

Milan, 26 October 2022

## UNICREDIT: 3Q22 AND 9M22 GROUP RESULTS<sup>1</sup>

**Seventh consecutive quarter of record growth, and best first nine months<sup>2</sup> and third quarter in at least a decade, delivering across all levers and businesses, proof of a transforming UniCredit**

**Focused on delivering sustainable profitability and capital distributions with unwavering commitment to the ambitions of UniCredit Unlocked**

**Re-empowered commercial engine driving excellent net revenue growth of 6.8 per cent year on year or 14.6 per cent excluding the one-off impact of TLTRO III, paired with strong cost discipline, leading to positive operating leverage and €1.7 billion net profit including Russia or €1.3 billion net profit<sup>3</sup>, excluding Russia<sup>4</sup>**

**Cost base down by 3.1 per cent year on year, despite significant inflationary pressures, while protecting revenue generation and investing for the future**

**Russia<sup>4</sup> exposures further reduced with focus on progressive de-risking**

**Best in class capital position with 3Q22 CET1 ratio at 15.41 per cent, including €3.75 billion 2021 shareholder distribution and € 1.4 billion 2022 dividend accrual**

**Proactive enhancement of existing robust lines of defence and with overlays, up circa €0.3 billion to circa €1.3 billion, with vigilant approach on risk and macro developments; low Cost of Risk at 7 basis points including Russia or 20 basis points excluding Russia**

**Good commercial dynamics, a favourable interest rate environment and cost discipline leading to further improved 2022 guidance<sup>5</sup> for a net profit of over €4.8 billion for the year, excluding Russia**

**Supporting communities through proactive initiatives and by fostering gender equity and inclusion in the workplace, acknowledged through recently awarded EDGE certification**

**The Group is well ahead on UniCredit Unlocked targets with strong environmental lending at €8.2 billion and social lending at €3.3 billion as at 9M22**

On 25 October 2022, the Board of Directors of UniCredit S.p.A. (“UniCredit” or “the Group”) approved the 3Q22 and 9M22 Consolidated Results as at 30 September 2022.

The record breaking quarter is clear evidence of a transformed UniCredit, demonstrating ongoing commercial momentum within the business and a strong capital position to protect against macroeconomic uncertainty.

Excluding the impact of Russia, the Group continued to deliver compelling revenue growth with client driven activities and interest rate dynamics more than offsetting the negative one off effect from TLTRO III and the impact of market volatility on fees, resulting in €4.2 billion net revenues, an increase of 6.8 per cent year on year. Excluding the negative one-off impact of the TLTRO III, the group delivered €4.6 billion net revenues, a 14.6 per

<sup>1</sup> All figures related to Group excluding Russia, except CET1 ratio, or unless otherwise stated.

<sup>2</sup> Gross Operating Profit and Profit before taxes. 2022 figures Group excluding Russia. Stated figures for previous years.

<sup>3</sup> 3Q22 stated net profit for Group including Russia at €1.7 billion, -15.0 per cent Q/Q and +61.6 per cent Y/Y. 3Q22 stated net profit for Group excluding Russia at €1.4 billion, -18.1 per cent Q/Q and +37.3 per cent Y/Y. Refer to Annex for Stated Net Profit and Net Profit definitions.

<sup>4</sup> Russia includes the local bank and legal entities, plus the cross-border exposure booked in UniCredit SpA, see page 12 for the Russia segment 3Q22 results. For Group consolidated results, including Russia, see page 13.

<sup>5</sup> UniCredit Group 2022 financial guidance available in section “Group excluding Russia key financial 2022 guidance” at page 14.

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cent increase year on year. This reflects high risk-adjusted returns across all regions, underpinned by the year on year increase in net interest income (“NII”) to €2.2 billion, and by lower Loan Loss Provisions (“LLPs”), supported by solid asset quality. The net profit was €1.3 billion, resulting in healthy organic capital generation of 42 basis points.

Excluding Russia, 3Q22 operational costs were reduced by 3.1 per cent year on year, demonstrating the Group’s discipline in structurally managing the cost base while protecting revenue generation.

The sound capital position is reflected in a CET1 ratio of 15.41 per cent which already deducts the second tranche of the 2021 share buyback of €1.0 billion, and which fulfils the €3.75 billion 2021 shareholder distribution commitment. The high organic capital generation of 158 basis points in the first nine months of the year, well ahead of the plan, is proof of the Group’s strong operational and improving capital efficiency. The continuing financial momentum creates a base for delivering a 2022 distribution in line with or better than 2021<sup>6</sup>, while maintaining a robust CET1 ratio.

The Group is well positioned in a period of macroeconomic uncertainty with its sound CET1 ratio, a profitable business model combining a capital light focus and solid asset quality. This has been further strengthened by early and proactive enhancement of existing strong lines of defense, such as high provisioning levels, reinforcement of existing overlays on performing exposures at circa €1.3 billion and a rigorous risk approach, strengthening the Group’s capacity to absorb macroeconomic shocks.

UniCredit has a robust loan portfolio characterized by a large majority investment grade exposures, a low percentage of high risk exposure<sup>7</sup> and a stable low expected loss in its overall loan stock, as well as the lowest default rate in its history. This is further bolstered by a vigilant approach to new business and an improved non-performing exposures (“NPE”) coverage ratio driven by positive mix effect and NPE disposals to preserve the asset quality from potential macro deterioration in the event of a mild or severe recession.

Russia cross-border exposure has been reduced overall 50 per cent to circa €3.1 billion<sup>8</sup> at minimal cost, through proactive and disciplined actions. UniCredit is committed to maintaining a progressive de-risking approach.

Cost of Risk (“CoR”), excluding Russia, at 20 basis points, is well below guidance and the full year 2022 guidance is improved to circa 25 basis points<sup>5</sup>.

On the back of an improved interest rate environment, low cost of risk and better than expected cost reduction, UniCredit has improved its financial guidance for 2022<sup>5</sup>, and expects to end the year with revenues above €17.4 billion and net profit exceeding €4.8 billion, excluding Russia.

The UniCredit Unlocked 2024 financial ambitions of average annual organic capital generation of 150 basis points, incremental net revenue of circa €1.1 billion and a RoTE of circa 10.0 per cent are confirmed. Positive results are already being delivered by combining the three levers of net revenues, costs and capital efficiency. The third quarter RoTE, excluding Russia, of 11.4 per cent already exceeds that of the 2024 target. The Bank continues its focus on the execution of the 2022-2024 strategic and industrial transformation plan to fully unlock the value of UniCredit and is committed to delivering attractive and sustainable results and returns, with the ambition of returning at least €16 billion to shareholders by 2024<sup>6</sup>. In the event of a severe recession the impact would be meaningful but the Group would expect to be in a position to able to honour the majority of its 2022-2024 distribution ambition<sup>6</sup>.

