UNICREDIT CENTER AM KAISERWASSER GMBH	Full consolidation			X	X		Non financial
WEALTHCAP LEASING GMBH	Full consolidation	X					Financial
BKS BANK AG	Equity method			X		X	Bank
WEALTHCAP EQUITY GMBH	Full consolidation	X					Financial
WEALTHCAP EQUITY MANAGEMENT GMBH	Full consolidation			X	X		Non financial
WEALTHCAP FONDS GMBH	Full consolidation	X					Financial
WEALTHCAP INITIATOREN GMBH	Full consolidation	X					Financial
BREWO GRUNDSTUECKSVORWALTUNGSGESELLSCHAFT M.B.H.	Full consolidation	X					Financial
CA-ZETA REAL ESTATE DEVELOPMENT LIMITED LIABILITY COMPANY	Full consolidation			X	X		Non financial
CABET-HOLDING GMBH	Full consolidation	X					Financial

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CABO BETEILIGUNGSGESELLSCHAFT M.B.H.	Full consolidation	X					Financial
UNICREDIT FLEET MANAGEMENT S.R.O.	Full consolidation			X	X		Non financial
UNICREDIT FLEET MANAGEMENT S.R.O.	Full consolidation			X	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	X		Non financial
UNICREDIT BROKER S.R.O.	Full consolidation			X	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 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	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
DLV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	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
FACTORBANK AKTIENGESELLSCHAFT	Full consolidation	X					Financial
FIDES LEASING GMBH	Equity method			X		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 GRUNDSTUECKSVERWALTUNGSGESELLSCHAFT M.B.H.	Full consolidation	X					Financial
GEMEINDELEASING GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	Full consolidation	X					Financial

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GEMMA VERWALTUNGSGESELLSCHAFT MBH & CO. VERMIETUNGS KG	Full consolidation	X					Financial
GRUNDSTUECKSVRWALTUNG LINZ-MITTE GMBH	Full consolidation	X					Financial
WEALTHCAP INVESTMENT SERVICES GMBH	Full consolidation	X					Financial
H.F.S. LEASINGFONDS DEUTSCHLAND 7 GMBH & CO. KG	Full consolidation	X					Financial
H.F.S. LEASINGFONDS GMBH	Full consolidation	X					Non financial
WEALTHCAP IMMOBILIENFONDS DEUTSCHLAND 36 KOMPLEMENTAR GMBH	Full consolidation	X					Instrumental
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
ELEKTRA PURCHASE NO. 85 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
COIMA LAMPUGNANO REGENERATION FUND	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
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
ELEKTRA PURCHASE NO. 83 DAC	Full consolidation	X					Financial
ELEKTRA PURCHASE NO. 84 DAC	Full consolidation	X					Financial
ELEKTRA PURCHASE NO. 66 DAC	Full consolidation	X					Financial
ARABELLA FINANCE DAC	Full consolidation	X					Financial
ROSENKAVALIER 2008 GMBH	Full consolidation	X					Financial

## Qualitative disclosure section

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PENSIONSASSE DER HYPO VEREINSBANK VWAG	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
ELEKTRA PURCHASE NO. 31 DAC	Full consolidation	X					Financial
UNICREDIT BPC MORTGAGE 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
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

**Notes:**

(\*) Company classified in the Financial Statements as "non-current assets and disposal groups classified as held for sale" according to IFRS5.

(\*\*) 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.



# Qualitative information on Own Funds

## **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.

## **Additional Tier 1 Capital - AT1**

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

## **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 CRR 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) 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.

## **Template EU CCA - Main features of regulatory Own Funds instruments**

The Template EU CCA - Main features of regulatory Own Funds instruments reported on the next pages is also published in excel format on the UniCredit group website (<https://www.unicreditgroup.eu/en/investors/financial-reporting/pillar-3-disclosures.html>).