<sup>6</sup> Distribution subject to supervisory and shareholder approvals.

<sup>7</sup> Refer to slide 41 of the 3Q22 Market Presentation

<sup>8</sup> Delta since 8th March 2022 excluding change in FX hedging and additional exposures (as per page 3 of 1Q22 market presentation).

Key recent events include the following:

- Ongoing execution of the 2021 second share buyback tranche of €1.0 billion. As of 21 October 2022 UniCredit repurchased 54.4 million shares equal to 2.7 per cent of share capital.
- Execution of following actions as part of the industrial transformation:
  - Simplification of the bancassurance agreement with CNP in Italy, increasing strategic flexibility
  - Consolidation of the partnership with Allianz in Croatia to unlock more value
  - Merger of UniCredit Services ScpA into UniCredit SpA to support UniCredit's IT and digital Strategy

### Andrea Orcel, Chief Executive Officer of UniCredit S.p.A. :

*“UniCredit has delivered yet again an outstanding set of financial results. This is our seventh consecutive quarter of growth, and the best nine-month results in over a decade. We are well ahead of target, despite a prudent build up of lines of defence. UniCredit Unlocked is delivering: our industrial transformation is well underway, our results recurrently positive, and we are further improving our full year 2022 guidance.*

*In the first nine months of the year, we reached a record net profit of €4.0 billion, excluding Russia (€3.8 billion overall), beating full year 2021, demonstrating growth, higher risk-adjusted profitability and greater capital efficiency in each and every business. The step change in our operational excellence is the outcome of good commercial dynamics, a favourable interest rate environment, continued cost discipline, a low cost of risk, and most importantly the commitment and work of our employees, allowing us to further improve our full year 2022 guidance to a net profit exceeding €4.8 billion. This, combined with the marked enhancement in our capital efficiency allows us to also improve our full year 2022 guidance for organic capital generation to exceed 200 basis points.*

*Our CET ratio of 15.41 per cent remains best in class and includes absorbing regulatory headwinds meeting our full 2021 distribution commitment to shareholders of €3.75 billion, and accruing €1.4 billion for the 2022 dividend.*

*UniCredit has entered this period of macroeconomic uncertainty with a profitable business model, sound asset quality, conservative coverage, increased organic capital generation and strong capital. We continued taking early actions to proactively enhance our existing lines of defence, reinforcing our rock-solid foundations. We are facing an uncertain future with confidence.*

*We believe it is equally important to be socially responsible as well as financially successful. Therefore, we continue to support our clients and those communities in which we operate in these challenging times. They are who we ultimately exist to serve, and who we must have in mind throughout all of our actions.*

*We are committed to executing our 2024 strategic plan to unlock the value of our Group. I am confident that UniCredit is well positioned to manage through whatever economic environment we face, delivering strong results and prudent capital distribution, as well as value for all our stakeholders across Europe.”*

## 3Q22 KEY FIGURES GROUP EXCLUDING RUSSIA

- **Total Revenues:** €4.5 bn, up 0.2 per cent Q/Q and up 4.5 per cent Y/Y<sup>9</sup>
- **Net Revenues:** €4.2 bn, down 2.4 per cent Q/Q and up 6.8 per cent Y/Y
- **Net Interest Income (NII):** €2.2 bn, down 3.2 per cent Q/Q and up 4.8 per cent Y/Y<sup>10</sup>

<sup>9</sup> Total Revenue net of TLTRO III one-off: €4.8 bn, up 7.2 Q/Q and up 11.8 per cent Y/Y.

<sup>10</sup> NII net of TLTRO III one off: €2.6bn, up 10.4 per cent Q/Q and up 19.4 per cent Y/Y.

- **Fees:** €1.6 bn, down 4.4 per cent Q/Q and down 1.8 per cent Y/Y
- **Trading income:** €518 m, up 43.8 Q/Q and up 60.0 per cent Y/Y
- **Operating costs:** €2.3 bn, up 0.8 per cent Q/Q and down 3.1 per cent Y/Y
- **Cost/Income ratio:** 51.6 per cent, up 0.3 p.p. Q/Q and down 4.1 p.p Y/Y
- **Stated net profit:** €1.4 bn, down 18.1 per cent Q/Q and up 37.3 per cent Y/Y
- **Net profit:** €1.3 bn, down 9.9 per cent Q/Q and up 31.1 per cent Y/Y
- **RoTE:** 11.4 per cent, down 1.6 p.p. Q/Q and up 2.8 p.p. Y/Y
- **Diluted EPS:** €0.65, down 4.7 per cent Q/Q and up 43.6 per cent Y/Y
- **Group CET1 ratio (including Russia):** 15.41 per cent, down 32 bps Q/Q and down 9 bps Y/Y
- **Risk Weighted Assets (RWAs):** €302.6 bn, up 1.4 per cent Q/Q and down 4.3 per cent Y/Y
- **LLPs:** -€220 m, increased in Q/Q and down 25.5 per cent Y/Y
- **Cost of Risk (CoR):** 20 bps, up 10 bps Q/Q and down 8 bps Y/Y
- **Gross NPE ratio:** 2.8 per cent, flat Q/Q and down 1.8 p.p. Y/Y

### 3Q22 KEY HIGHLIGHTS GROUP EXCLUDING RUSSIA

Excellent quarter, setting a number of records, with €1.3 bn of **net profit**<sup>2</sup>, resulting in healthy organic capital generation of 42 bps in the quarter.

**Total Revenues** stood at €4.5 bn, up 0.2 per cent Q/Q and up 4.5 per cent Y/Y. Net of the TLTRO III negative one-off, total revenues stood at €4.8 bn, up 7.2 per cent Q/Q and up 11.8 per cent Y/Y driven by net interest income growth thanks to the interest rate environment and trading income reflecting favorable commercial activity

**Net revenue** reached €4.2 bn, down 2.4 per cent Q/Q, up 6.8 per cent Y/Y, reflecting strong capital-light, high risk-adjusted return growth across the regions reflecting solid asset quality.

**NII** was at €2.2 bn down 3.2 per cent Q/Q as a result of the negative one-off effect of the TLTRO III contribution. Net of €0.3 bn TLTRO III one-off, NII trend is up 10.4 per cent Q/Q in all the divisions benefiting from higher volumes, and higher customer rates, reflecting the market interest rates increase.

**Fees** were €1.6 bn, down 4.4 per cent Q/Q affected by seasonality in Italy and down 1.8 per cent Y/Y due to investment fees, mainly on AuM in Italy, partially offset by higher certificates activities and by transactional services in Italy and Germany.

**Costs** stood at €2.3 bn, up 0.8 per cent Q/Q due to higher staff expenses in Germany and down 3.1 per cent Y/Y driven by lower staff expenses, particularly in Germany and Italy along with lower non HR costs. The Group's cost discipline and efficiency resulted in a Cost/Income ratio of 50.2 per cent in 9M22, down 4.3 p.p. Y/Y, despite inflationary pressures.