EU CCA Main features of regulatory Own Funds instruments (*)		CAPITAL INSTRUMENTS	CAPITAL INSTRUMENTS	CAPITAL INSTRUMENTS	CAPITAL INSTRUMENTS	CAPITAL INSTRUMENTS	CAPITAL INSTRUMENTS
1	Issuer	UNICREDIT SPA IT0005239360	UNICREDIT SPA XS163222565	UNICREDIT SPA XS1631415582	UNICREDIT SPA XS1963834251	UNICREDIT SPA XS1972731787	UNICREDIT SPA XS2101558307
2a	Public or private placement	Public	Private	Public	Public	Public	Public
3	Governing laws of the instrument (2)	Whole Instrument - Italian law (**)	english law, subordination provisions - Italian law	New York Law; Subordination provisions - Italian Law	Whole Instrument - Italian Law	New York Law; Subordination provisions - Italian Law	Italian Law
3a	Contractual recognition of write down and conversion powers of resolution authorities						
<b>Regulatory treatment</b>							
4	Transitional CRR rules (3)	N/A	N/A	N/A	N/A	N/A	N/A
5	Post-transitional CRR rules	Common Equity Tier 1 (**)	Tier 2	Tier 2	Additional Tier 1	Tier 2	Tier 2
6	Eligible at: solo, consolidated, solo & consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated
7	Instrument type	Ordinary shares	Notes - Art. 62 CRR	Notes - Art. 62 CRR	Bonds - Art. 51 CRR	Notes - Art. 62 CRR	Notes - Art. 62 CRR
8	Amount recognised in regulatory capital or eligible liabilities (currency in million) (4) (5) (6)	18,451 (**)	45	831	991	1,039	1,279
9	Nominal amount of instrument: original amount of currency of issuance (in million)	Without nominal value	50	1,000	1,000	1,250	1,250
9a	Nominal amount of instrument: original amount - currency of issuance	N/A	EUR	USD	EUR	USD	EUR
9b	Nominal amount of instrument: conversion of original amount in Euro (€ mln)	N/A	50	893	1,000	1,108	1,250
9c	Issue price	N/A	100	100	100	100	100
9d	Redemption price	N/A	100	100	100	100	100
10	Accounting classification	Shareholders' equity	Liability – amortised cost	Liability – amortised cost	Shareholders' equity	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	N/A	14/06/2017	19/06/2017	19/06/2019	02/04/2019	15/01/2020
12	Perpetual or dated	Perpetual	Dated	Dated	Perpetual	Dated	Dated
13	Original maturity date	No Maturity	14/06/2032	19/06/2032	No Maturity	02/04/2034	15/01/2032
14	Issuer call subject to prior Supervisory approval (7)	N/A	YES	YES	YES	YES	YES
14a	Optional call date	N/A	14/06/2027	19/06/2027	03/06/2026	02/04/2029	15/01/2027
15	Contingent call dates and redemption amount	N/A	Regulatory call: 100 + accrued interest; Tax Event: 100 + accrued interest	Regulatory call: 100 + accrued interest; Tax Event: 100 + accrued interest	Regulatory call: Prevailing Principal Amount + any accrued interest; Tax Event: Prevailing Principal Amount + any accrued interest;	Regulatory call: 100 + accrued interests; Tax Event: early redemption amount + accrued interests;	Regulatory call: 100 + accrued interest; Tax Event: Early redemption amount + accrued interests;
16	Subsequent call dates, if applicable	N/A	NO	NO	Semi-annually	NO	NO
<b>Coupons/dividends</b>							
17	Fixed or floating dividend/coupon	Floating	Fixed to floating	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	N/A (**)	4.50% p.a. from Issue Date to 14/06/2019 payable semiannually; 2.24% p.a. + Euribor 6m after 14/06/2019	5.861% p.a. from Issue Date to 19/06/2027 payable semiannually; 3.703% p.a. + 5Y US Dollar Mid Swap Rate after 19/06/2027 payable semiannually	7.50% p.a. until 3 June 2026; thereafter fixed every 5 years for 5-year Mid-Swap Rate + 733.4 bps	7.296% per annum paid on a semiannual basis until the Issuer Call Date and thereafter the then 5-Year Mid-Swap Rate + 4.914% until the Maturity Date	Fixed rate of 2.731% per annum until the Issuer Call date and thereafter the then 5-Year Mid-Swap Rate + 2.800%, until the Maturity Date
19	Existence of a dividend stopper	NO	NO	NO	NO	NO	NO
19a	Fully discretionary, partially discretionary or mandatory - in terms of timing	Fully discretionary (**)	Mandatory	Mandatory	Fully discretionary	Mandatory	Mandatory
EU-20a	Fully discretionary, partially discretionary or mandatory - in terms of timing - reasons for discretion	-	-	-	Insufficient Available Distributable Items/Distributions exceeding Maximum Distributable Amount/Loss Absorption Event/Full discretion at the option of the issuer;	-	-
EU-20b	Fully discretionary, partially discretionary or mandatory - in terms of amount	Fully discretionary (**)	Mandatory	Mandatory	Fully discretionary	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	N/A	NO	NO	NO	NO	NO
22	Noncumulative or cumulative	N/A (**)	Non cumulative	Non cumulative	Non cumulative	Cumulative	Non cumulative
23	Convertible or non-convertible (8)	N/A	Non Convertible	Non Convertible	Non Convertible	Non Convertible	Non Convertible
24	If convertible, conversion trigger(s)	N/A	-	-	-	-	-
25	If convertible, fully or partially	N/A	-	-	-	-	-
26	If convertible, conversion rate	N/A	-	-	-	-	-
27	If convertible, mandatory or optional conversion	N/A	-	-	-	-	-
28	If convertible, specify instrument type convertible into	N/A	-	-	-	-	-
29	If convertible, specify issuer of instrument it converts into	N/A	-	-	-	-	-
30	Write-down features	N/A	NO	NO	YES	NO	NO
31	If write-down, write down triggers	N/A	-	-	Group or Issuer CET1 < 5.125% or the minimum trigger event ratio specified by the Regulation	-	-
32	If write-down, full or partial	N/A	-	-	Fully or partially	-	-
33	If write-down, permanent or temporary	N/A	N/A	N/A	Temporary	N/A	N/A
34	If temporary write-down, description of write-up mechanism (9)	N/A	-	-	If the Issuer records a net profit, the Issuer may, in its full discretion and subject to the Maximum Distributable Amount, increase the Prevailing Principal Amount of each note up to a maximum of the initial principal amount on a pro-rata basis with similar AT1 notes	-	-
34a	Type of subordination						
EU-34b	Ranking of the instrument in normal insolvency proceedings						
35	Position in subordination hierarchy in liquidation (instrument type immediately senior to instrument)	Additional Tier 1	Senior non preferred	Senior non preferred	T2 and other pari passu subordinated instruments	Senior non preferred	Senior non preferred
36	Non-compliant transitioned features	NO	NO	NO	NO	NO	NO
37	If yes, specify non-compliant features	-	-	-	-	-	-
37a	Link to the full term and conditions of the instrument (signposting) (7)	-	Refer to note 7 in "Notes"	Refer to note 7 in "Notes"	Refer to note 7 in "Notes"	Refer to note 7 in "Notes"	Refer to note 7 in "Notes"