**Trading income** reached at €518 m in 3Q22, up 43.8 per cent Q/Q and up 60.0 per cent Y/Y driven by strong corporate demand for hedging products.

**Asset quality**<sup>11</sup> remained resilient, with gross NPE ratio at 2.8 per cent and net NPE ratio at 1.4 per cent. **CoR**, at 20 bps remains well below guidance, , reflecting sound asset quality and a continued prudent approach on classification and provisioning.

Total overlays on the performing portfolio increased to circa €1.3 bn in 3Q22, substantially reinforcing the Group's capacity to absorb macroeconomic spill-over effects.

<sup>11</sup> NPEs excludes exposures classified as held for sale.

**RWAs excluding Russia** stood at €302.6 bn, up 1.4 per cent Q/Q impacted by €3.9 bn from regulatory headwinds and €4.0 bn business dynamics, partially offset by €3.8 bn RWA reduction from active portfolio management.

The **Group's 3Q22 CET1 ratio stood** at 15.41 per cent, down 32 bps Q/Q, driven by the capital deduction of the second tranche of the 2021 share buyback, with a strong organic generation excluding Russia and a positive contribution from Russia, offsetting the dividend accrual, regulatory headwinds and other items.

**Group Tangible Equity** was €54.6 bn, up 1.4 per cent Q/Q and up 2.3 per cent Y/Y, while Group tangible book value per share was €27.2, up 5.2 per cent Q/Q and up 13.5 per cent Y/Y.

The **RoTE** excluding Russia stood very strong at 11.4 per cent, down 1.6 p.p. Q/Q and up 2.8 p.p. Y/Y.

On 21 September 2022, UniCredit launched the second tranche of the share buy-back programme of €1.0 billion. The continuing financial momentum creates a base for delivering a 2022 distribution in line with or better than the €3.75 billion for 2021<sup>6</sup>.

UniCredit has launched "UniCredit for Italy" plan which offers ease to the financial burden faced by its customers, allowing them to better deal with the challenges ahead while providing greater protection in the face of rising energy costs and inflation. Further to UniCredit's social responsibility towards its clients, the Group remains committed to fostering gender equity and inclusion in the workplace. The recently awarded EDGE certification, a global assessment and business certification for gender and intersectional equity for gender equity across Austria, Germany and Italy, confirms UniCredit's progress as the only organisation in the banking industry in Europe with this certification.

The Group continues to support its clients' green transition with strong environmental lending at €8.2 billion and social lending at €3.3 billion as at 9M22.

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## UNICREDIT 3Q22 AND 9M22 GROUP RESULTS – DETAILS OF CONFERENCE CALL

MILAN, 26 October 2022 – 10.00 CET

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THE **CONFERENCE CALL** WILL ALSO BE **AVAILABLE** VIA **LIVE AUDIO WEBCAST** AT

<https://www.unicreditgroup.eu/en/investors/group-results.html>, WHERE THE SLIDES WILL BE DOWNLOADABLE

## UNICREDIT GROUP CONSOLIDATED RESULTS EXCLUDING RUSSIA

(€ million)	9M21	9M22	vs 9M21	3Q21	2Q22	3Q22	Q/Q	Y/Y
Total revenues	13,067	13,718	+5.0%	4,276	4,461	4,470	+0.2%	+4.5%
o/w Net interest	6,293	6,737	+7.1%	2,142	2,318	2,244	-3.2%	+4.8%
o/w Fees	5,032	5,158	+2.5%	1,657	1,704	1,628	-4.4%	-1.8%
o/w Trading	1,320	1,580	+19.7%	324	360	518	+43.8%	+60.0%
Operating costs	-7,120	-6,883	-3.3%	-2,380	-2,288	-2,306	+0.8%	-3.1%
Gross operating profit	5,946	6,835	+14.9%	1,896	2,172	2,164	-0.4%	+14.1%
Loan Loss Provisions	-827	-381	-53.9%	-296	-108	-220	n.m.	-25.5%
Net operating profit	5,119	6,454	+26.1%	1,600	2,064	1,944	-5.8%	+21.4%
Stated net profit/loss	2,794	4,218	+51.0%	993	1,665	1,363	-18.1%	+37.3%
Net profit	2,694	4,007	+48.7%	1,018	1,482	1,334	-9.9%	+31.1%
CET1 ratio	15.50%	15.41%	-0.1 p.p.	15.50%	15.73%	15.41%	-0.3 p.p.	-0.1 p.p.
RoTE	7.7%	11.6%	4 p.p.	8.6%	13.0%	11.4%	-2 p.p.	+3 p.p.
Customers loans excl. repos and IC	407,868	431,329	+5.8%	407,868	427,174	431,329	+1.0%	+5.8%
Gross NPE	20,220	12,970	-35.9%	20,220	13,100	12,970	-1.0%	-35.9%
Deposits (excl. repos)	456,528	486,138	+6.5%	456,528	475,363	486,138	+2.3%	+6.5%
Cost/income ratio	54.5%	50.2%	-4 p.p.	55.7%	51.3%	51.6%	+0 p.p.	-4 p.p.
Stated cost of risk (bps)	25	11	-14	28	10	20	+10	-8

**Note:** For 9M21: Group excluding Russia net profit excludes the regulatory headwinds impact on CoR (-€85 m in 2Q21 and -€52 m in 3Q21), revaluation of real estate (+€4 m in 1Q21, +€18 m in 2Q21 and +€4 m in 3Q21); furthermore it is net by AT1 (-€24 m in 1Q21, -€136 m in 2Q21 and -€24 m in 3Q21) and cashes coupon (-€29 m in 1Q21).

For 9M22: Group excluding Russia net profit excludes DTA write-up from TLCF (+€11 m in 2Q22), DTA write-off from TLCF (-€4 m in 2Q22); furthermore it is net by AT1 (-€149 m in 2Q22) and cashes coupons (-€27 m in 2Q22 and -€29 m in 3Q22).

**Total revenues** stood at €4.5 bn in 3Q22, up 0.2 per cent Q/Q thanks to higher trading income (+43.8 per cent Q/Q), partially offset by NII (-3.2 per cent Q/Q) and fees (-4.4 per cent Q/Q); and up 4.5 per cent Y/Y, with strong NII trend (+4.8 per cent Y/Y) as well as trading (+60.0 per cent Y/Y), partially offset by a slowdown in fees (-1.8 per cent Y/Y).