(\*) N/A if the information is not applicable

(\*\*) The amount includes €609 million reclassified under Tier 2, related to the ordinary shares underlying the Usufruct contract (Cashes). With this respect, the information marked with double asterisk differ in the fields below as follows:

- Field 3: Italian Law (ordinary shares and usufruct), Luxembourg Law (company swap agreement and Cashes)
- Field 4: Tier 2
- Field 5: Tier 2
- Field 8: 609 millions
- Field 18: 4.9 \* ((Euribor 3m + 4.50%), plus dividend adjustment equal to excess over 8% dividend yield paid on ordinary shares)
- Field 20a: Mandatory upon the occurrence of the payment conditions described in the Usufruct
- Field 20b: Mandatory upon the occurrence of the payment conditions described in the Usufruct
- Field 22: Non cumulative

EU CCA Main features of regulatory Own Funds Instruments (*)						
	CAPITAL INSTRUMENTS	CAPITAL INSTRUMENTS	CAPITAL INSTRUMENTS	CAPITAL INSTRUMENTS	CAPITAL INSTRUMENTS	CAPITAL INSTRUMENTS
1	Issuer	UNICREDIT SPA	UNICREDIT SPA	UNICREDIT SPA	UNICREDIT SPA	UNICREDIT SPA
2	Unique identifier (1)	XS2121441856	XS2196325331	XS2356217039	IT0005580102	IT0005611758
2a	Public or private placement	Public	Public	Public	Public	Public
3	Governing laws of the instrument (2)	Whole Instrument - Italian Law	New York Law; Status of the Notes - Italian Law	Whole Instrument - Italian Law	Italian Law	Whole Instrument - Italian Law
3a	Contractual recognition of write down and conversion powers of resolution authorities					
4	Regulatory treatment	N/A	N/A	N/A	N/A	N/A
5	Transitional CRR rules (3)	Additional Tier 1	Tier 2	Additional Tier 1	Tier 2	Additional Tier 1
6	Post-transitional CRR rules	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated
7	Eligible at: solo, consolidated, solo & consolidated	Bond - Art. 51 CRR	Notes - Art. 52 CRR	Bond - Art. 51 CRR	Notes - Art. 52 CRR	Bond - Art. 51 CRR
8	Instrument type	1,237	1,113	737	1,033	993
8	Amount recognised in regulatory capital or eligible liabilities (currency in million) (4) (5) (6)	-	-	-	-	-
9	Nominal amount of instrument: original amount of currency of issuance (in million)	1,250	1,500	750	1,000	1,000
9	Nominal amount of instrument: original amount - currency of issuance	EUR	USD	EUR	EUR	EUR
9	Nominal amount of instrument: conversion of original amount in Euro (€ mln)	1,250	1,266	750	1,000	1,000
9a	Issue price	100	100	100	100	100
9b	Redemption price	100	100	100	100	100
10	Accounting classification	Shareholders' equity	Liability – amortised cost	Shareholders' equity	Liability – amortised cost	Shareholders' equity
11	Original date of issuance	19/02/2020	30/06/2020	07/07/2023	16/01/2024	16/09/2024
12	Perpetual or dated	Perpetual	Dated	Perpetual	Dated	Perpetual
13	Original maturity date	No Maturity	30/06/2035	No Maturity	16/04/2034	No Maturity
14	Issuer call subject to prior Supervisory approval (7)	YES	YES	YES	YES	YES
14	Optional call date	03/06/2027	30/06/2030	03/12/2027	16/01/2029	03/12/2032
15	Contingent call dates and redemption amount	Regulatory call: Prevailing Principal Amount + any accrued interest; Tax Event: Prevailing Principal Amount + any accrued interest;	Regulatory call: 100 + accrued interest; Tax Event: 100 + accrued interest;	Regulatory call: Prevailing Principal Amount + any accrued interest; Tax Event: Prevailing Principal Amount + any accrued interest;	Regulatory call: 100; Tax Event: 100;	Regulatory call: Prevailing Principal Amount + any accrued interest; Tax Event: Prevailing Principal Amount + any accrued interest;
16	Subsequent call dates, if applicable	Semi-annually	NO	Any calendar day during the six-month period	Any calendar day during the three-month period	Any calendar day during the six-month period
17	Coupons/dividends					
17	Fixed or floating dividend/coupon	Fixed	Fixed reset	Fixed reset	Fixed reset	Fixed reset