**Net revenues** reached €4.2 bn in 3Q22, down 2.4 per cent Q/Q and up 6.8 per cent Y/Y.

In 3Q22, **NII** stood at €2.2 bn, down 3.2 per cent Q/Q and up 4.8 per cent Y/Y. The Q/Q trend is negatively impacted by the one-off TLTRO III contribution. Net of the €0.3 bn TLTRO III one-off, NII trend is up 10.4 per cent Q/Q with all regions and divisions benefiting from higher volumes, and higher customer rates, reflecting the market interest rates increase, jointly with a good performance of Treasury & Markets.

On a stated NII basis the Q/Q growth rate is positive in Italy and Eastern Europe, driven by higher loan customer rates and volumes, together with better results in Treasury & Markets, particularly in the investment portfolio Italy. In Germany and Central Europe the trend is negative due to the negative TLTRO III one-off. Net of such one-off Germany and Central Europe have a positive growth thanks to loan volumes and interest rate dynamics.

The Y/Y trend reflects positive trends in loans (higher volumes and upturn on rates) in all divisions with only Germany showing total NII decreasing Y/Y, affected by ELF on deposits termination.

**Fees** reflect a seasonal slowdown this quarter, down 4.4 per cent Q/Q with a resilient performance at €1.6 bn, down 1.8 per cent Y/Y, mainly due to a decline in investment fees, partially offset by high transactional activity and related fees. Fees remain resilient, despite elevated market volatility, demonstrating the positive benefit of the diversification of the fee base. In particular:

- **Investment fees** generated €0.6 bn, down 11.4 per cent Q/Q due to lower AuM upfront fees, mainly in Italy, lower management fees and lower AuC fees. Investment fees were down 10.4 per cent Y/Y mainly due to lower AuM upfront fees (lower placements mainly in Italy) and negative market effect impacting the average volumes, partially mitigated by better AUC fees (mainly in Italy and Germany);
- **Financing fees** stood at €0.4 bn, down 4.3 per cent, due to lower loan fees in Italy and Germany; financing fees down 0.6 per cent Y/Y from a decline of Advisory & capital market fees (mostly related to equity market);

- **Transactional fees** were robust in 3Q22 and generated €0.6 bn, up 3.3 per cent Q/Q as a result of better card fees (primarily in Italy and Eastern Europe) and up 7.5 per cent Y/Y, driven by better card fees in Italy and Eastern Europe and payment fees in Italy, Germany and Eastern Europe.

**Trading income** stood at €518 m in 3Q22, up 43.8 per cent Q/Q reflecting, within the non-client driven trading, a positive contribution from Treasury and the lack of a negative item absorbed in 2Q22 from strategic FX hedging, partially offset by -€44 m client driven components (within that positive trend in Fixed income currency & commodities linked to hedging needs, offset by negative trend in Equity and Brokerage Trading). Trading income was up 60.0 per cent Y/Y driven by strong corporate demand for hedging products especially in Germany and bond revaluation.

**Operating costs** stood at €2.3 bn in 3Q22 up 0.8 per cent Q/Q, resilient against significant inflationary pressure, and down 3.1 per cent Y/Y. In particular:

- **HR costs** were €1.4 bn in 3Q22, up 1.0 per cent Q/Q, mainly driven by Germany; and down 3.9 per cent Y/Y as a result of FTE reduction mainly in Central Europe, Italy and Germany;
- **Non HR costs** were €0.9 bn in 3Q22, up 0.5 per cent Q/Q, due to higher IT related expenses mainly supporting Digital investments and down 1.9 per cent Y/Y thanks to lower consulting & professional services.

**CoR**, at 20 bps in 3Q22, up 10 bps Q/Q and down 8 bps Y/Y, stood well below guidance. This was sustained by a continued positive development of the low default rate, preserving low NPE inflows, as well as repayments on NPEs. The Group increased the amount of overlays on performing exposures Q/Q reaching circa €1.3 billion, with new additional overlays for geopolitical risks mainly in Italy and Germany. This substantially reinforces the Group's capacity to absorb any spill-over effects.

**Systemic charges** in 3Q22 stood at €260 m, an increase Q/Q due to the Deposit Guarantee Scheme ("DGS") seasonality and to the bank levy on extra profits booked in Hungary; Y/Y systemic charges were up by 32.5 per cent due to the bank levy booked in Hungary.

The 3Q22 **Group stated Tax Rate** excluding Russia, stood at 18.9 per cent, positively affected by tax effects originated in 1Q22 in Italy.

**Net profit** stood at €1.3 bn in 3Q22, down 9.9 per cent Q/Q and up 31.1 per cent Y/Y.

## BALANCE SHEET EXCLUDING RUSSIA

**Average gross commercial performing loans** were at €408.0 bn<sup>12</sup> as of 30 September 2022 (+2.2 per cent Q/Q, +6.7 per cent Y/Y). The main contributors were Italy (€168.6 bn), Germany (€116.9 bn) and Central Europe (€90.6 bn).

**Gross customer performing loan rates** were at 2.2 per cent<sup>12</sup> in 3Q22 up 23 bps Q/Q and up 29 bps Y/Y.

**Average commercial deposits** increased to €477.4 bn<sup>12</sup> as of 30 September 2022 (+3.0 per cent Q/Q, +7.9 per cent Y/Y). The main contributors were Italy (€197.6 bn), Germany (€146.5 bn) and Central Europe (€91.7 bn).

**Customer deposits rates** stood at 0.2 per cent<sup>12</sup> in 3Q22 up 16 bps Q/Q and up 23 bps Y/Y.

**Total Financial Assets (TFAs)** were €714.6 bn in 3Q22, down 0.9 per cent Q/Q and down 2.7 per cent Y/Y

- **AuM:** €193.5 bn, down 2.9 per cent Q/Q and down 9.8 per cent Y/Y;
- **AuC:** €138.3 bn, down 3.1 per cent Q/Q and down 10.1 per cent Y/Y;
- **Deposits:** €382.8 bn, up 1.0 per cent Q/Q and up 4.6 per cent Y/Y.

## ASSET QUALITY EXCLUDING RUSSIA <sup>11</sup>

**Gross NPEs** were €13.0 bn in 3Q22 (-1.0 per cent Q/Q and -35.9 per cent Y/Y) leading to a **gross NPE ratio** of 2.8 per cent (flat Q/Q, -1.8 p.p. Y/Y), while **net NPEs** were €6.5 bn in 3Q22 (-1.9 per cent Q/Q and -25.6 per cent Y/Y), with a **net NPE ratio** of 1.4 per cent (flat Q/Q, -0.6 p.p. Y/Y). The **NPE coverage ratio** was 49.7 per cent (+0.4 p.p. Q/Q and -7.0 p.p. Y/Y).

**Gross bad loans** amounted to €3.0 bn in 3Q22 (-2.8 per cent Q/Q, -53.1 per cent Y/Y) with a coverage ratio of 76.8 per cent (+2.9 p.p. Q/Q, +0.8 p.p. Y/Y). **Gross unlikely to pay** stood at €9.2 bn (flat Q/Q, -28.6 per cent Y/Y), with a coverage ratio of 42.0 per cent (-0.4 p.p. Q/Q, -6.2 p.p. Y/Y).

## CAPITAL & FUNDING

The Group's 3Q22 CET1 ratio FL stood at 15.41 per cent mainly driven by +42 bps organic capital generation excluding Russia, -32 bps from the capital deduction of the second tranche of 2021 share buyback of €1.0 bn, -16 bps from distribution (-15 bps dividend accrual, -1 bp CASHES coupons), -22 bps from regulatory headwinds, -18 bps from other items<sup>13</sup> and +14 bps from Russia positive contribution impact in 3Q22 (the latter composed of +12 bps of participation capital impact and +3 bps from cross border exposures).

The transitional Leverage ratio stood at 5.56 per cent in 3Q22, up 1 bp Q/Q.

On 21 September 2022, UniCredit launched the second tranche of the share buy-back programme of €1.0 billion. The continuing financial momentum creates a base for delivering a 2022 distribution in line with or better than the €3.75 billion for 2021<sup>6</sup>.

<sup>12</sup> Includes Group Corporate Centre.

<sup>13</sup> Including -5 bps capital reserve (+11bps DBO; -16 bps FVOCI excluding Russia; -1 bps FX reserve excluding RUB), -2 bps AVA/DVA/OCS, -5 bps Intangibles, -3 bps DBO excess of assets, and -2 bps from Minorities from Zagrebačka Banka.



**RWAs, excluding Russia**, totalled €302.6 bn in 3Q22, up 1.4 per cent Q/Q, driven primarily by an increase in regulatory headwinds (+€3.9 bn) and positive effect coming from business dynamics (+€4.0 bn), partially offset by the RWA savings (-€3.8 bn) resulting from active portfolio management (actions on lower return portfolios and securitisations), and were down 4.3 per cent Y/Y. **Including Russia, RWAs** stood at €320.0 bn in 3Q22, up 1.0 per cent Q/Q, as the Russia division was down €0.9 bn due to FX dynamics, further deleveraging and portfolio dynamics and were down 2.4 per cent Y/Y.

The 2022 Funding Plan focuses mostly on MREL instruments, while bank capital needs remain quite limited. UniCredit **TLAC ratio of RWA** stood at 26.88 per cent, down 18 bps Q/Q, with a **substantial buffer above requirements** of 21.58 per cent<sup>14</sup>. The 3Q22 **MREL ratio of RWA** stood at 29.36 per cent, down 17 bps Q/Q, with a substantial buffer above regulatory requirements of 24.31 per cent.

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<sup>14</sup> 3Q22 TLAC requirement 21.58 per cent (assuming combined capital buffer as of 3Q22) with 3.50 per cent senior exemption.

## DIVISIONAL HIGHLIGHTS<sup>15</sup>

### ITALY

(€ million)	9M21	9M22	vs 9M21	3Q21	2Q22	3Q22	Q/Q	Y/Y
Total revenues	6,405	6,490	+1.3%	2,073	2,162	2,084	-3.6%	+0.5%
o/w Net interest	2,773	2,794	+0.7%	910	949	972	+2.5%	+6.9%
o/w Fees	3,154	3,209	+1.7%	1,034	1,073	1,008	-6.1%	-2.5%
Operating costs	-3,008	-2,962	-1.5%	-993	-989	-977	-1.1%	-1.6%
Gross operating profit	3,397	3,528	+3.9%	1,080	1,173	1,107	-5.7%	+2.5%
Loan Loss Provisions	-683	-185	-73.0%	-211	-39	-155	<i>n.m.</i>	-26.3%
Net operating profit	2,714	3,344	+23.2%	869	1,134	951	-16.2%	+9.5%
Stated net profit/loss	1,721	1,922	+11.7%	497	757	553	-26.9%	+11.4%
Net profit	1,638	1,827	+11.5%	515	674	541	-19.7%	+5.1%
RoAC	12.3%	14.3%	+2.0 p.p.	11.4%	15.7%	13.1%	-2.7 p.p.	+1.7 p.p.
Cost/income ratio	47.0%	45.6%	-1 p.p.	47.9%	45.7%	46.9%	+1 p.p.	-1 p.p.
Stated cost of risk (bps)	48	13	-35	45	8	32	+24	-13

### GERMANY

(€ million)	9M21	9M22	vs 9M21	3Q21	2Q22	3Q22	Q/Q	Y/Y
Total revenues	3,330	3,702	+11.2%	1,080	1,188	1,151	-3.1%	+6.6%
o/w Net interest	1,804	1,849	+2.5%	641	632	575	-9.0%	-10.3%
o/w Fees	876	929	+6.1%	275	292	286	-2.2%	+4.1%
Operating costs	-2,008	-1,901	-5.3%	-644	-631	-626	-0.8%	-2.9%
Gross operating profit	1,322	1,800	+36.2%	436	557	526	-5.6%	+20.7%
Loan Loss Provisions	-24	-141	<i>n.m.</i>	-54	35	-112	<i>n.m.</i>	<i>n.m.</i>
Net operating profit	1,297	1,659	+27.9%	382	592	414	-30.1%	+8.4%
Stated net profit/loss	588	999	+70.0%	234	450	263	-41.6%	+12.6%
Net profit	566	945	+66.8%	227	403	256	-36.6%	+12.6%
RoAC	7.2%	11.9%	+4.7 p.p.	8.5%	15.4%	9.6%	-5.8 p.p.	+1.0 p.p.
Cost/income ratio	60.3%	51.4%	-9 p.p.	59.7%	53.1%	54.3%	+1 p.p.	-5 p.p.
Stated cost of risk (bps)	3	14	+12	17	-11	34	+45	+17

<sup>15</sup>Please consider that (i) all divisional figures in "Divisional Highlights" represent the contribution of each division to Group data; (ii) Return on Allocated Capital (RoAC) related to each division and shown in this section is calculated as: annualised net profit / allocated capital. Allocated capital calculated as 13 per cent of RWA plus deductions. Non core division not reported.