18	Coupon rate and any related index	Fixed rate of 3.875% per annum until the First Reset Date (3 June 2027) and thereafter reset every 5 years to the then 5-Year Mid-Swap Rate + Margin	Fixed rate of 4.45% per annum until the Issuer Call date and thereafter the then 5-Year Constant Maturity Treasury Rate (CMT Rate) + 4.750%, until the Maturity Date, paid semi-annually	Fixed rate of 4.45% per annum until the First Reset Date (3 June 2028) and thereafter reset every 5 years to the then 5-Year Mid-Swap Rate + 4.606%	Fixed rate of 5.375% per annum until the Issuer Call date and thereafter the then 5-Year Mid-Swap Rate + 2.800%, until the Maturity Date	Fixed rate of 6.50% per annum until the First Reset Date (3 June 2032) and thereafter reset every 5 years to the then 5-Year Mid-Swap Rate + 4.212%
19	Existence of a dividend stopper	NO	NO	NO	NO	NO
19	Fully discretionary, partially discretionary or mandatory - in terms of timing	Fully discretionary	Mandatory	Fully discretionary	Mandatory	Fully discretionary
EU-20a	Fully discretionary, partially discretionary or mandatory - in terms of timing - reasons for discretion	Insufficient Available Distributable Items; Distributions exceeding Maximum Distributable Amount; Loss Absorption Event; Full discretion at the option of the issuer;	-	Insufficient Distributable Items; not exceeding Maximum Distributable Amount; required to be cancelled by the Competent Authority; occurrence of a Contingency Event; full discretion of the Issuer	-	Insufficient Distributable Items; not exceeding Maximum Distributable Amount; required to be cancelled by the Competent Authority; occurrence of a Contingency Event; full discretion of the Issuer
EU-20b	Fully discretionary, partially discretionary or mandatory - in terms of amount	Fully discretionary	Mandatory	Fully discretionary	Mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	NO	NO	NO	NO	NO
22	Noncumulative or cumulative	Non cumulative	Cumulative	Non cumulative	Cumulative	Non cumulative
23	Convertible or non-convertible (8)	Non Convertible	Non Convertible	Non Convertible	Non Convertible	Non Convertible
24	If convertible, conversion trigger(s)	-	-	-	-	-
25	If convertible, conversion rate	-	-	-	-	-
26	If convertible, mandatory or optional conversion	-	-	-	-	-
27	If convertible, specify instrument type convertible into	-	-	-	-	-
28	If convertible, specify issuer of instrument it converts into	-	-	-	-	-
29	Write-down features	YES	NO	YES	NO	YES
30	If write-down, write down triggers	Group or Issuer CET1 < 5.125% or the minimum trigger event ratio specified by the Regulation	-	Group or Issuer CET1 < 5.125% or the minimum trigger event ratio specified by the Regulation	-	Group or Issuer CET1 < 5.125% or the minimum trigger event ratio specified by the Regulation
32	If write-down, full or partial	Fully or partially	-	Fully or partially	-	Fully or partially
33	If write-down, permanent or temporary	Temporary	N/A	Temporary	N/A	Temporary
34	If temporary write-down, description of write-up mechanism (9)	If the Issuer records a net profit, the Issuer may, in its full discretion and subject to the Maximum Distributable Amount, increase the Prevailing Principal Amount of each note up to a maximum of the initial principal amount on a pro-rata basis with similar AT1 notes	-	If the Issuer records a net profit, the Issuer may, in its full discretion and subject to the Maximum Distributable Amount, increase the Prevailing Principal Amount of each note up to a maximum of the initial principal amount on a pro-rata basis with similar AT1 notes	-	If the Issuer records a net profit, the Issuer may, in its full discretion and subject to the Maximum Distributable Amount, increase the Prevailing Principal Amount of each note up to a maximum of the initial principal amount on a pro-rata basis with similar AT1 notes
34a	Type of subordination					
EU-34b	Ranking of the instrument in normal insolvency proceedings					
35	Position in subordination hierarchy in liquidation (instrument type immediately senior to instrument)	T2 and other pari passu subordinated instruments	Senior non preferred	T2 and other pari passu subordinated instruments	Senior non preferred	T2 and other pari passu subordinated instruments
36	Non-compliant transitioned features	NO	NO	NO	NO	NO
37	If yes, specify non-compliant features	-	-	-	-	-
37a	Link to the full term and conditions of the instrument (signposting) (7)	Refer to note 7 in "Notes"	Refer to note 7 in "Notes"	Refer to note 7 in "Notes"	Refer to note 7 in "Notes"	Refer to note 7 in "Notes"

(\*) "N/A" if the information is not applicable

EU CCA Main features of regulatory Own Funds instruments (*)		CAPITAL INSTRUMENTS			
		CAPITAL INSTRUMENTS	CAPITAL INSTRUMENTS	CAPITAL INSTRUMENTS	CAPITAL INSTRUMENTS
1	Issuer	UNICREDIT SPA	UNICREDIT BANK AUSTRIA AG	UNICREDIT BANK GMBH	UNICREDIT BANK GMBH
2	Unique identifier (1)	IT0005656282	A111_SLO040	XSO104764377	XSO105656267
2a	Public or private placement	Public	Private	Private	Private
3	Governing laws of the instrument (2)	Italian Law	Whole Instrument - Austrian Law	Whole instrument - German law	Whole instrument - German law
3a	Contractual recognition of write down and conversion powers of resolution authorities				
<b>Regulatory treatment</b>					
4	Transitional CRR rules (3)	N/A	N/A	N/A	N/A
5	Post-transitional CRR rules	Tier 2	Tier 2	Tier 2	Tier 2
6	Eligible at: solo, consolidated, solo & consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated
7	Instrument type	Notes - Art. 62 CRR	Loan - Art. 62 CRR	Bond - Art. 62 CRR	Bond - Art. 62 CRR
8	Amount recognised in regulatory capital or eligible liabilities (currency in million) (4) (5) (6)	1,016	26	31	12
9	Nominal amount of instrument: original amount of currency of issuance (in million)	1,000	28	39	15
	Nominal amount of instrument: original amount - currency of issuance	EUR	USD	EUR	EUR
	Nominal amount of instrument: conversion of original amount in Euro (€ mln)	1,000	21	39	15
9a	Issue price	100	100	100	99
9b	Redemption price	100	100	100	100
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	24/06/2025	17/12/2001	26/11/1999	21/12/1999
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	24/06/2037	15/12/2046	19/11/2029	21/12/2029
14	Issuer call subject to prior Supervisory approval (7)	YES	NO	NO	NO
	Optional call date	24/06/2032			
15	Contingent call dates and redemption amount	Regulatory call: 100; Tax Event: 100;	-	-	-
16	Subsequent call dates, if applicable	NO	-	-	-
<b>Coupons/dividends</b>					
17	Fixed or floating dividend/coupon	Fixed reset	Fixed	Floating	Fixed
18	Coupon rate and any related index	Fixed rate of 4.175% per annum until the Issuer Call date and thereafter the then 5-Year Mid-Swap Rate + 1.800%, until the Maturity Date	USD 130.000 per month/ 5.673% p.a.	Euribor 6M + 0.62%	5.00% p.a.
19	Existence of a dividend stopper	NO	NO	NO	NO
	Fully discretionary, partially discretionary or mandatory - in terms of timing	Mandatory	Mandatory	Mandatory	Mandatory
EU-20a	Fully discretionary, partially discretionary or mandatory - in terms of timing - reasons for discretion	-	-	-	-
EU-20b	Fully discretionary, partially discretionary or mandatory - in terms of amount	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	NO	NO	NO	NO
22	Noncumulative or cumulative	Cumulative	Non cumulative	Non cumulative	Non cumulative
23	Convertible or non-convertible (8)	Non Convertible	Non Convertible	Non Convertible	Non Convertible
24	If convertible, conversion trigger(s)	-	-	-	-
25	If convertible, fully or partially	-	-	-	-
26	If convertible, conversion rate	-	-	-	-
27	If convertible, mandatory or optional conversion	-	-	-	-
28	If convertible, specify instrument type convertible into	-	-	-	-
29	If convertible, specify issuer of instrument it converts into	-	-	-	-
30	Write-down features	NO	NO	NO	NO
31	If write-down, write down triggers	-	-	-	-
32	If write-down, full or partial	-	-	-	-
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism (9)	-	-	-	-
34a	Type of subordination				
EU-34b	Ranking of the instrument in normal insolvency proceedings				
35	Position in subordination hierarchy in liquidation (instrument type immediately senior to instrument)	Senior non preferred	Subordinated instruments	Senior – Senior non preferred	Senior – Senior non preferred
36	Non-compliant transitioned features	NO	NO	NO	NO
37	If yes, specify non-compliant features	-	-	-	-
37a	Link to the full term and conditions of the instrument (signposting) (7)	Refer to note 7 in "Notes"	Refer to note 7 in "Notes"	Refer to note 7 in "Notes"	Refer to note 7 in "Notes"