## CENTRAL EUROPE

(€ million)	9M21	9M22	vs 9M21	3Q21	2Q22	3Q22	Q/Q	Y/Y
Total revenues	2,232	2,436	+9.0%	758	843	810	-3.1%	+8.0%
o/w Net interest	1,175	1,432	+21.8%	403	502	481	-3.1%	+21.1%
o/w Fees	684	708	+3.5%	233	234	230	-1.4%	-0.9%
Operating costs	-1,215	-1,180	-3.2%	-411	-398	-385	-3.0%	-6.1%
Gross operating profit	1,017	1,256	+23.7%	347	445	425	-3.2%	+24.7%
Loan Loss Provisions	-91	33	n.m.	-22	-26	19	n.m.	n.m.
Net operating profit	926	1,288	+39.6%	325	419	444	+7.1%	+39.1%
Stated net profit/loss	667	934	+40.1%	267	375	354	-5.0%	+34.2%
Net profit	699	894	+27.8%	276	340	349	+3.1%	+27.6%
RoAC	12.6%	15.0%	+2.5 p.p.	14.4%	17.1%	18.1%	+1.0 p.p.	+3.8 p.p.
Cost/income ratio	54.4%	48.4%	-6 p.p.	54.2%	47.2%	47.5%	0 p.p.	-7 p.p.
Stated cost of risk (bps)	14	-5	-19	10	11	-8	-19	-18

**Note:**

Stated numbers at current FX. Variations Q/Q and Y/Y are at constant FX.

## EASTERN EUROPE

(€ million)	9M21	9M22	vs 9M21	3Q21	2Q22	3Q22	Q/Q	Y/Y
Total revenues	1,347	1,436	+6.8%	444	483	503	+3.9%	+13.3%
o/w Net interest	833	895	+7.6%	279	301	310	+2.7%	+10.9%
o/w Fees	334	376	+12.7%	119	125	135	+8.4%	+13.3%
Operating costs	-569	-595	+4.6%	-191	-202	-198	-2.3%	+3.9%
Gross operating profit	777	841	+8.4%	253	281	305	+8.4%	+20.4%
Loan Loss Provisions	-119	-85	-28.2%	-26	-84	-4	-95.7%	-85.7%
Net operating profit	658	756	+15.0%	228	197	302	+52.5%	+32.3%
Stated net profit/loss	468	595	+27.2%	163	149	264	+76.4%	+61.7%
Net profit	447	577	+29.1%	167	135	261	+92.4%	+55.6%
RoAC	16.9%	20.7%	+3.8 p.p.	19.0%	14.7%	27.7%	+12.9 p.p.	+8.6 p.p.
Cost/income ratio	42.3%	41.4%	-1 p.p.	42.9%	41.9%	39.4%	-3 p.p.	-4 p.p.
Stated cost of risk (bps)	57	37	-19	36	110	5	-105	-31

**Note:**

Stated numbers at current FX. Variations Q/Q and Y/Y are at constant FX.

### GROUP CORPORATE CENTRE (GCC)

(€ million)	9M21	9M22	vs 9M21	3Q21	2Q22	3Q22	Q/Q	Y/Y
Total revenues	-209	-346	+65.7%	-68	-215	-79	-63.2%	+15.7%
Operating costs	-262	-245	-6.6%	-124	-69	-120	+74.6%	-3.3%
Gross operating profit	-471	-591	+25.4%	-192	-284	-199	-29.9%	+3.5%
Loan Loss Provisions	5	-3	<i>n.m.</i>	-1	5	32	<i>n.m.</i>	<i>n.m.</i>
Stated net loss	-637	-232	-63.6%	-148	-66	-72	+8.1%	-51.4%
Net profit	-639	-235	-63.2%	-147	-70	-72	+2.3%	-51.4%
FTE	9,041	8,957	-0.9%	9,041	8,958	8,957	-0.0%	-0.9%
Costs GCC/total costs	3.6%	3.5%	-0.1 p.p.	5.1%	2.9%	5.0%	+2 p.p.	-0 p.p.

### RUSSIA<sup>4</sup>

(€ million)	9M21	9M22	vs 9M21	3Q21	2Q22	3Q22	Q/Q	Y/Y
Total revenues	421	905	+85.3%	148	319	357	-5.4%	+76.0%
o/w Net interest	330	529	+40.7%	118	166	237	+26.3%	+56.1%
o/w Fees	47	61	+15.5%	14	21	23	-5.6%	+21.9%
Operating costs	-173	-204	+2.4%	-59	-70	-79	-3.0%	-1.8%
Gross operating profit	248	701	<i>n.m.</i>	89	249	278	-6.1%	<i>n.m.</i>
Loan Loss Provisions	3	-985	<i>n.m.</i>	-1	111	136	-11.5%	<i>n.m.</i>
Net operating profit	251	-283	<i>n.m.</i>	88	360	414	-8.5%	<i>n.m.</i>
Stated net profit/loss	185	-224	<i>n.m.</i>	65	346	346	-24.4%	<i>n.m.</i>
Net profit	177	-236	<i>n.m.</i>	64	336	344	-23.4%	<i>n.m.</i>
RoAC	+15.0%	-17.7%	-38.9 p.p.	17.4%	52.6%	47.9%	-14.7 p.p.	+38.5 p.p.
Cost/income ratio	41.1%	22.5%	-18 p.p.	40.1%	21.9%	22.2%	+1 p.p.	-18 p.p.
Stated cost of risk (bps)	-3	<i>n.m.</i>	<i>n.m.</i>	3	-413	-534	-97	-847

**Note:**

Stated numbers at current FX. Variations Q/Q and Y/Y are at constant FX.

## UNICREDIT GROUP CONSOLIDATED RESULTS

(€ million)	9M21	9M22	vs 9M21	3Q21	2Q22	3Q22	Q/Q	Y/Y
Total revenues	13,488	14,623	+8.4%	4,425	4,780	4,827	+1.0%	+9.1%
o/w Net interest	6,623	7,266	+9.7%	2,261	2,484	2,481	-0.1%	+9.8%
o/w Fees	5,079	5,219	+2.8%	1,672	1,725	1,651	-4.3%	-1.2%
o/w Trading	1,351	1,961	+45.1%	333	564	612	+8.5%	+83.7%
Operating costs	-7,293	-7,087	-2.8%	-2,439	-2,358	-2,385	+1.2%	-2.2%
Gross operating profit	6,194	7,536	+21.7%	1,985	2,422	2,442	+0.8%	+23.0%
Loan Loss Provisions	-824	-1,366	+65.8%	-297	2	-84	n.m.	-71.6%
Net operating profit	5,370	6,171	+14.9%	1,688	2,424	2,358	-2.7%	+39.6%
Stated net profit/loss	2,979	3,994	+34.1%	1,058	2,010	1,709	-15.0%	+61.6%
Net profit	2,871	3,771	+31.3%	1,082	1,818	1,678	-7.7%	+55.1%
CET1 ratio	15.50%	15.41%	-0.1 p.p.	15.50%	15.73%	15.41%	-0.3 p.p.	-0.1 p.p.
RoTE	8.0%	10.4%	+2 p.p.	8.8%	15.1%	13.7%	-1 p.p.	+5 p.p.
Customers loans excl. repos and IC	419,690	440,932	+5.1%	419,690	437,939	440,932	+0.7%	+5.1%
Gross NPE	20,681	13,782	-33.4%	20,681	13,927	13,782	-1.0%	-33.4%
Deposits (excl. repos)	466,577	496,240	+6.4%	466,577	488,426	496,240	+1.6%	+6.4%
Cost/income ratio	54.1%	48.5%	-6 p.p.	55.1%	49.3%	49.4%	+0 p.p.	-6 p.p.
Stated cost of risk (bps)	25	40	+15	27	0	7	+8	-20