(\*) 'N/A' if the information is not applicable

**Notes to the template EU CCA Main features of regulatory Own Funds instruments:**

1. It should be noted that ISIN Guidelines (paragraph 7) states that "banking instruments or facilities such as bank loans are outside of the scope of the ISO-6166 standard and should not be identified by IS codes". Hence, the present section shows an internal identification code for those instruments classified as "Loans" in order to allow the identification of the terms and conditions listed on the Group website at the link given in the note below.
2. If not specifically indicated, governing law of subordinated provisions follows the one of the whole instrument.
3. No transitional rules are foreseen by the CCR currently in force.
4. In case of instruments issued by Group's subsidiaries, the value represents the computable amount of the instrument, that is the basis for the calculation of minority interests.
5. All instruments are subject to the write-down and conversion powers of the resolution authority in the event of bail-in application.
6. The write-up mechanisms described are aligned with the original Final Terms & Conditions; therefore, the instrument classification is coherent with the regulatory framework in force at the issuance date.
7. With reference to the disclosure requirements stated under the CRR article 437, paragraph 1, letter c) "Institutions shall disclose the full terms and conditions of all Common Equity Tier 1, Additional Tier Tier 2", the following link: <https://www.unicreditgroup.eu/it/investors/debt-investors/funding-programmes-and-prospectuses/bank-capital.html> reports the required information for the subordinated instruments issued in public by UniCredit Group and computable in the consolidated Own Funds.



# 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, 12 March 2026

Bonifacio Di Francescantonio

A handwritten signature in black ink, appearing to read 'Bonifacio Di Francescantonio', written in a cursive style.



# Glossary

ITEM	DESCRIPTION
<b>ABCP Conduits - Asset Backed Commercial Paper Conduits</b>	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: <ul style="list-style-type: none"> <li>• issues of short-term paper creating a maturity mismatch between the assets held and the paper issued;</li> <li>• liquidity lines covering the maturity mismatch; and</li> <li>• security covering default risk in respect of both specific assets and the entire programme.</li> </ul>
<b>ABS - Asset Backed Securities</b>	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.
<b>Acquisition finance</b>	Finance for business acquisition operations. The most common form of Acquisition finance is the leveraged buy-out (refer to item "Leveraged finance").
<b>Allocated capital</b>	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).
<b>ALM - Asset &amp; Liability Management</b>	Integrated management of assets and liabilities, designed to allocate resources in such a manner as to optimise the risk/return ratio.
<b>AVA - Additional value adjustments</b>	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".
<b>Back-testing</b>	Statistical technique which entails the comparison of model estimates of risk parameters with the ex-post empirical evidences.
<b>Bad Loans</b>	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).
<b>Banking Book</b>	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.
<b>Basel 2</b>	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. <p>Pillar 1</p> <p>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;</p> <p>Pillar 2</p> <p>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;</p> <p>Pillar 3</p> <p>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.</p>
<b>Basel 3</b>	As a consequence of the crisis that, hit the financial markets since 2008, the Basel Committee on Banking Supervision 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".
<b>Basel 4</b>	As part of the revision process of the Basel III regulatory framework, the Basel Committee on Banking Supervision (BCBS) published in 2017 the "Basel III: Finalising post-crisis reforms" document containing the proposals for modification to the banking regulatory system (so-called Basel IV). The package is focusing on standardizing risk weight asset (RWA) calculations, introducing an output floor to limit the internal models and enhancing capital requirements for operational and credit risk. These rules are implemented gradually starting from January, 2025 and aimed at boosting bank's resilience and consistency in risk measurement.
<b>Best practice</b>	Behaviour commensurated with the most significant experience and/or the best level of knowledge achieved in relation to a given technical or professional field.
<b>BRRD -Bank Recovery and Resolution Directive</b>	European Directive that introduced harmonised rules on the recovery and resolution of credit institutions and investment firms.
<b>CCF - Credit Conversion Factor</b>	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.
<b>CDS - Credit Default Swap</b>	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.