**Note:** For 9M21: net profit excludes the regulatory headwinds impact on CoR (-€85 m in 2Q21 and -€52 m in 3Q21), revaluation of real estate (+€4 m in 1Q21, +€18 m in 2Q21 and +€4 m in 3Q21); furthermore it is net by AT1 (-€24 m in 1Q21, -€141 m in 2Q21 and -€24 m in 3Q21) and cashes coupon (-€30 m in 1Q21). For 9M22: net profit excludes DTA write-up from TLCF (+€11 m in 2Q22), DTA write-off from TLCF (-€4 m in 2Q22); furthermore it is net by AT1 (-€157 m in 2Q22) and cashes coupons (-€29 m in 2Q22 and -€31 m in 3Q22).

### 3Q22 KEY FIGURES

- **Total Revenues:** €4.8 bn, up 1.0 per cent Q/Q and up 9.1 per cent Y/Y<sup>16</sup>
- **Net Revenues:** €4.7 bn, down 0.8 per cent Q/Q and up 14.9 per cent Y/Y
- **Net Interest Income (NII):** €2.5 bn, down 0.1 Q/Q and up 9.8 per cent Y/Y<sup>17</sup>
- **Fees:** €1.7 bn, down 4.3 per cent Q/Q and down 1.2 per cent Y/Y
- **Trading income:** €612 m, up 8.5 per cent Q/Q and up 83.7 per cent Y/Y
- **Operating costs:** €2.4 bn, up 1.2 per cent Q/Q and down 2.2 per cent Y/Y
- **Cost/Income ratio:** 49.4 per cent, up 0.1 p.p. Q/Q and down 5.7 p.p. Y/Y
- **Stated net profit:** €1.7 bn, down 15.0 per cent Q/Q and up 61.6 per cent Y/Y
- **Net profit:** €1.7 bn, down 7.7 per cent Q/Q and up 55.1 per cent Y/Y
- **RoTE:** 13.7 per cent, down 1.4 p.p. Q/Q and up 4.8 p.p. Y/Y
- **Diluted EPS:** €0.81, down 3.2 per cent Q/Q and up 67.3 per cent Y/Y
- **Group CET1 ratio:** at 15.41 per cent, down 32 bps Q/Q and down 9 bps Y/Y
- **RWAs:** €320.2 bn, up 1.1 per cent Q/Q and down 2.5 per cent Y/Y
- **LLPs:** -€84 m, increase Q/Q and down 71.6 per cent Y/Y
- **Cost of Risk (CoR):** 7 bps, up 8 bps Q/Q and down 20 bps Y/Y
- **Average gross commercial performing loans:** €419.0 bn, up 2.0 per cent Q/Q and up 6.4 per cent Y/Y
- **Group average commercial deposits:** €490.9 bn, up 2.8 per cent Q/Q and up 8.5 per cent Y/Y
- **Group gross NPEs:** €13.8 bn, down 1.0 per cent Q/Q and down 33.4 per cent Y/Y
- **Group gross NPE ratio:** 2.9 per cent, flat Q/Q and down 1.6 p.p. Y/Y
- **Group net NPEs:** €6.8 bn, down 1.8 per cent Q/Q and down 22.8 per cent Y/Y
- **Group net NPE ratio:** 1.5 per cent, flat Q/Q and down 0.5 p.p. Y/Y
- **NPE Coverage ratio:** 50.4 per cent, up 0.4 p.p. Q/Q and down 6.8 p.p. Y/Y
- **Group gross bad loans:** €3.3 bn, down 2.6 per cent Q/Q and down 51.2 per cent Y/Y
- **Group gross unlikely to pay:** €9.7 bn, down 0.2 per cent Q/Q and down 25.6 per cent Y/Y

<sup>16</sup> Total Revenue net of TLTRO III one-off: €5.1, up 7.5 per cent Q/Q and up 16.2 per cent Y/Y.

<sup>17</sup> NII net of TLTRO III one-off: €2.8, up 12.5 per cent Q/Q and up 23.6 per cent Y/Y.

## GROUP EXCLUDING RUSSIA KEY FINANCIAL 2022 GUIDANCE

### 2022 GUIDANCE<sup>1</sup>

Net revenue	>17.4 <sub>bn</sub>
Net interest	>9.6 <sub>bn</sub>
Costs	<9.4 <sub>bn</sub>
Cost / Income	c.51%
Cost of risk	c.25 <sub>bps</sub>
Net profit	>4.8 <sub>bn</sub>
CET1r pro forma for 2022 distribution <sup>2</sup>	>14.5%

All figures related to Group excl. Russia, unless otherwise stated

1. Assuming 'Mild Recession' scenario

2. Group incl. Russia, assuming 'Mild Recession' scenario

## SIGNIFICANT EVENTS DURING AND AFTER 3Q22

With reference to the main events that occurred during 3Q22 and after, refer to section “Subsequent events” in the Consolidated interim report on operations, which is an integral part of the Consolidated first half financial report as at 30 June 22 as well as the press releases published on the UniCredit Group website. Here below therefore, the main price sensitive financial press releases published after 26 July 2022 (date of approval of Consolidated First Half Report as at 30 June 2022):

- “Agreement to sell 49 per cent in CNP Vita Assicura S.p.A. and to increase shareholding in CNP UniCredit Vita S.p.A. to 45.3 per cent” (press release published on 27 July 2022);
- “Merger of UniCredit Services S.C.p.A. into UniCredit S.p.A.” (press release published on 27 July 2022);
- “UniCredit: S&P aligned UniCredit S.p.A.’s outlook with Italian Sovereign. Issuer Rating affirmed at ‘BBB’” (press release published on 29 July 2022);
- “UniCredit: Moody’s aligned UniCredit S.p.A.’s outlook with Italian Sovereign. Long Term rating affirmed at Baa1” (press release published on 9 August 2022);
- “Merger by absorption of Crivelli S.r.l. into UniCredit S.p.A.” (press release published on 11 August 2022);
- “UniCredit: Second Tranche of the 2021 Share Buy-Back Programme in amount of €1 bn has been authorised by the ECB” (press release published on 31 August 2022);
- “UniCredit: resolution approving the merger by absorption of UniCredit Services S.C.p.A. into UniCredit S.p.A.” (press release published on 7 September 2022);
- “Shareholders' Meeting” (press release published on 14 September 2022);
- “Announcement of the launch of the Share Buy-Back Programme” (press release published on 21 September 2022);
- “UniCredit: resolution approving the merger by absorption of Crivelli S.r.l. into UniCredit S.p.A.” (press release published on 22 September 2022).