# Glossary

ITEM	DESCRIPTION
<b>CIU - Collective Investment Undertakings</b>	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.
<b>Collateral Posted</b>	It represents the amount of collateral that the Bank is posting to the counterparty to mitigate exposure arising from derivatives and SFT.
<b>Collateral RECEIVED</b>	It represents the amount of collateral that the Bank is receiving from the counterparty to mitigate exposure arising from derivatives and SFT.
<b>Commodity risk</b>	The risk that the value of the instrument decreases due to commodity prices (e.g. gold, crude oil) changes.
<b>COREP - Common Reporting</b>	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.
<b>Corporate</b>	Customer segment consisting of medium to large businesses.
<b>Cost of risk</b>	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.
<b>Counterparty Credit Risk</b>	The risk that the counterparty to a transaction involving financial instruments might default prior to completing all agreed cash-flows exchanges.
<b>Covered bond</b>	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).
<b>CRD - Capital Requirement Directive</b>	European Capital Requirements Directive (2013/36/EU - CRD IV), replacing Directives (EU) 2006/48 and 2006/49, as amended by: - Directive (EU) 2019/878 of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures (CRD V); - Directive (EU) 2024/1619 of 31 May 2024 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks (CRD VI).
<b>Credit Quality Step (or creditworthiness)</b>	Classification of counterparties used to assign risk weights under external rating based approaches for credit risk.
<b>Credit risk</b>	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.
<b>Creditworthiness (or Credit quality step)</b>	Refer to item "Credit quality step".
<b>CRM</b>	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.
<b>Cross-product netting</b>	Means the inclusion of transactions of different product categories within the same netting set pursuant to the cross-product netting rules.
<b>CRR - Capital Requirements Regulation</b>	Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013, and subsequently amendments: - Regulation (EU) 2019/876 of the European Parliament and the Council of 20 May 2019 (CRR2), on prudential requirements for credit institutions and investment firms and that amending Regulation (EU) 648/2012 - Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 (CRR3), amending Regulation (EU) 575/2013 on requirements for credit risk, credit assessment adjustment risk, operational risk, market risk, and output floor
<b>Currency risk</b>	The risk that the value of the instrument decreases due to foreign exchange rates changes.
<b>CVA - Credit Valuation Adjustment</b>	Adjustment to the valuation of a portfolio of transactions reflecting the market value of the counterparties' credit risk.
<b>Cyber security risk</b>	Cyber security risk is the probability of exposure or loss resulting from a cyber-attack or data breach on the organization.
<b>Daily VaR</b>	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.
<b>Default</b>	A party's declared inability to honor its debts and/or the payment of the associated interest.
<b>Duration</b>	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.
<b>EAD - Exposure At Default</b>	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.
<b>Earnings at risk</b>	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.
<b>EBA - European Banking Authority</b>	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.
<b>ECB - European Central Bank</b>	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.
<b>Economic capital</b>	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.
<b>Economic value (interest rate risk)</b>	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.

# Glossary

ITEM	DESCRIPTION
<b>EL - Expected Losses</b>	Amount of credit risk exposures expected to be lost for a default event of the obligor in a time horizon of one year.
<b>Eligible Collateral</b>	Refers to collateral which allows a reduction of the credit risk capital requirements.
<b>ELOR - Expected Losses on Revenues</b>	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.
<b>Equity risk</b>	The risk that the value of the instrument decreases due to stock or index prices changes.
<b>ESG - Environmental, Social and Governance</b>	Refers to criteria used to measure the environmental, social and governance impact of the company and highlight the sustainability of its initiatives.
<b>EU Paris-aligned Benchmarks (PAB)</b>	Paris-Aligned Benchmarks (PABs) are financial indices designed to align investment portfolios with the Paris Agreement, limiting the rise of global warming to well below 2°C above pre-industrial levels and pursuing efforts to maintain it below 1.5°C. Paris Aligned Benchmarks are indices whose underlying assets are selected so that Greenhouse Gases emissions associated with the resulting portfolio are aligned with the long-term global warming target, as set out by Paris Climate Agreement, and is built in accordance with the minimum standards as provided by the delegated acts.
<b>EU Taxonomy</b>	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.
<b>EVA - Economic Value Added</b>	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.
<b>Expected Shortfall</b>	Risk measure representing the expected loss of a portfolio or a counterparty calculated in the scenarios of loss exceeding the VaR.
<b>Fair value</b>	The sum for which, in a freely competitive market, an item can be exchanged or a liability extinguished between aware and independent parties.
<b>FINREP</b>	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.
<b>FL - Forward looking</b>	IFRS9 adjustment that allows to reflect in the credit parameters the expectations about the future evolution of the economic cycle.
<b>Forbearance/Forborne exposures</b>	According to EBA Implementing Technical Standards, forbome 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").
<b>Foreign exchange movements</b>	Changes arising from foreign currency exchange rate volatility.
<b>Forwards</b>	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.
<b>Full Revaluation Approach</b>	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.
<b>Funding</b>	Provision, in various forms, of the funds necessary to finance business activities or particular financial transactions.
<b>Futures</b>	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.
<b>FVtOCI</b>	Financial asset at Fair Value through Other Comprehensive Income.
<b>FVtPL</b>	Financial Assets at Fair Value through Profit and Loss.
<b>GAR - Green Asset Ratio</b>	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.
<b>G-SIIs Institutions</b>	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.
<b>GW BANKS</b>	IRB calculation model - Group Wide model Financial Institution & Banks.
<b>GW MNC</b>	IRB calculation model - Group Wide Multinational Corporate.
<b>Hedge Fund</b>	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.
<b>HQLA - High Quality Liquid Assets</b>	Assets that must: (i) be a property, right, entitlement or interest, held by a credit institution and free from any encumbrance, 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.
<b>IAS/IFRS</b>	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).

# Glossary

ITEM	DESCRIPTION
<b>ICAAP - Internal Capital Adequacy Assessment Process</b>	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.
<b>IMA - Internal Model Approach</b>	Internal Models Approach is an approach to calculate market risk capital requirement using internal models.
<b>Impairment</b>	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.
<b>Initial margin</b>	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.
<b>Interest rate risk - (IRR)</b>	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.
<b>Investor</b>	Any entity other than the "Sponsor" (refer to item) or Originator (refer to item) with exposure to a securitisation.
<b>IRB - Internal Rating Based</b>	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.
<b>IRC - Incremental Risk Charge</b>	Incremental Risk Charge is a measure of potential losses arising from default and migration risks of unsecured credit products over a 1-year capital horizon at a 99.9% confidence level, taking into account the liquidity horizons of individual positions.
<b>Junior, Mezzanine and Senior exposures</b>	In a securitisation transaction, the exposures may be classified as follows: <ul style="list-style-type: none"> <li>• junior exposures are the last to be repaid, and consequently absorb the first loss produced by the securitisation transaction;</li> <li>• mezzanine exposures are those with medium repayment priority, between senior and junior;</li> <li>• senior exposures are the first to be repaid.</li> </ul>
<b>KPI - Key Performance Indicators</b>	Set of indicators used to evaluate the performance of a business activity or process.
<b>LCR - Liquidity Coverage Ratio</b>	Ratio of a credit institution's liquidity buffer to its net liquidity outflows over a 30 calendar day stress period.
<b>Leverage ratio</b>	Is a measure which allows for the assessment of institutions' exposure to the risk of excessive leverage.
<b>Leveraged finance/Leveraged buy-out</b>	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. Leveraged finance may be syndicated.
<b>LGD - Loss Given Default</b>	Expected value (which may be conditioned 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).
<b>Liquidity risk</b>	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).
<b>M - Maturity</b>	The average, for a given exposure, of the residual contractual maturities, each weighted for the relevant amount.
<b>Market risk</b>	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.
<b>MREL - Minimum requirement for eligible liabilities</b>	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.
<b>Notch</b>	Level, referred to a scale.
<b>NPE - Non-performing exposures</b>	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.
<b>Operational risk</b>	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.
<b>Originator</b>	The entity that originated or acquired from third parties the assets to be securitised.
<b>OTC - Over The Counter</b>	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.

# Glossary

ITEM	DESCRIPTION
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 item) 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 that a counterparty will enter into the status 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.
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	Risk Adjusted Capital Efficiency Annualized ratio between the "Revenues net of Expected Losses (EL)" (refer to item) and the risk weighted exposure amounts (refer to item). It provides a simplified measure of the economic value generated by a transaction/division/segment and is used to directly steer business activities.
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 decrease 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 such as civil society, NGOs, media, etc.), 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.
SA - Standardised Approach	Applying this methodology, the operational risk requirement is determined by relying on the Group's P&L item sources that make up the Business Indicator and the proper scaling factor.
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.

# Glossary

ITEM	DESCRIPTION
<b>SFTs</b>	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.
<b>Sponsor</b>	An entity other than the "Originator" (refer to item) and the "Investor" (refer 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.
<b>SPV - Special Purpose Vehicle</b>	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.
<b>Stress Test</b>	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.
<b>Subprime (Residential Mortgages)</b>	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.
<b>SVaR - Stressed VaR</b>	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.
<b>Swap</b>	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.
<b>TLAC -Total Loss Absorbing Capacity</b>	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.
<b>TTC - Through the cycle</b>	Calibration type of the credit parameters on a horizon that considers the entire economic cycle.
<b>UCITS - Undertakings for Collective Investment in Transferable Securities</b>	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.
<b>UGRM - UniCredit global Risk Monitor</b>	The pool of software applications, IT structure and database used by the Group for the financial risk analysis.
<b>UL - Unexpected Losses</b>	Unexpected Losses are the losses exceeding the expected losses.
<b>Unfunded default fund contributions</b>	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.
<b>Unlikely to Pay</b>	The classification in this category is the result of the judgment of the bank about the unlikelihood, 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.
<b>Unrated Exposure</b>	Exposures for which a credit assessment by a nominated ECAI is not available.
<b>Unsegregated Collateral</b>	Refers to collateral that is not held in a bankruptcy-remote manner.
<b>VaR - Value at Risk</b>	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.



UniCredit S.p.A. Joint stock company - Registered Office and Head Office: Piazza Gae Aulenti, 3 Tower A, 20154 Milan, Italy - Registered in the Register of Banking Groups and Parent Company of the UniCredit Group, with code 02008.1; ABI code 02008.1 - Fiscal Code, VAT number and Registration number with the Company Register of Milan-Monza-Brianza-Lodi: 00348170101 - Member of the National Interbank Deposit Guarantee Fund and the National Compensation Fund - Stamp duty paid virtually, if due - Auth. Agenzia delle Entrate, Ufficio di Roma 1, no. 143106/07 of 21.12.2007.