## ECONOMIC OUTLOOK

The growth outlook is deteriorating. After likely subdued growth of 2.7 per cent this year, we forecast global GDP rising by only 1.9 per cent next year. The latter would de-facto be a global recession. The weakening reflects tighter financial conditions, surging energy bills in Europe and reduced economic momentum across the US and Europe.

In the euro area, GDP growth is likely to average approx. 3 per cent this year and to come to a standstill in 2023 (at 0.2 per cent), while a return to growth above 1 per cent starting from 2024 is expected. The latest survey indicators point to a further weakening of growth momentum and a rising likelihood of a recession at the turn of the year. Despite easing supply-side bottlenecks, pressure on the manufacturing activity is increasing with no sign of a turnaround any time soon. Meanwhile, the deterioration in services activity seems to be gathering pace amid an intensifying erosion of household purchasing power. Headline inflation is expected to hover around 10 per cent until year-end, before entering a downward trajectory in 2023. In Italy, we expect GDP to expand by 3.3 per cent in 2022, following strong growth of 6.7 per cent in 2021, while we see stagnating growth next year. We are penciling in a contraction in manufacturing output starting from 2H22. Moreover, the rebound observed in services activity, following the reopening of the economy, leaves little potential for economic activity to be further boosted in the coming quarters.

In terms of monetary policy, we see the deposit rate reaching 1.5 per cent in 4Q22. As policy rates rise towards, or above, the upper end of the neutrality range, the European Central Bank is likely to start looking at quantitative tightening (QT) as its next policy step.

## GROUP TABLES

## UNICREDIT GROUP: RECLASSIFIED INCOME STATEMENT

(€ million)	9M21	9M22	9M/9M	3Q21	2Q22	3Q22	Q/Q	Y/Y
Net interest	6,623	7,266	+9.7%	2,261	2,484	2,481	-0.1%	+9.8%
Dividends	406	249	-38.6%	169	83	77	-7.6%	-54.7%
Fees	5,079	5,219	+2.8%	1,672	1,725	1,651	-4.3%	-1.2%
Trading income	1,351	1,961	+45.1%	333	564	612	+8.5%	+83.7%
Other expenses/income	28	(72)	<i>n.m.</i>	(10)	(76)	6	<i>n.m.</i>	<i>n.m.</i>
<b>Revenue</b>	<b>13,488</b>	<b>14,623</b>	<b>+8.4%</b>	<b>4,425</b>	<b>4,780</b>	<b>4,827</b>	<b>+1.0%</b>	<b>+9.1%</b>
HR costs	(4,459)	(4,355)	-2.3%	(1,505)	(1,440)	(1,459)	+1.3%	-3.1%
Non HR costs	(2,386)	(2,258)	-5.3%	(783)	(754)	(767)	+1.8%	-2.0%
Recovery of expenses	398	376	-5.6%	134	123	125	+1.5%	-6.9%
Amortisations and depreciations	(846)	(849)	+0.3%	(286)	(287)	(284)	-1.1%	-0.6%
<b>Operating costs</b>	<b>(7,293)</b>	<b>(7,087)</b>	<b>-2.8%</b>	<b>(2,439)</b>	<b>(2,358)</b>	<b>(2,385)</b>	<b>+1.2%</b>	<b>-2.2%</b>
<b>GROSS OPERATING PROFIT (LOSS)</b>	<b>6,194</b>	<b>7,536</b>	<b>+21.7%</b>	<b>1,985</b>	<b>2,422</b>	<b>2,442</b>	<b>+0.8%</b>	<b>+23.0%</b>
Loan Loss Provisions (LLPs)	(824)	(1,366)	+65.8%	(297)	2	(84)	<i>n.m.</i>	-71.6%
<b>NET OPERATING PROFIT (LOSS)</b>	<b>5,370</b>	<b>6,171</b>	<b>+14.9%</b>	<b>1,688</b>	<b>2,424</b>	<b>2,358</b>	<b>-2.7%</b>	<b>+39.6%</b>
Other charges and provisions	(1,111)	(950)	-14.5%	(195)	56	(281)	<i>n.m.</i>	+43.8%
<i>of which: systemic charges</i>	<i>(945)</i>	<i>(1,047)</i>	<i>+10.8%</i>	<i>(200)</i>	<i>(63)</i>	<i>(265)</i>	<i>n.m.</i>	<i>+32.6%</i>
Integration costs	(11)	(37)	<i>n.m.</i>	(4)	4	(38)	<i>n.m.</i>	<i>n.m.</i>
Net income from investments	(240)	(6)	-97.5%	(59)	(3)	27	<i>n.m.</i>	<i>n.m.</i>
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>4,008</b>	<b>5,178</b>	<b>+29.2%</b>	<b>1,430</b>	<b>2,481</b>	<b>2,067</b>	<b>-16.7%</b>	<b>+44.5%</b>
Income taxes	(1,008)	(1,174)	+16.5%	(362)	(461)	(367)	-20.4%	+1.3%
Profit (Loss) of discontinued operations	2	3	+88.3%	0	-	-	<i>n.m.</i>	<i>n.m.</i>
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>3,002</b>	<b>4,007</b>	<b>+33.5%</b>	<b>1,068</b>	<b>2,020</b>	<b>1,700</b>	<b>-15.9%</b>	<b>+59.1%</b>
Minorities	(22)	(13)	-41.7%	(10)	(10)	10	<i>n.m.</i>	<i>n.m.</i>
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA</b>	<b>2,980</b>	<b>3,994</b>	<b>+34.0%</b>	<b>1,058</b>	<b>2,010</b>	<b>1,709</b>	<b>-15.0%</b>	<b>+61.6%</b>
Purchase Price Allocation (PPA)	(1)	-	<i>n.m.</i>	-	-	-	<i>n.m.</i>	<i>n.m.</i>
Goodwill impairment	-	-	<i>n.m.</i>	-	-	-	<i>n.m.</i>	<i>n.m.</i>
<b>GROUP STATED NET PROFIT (LOSS)</b>	<b>2,979</b>	<b>3,994</b>	<b>+34.1%</b>	<b>1,058</b>	<b>2,010</b>	<b>1,709</b>	<b>-15.0%</b>	<b>+61.6%</b>

**Note:** Figures of Reclassified Income statement relating to 2021 have been restated with the effects of the:

- shift of the Interest rate component of the DBO (Defined Benefit Obligation), TFR (Trattamento di Fine Rapporto) and Jubilee from HR costs to Net interest;
- shift of the Structuring and mandate Fees on certificates, and connected derivatives, issued by the Group and placed to internal and external networks from Trading income to Fees.

Figures relating to 1Q22 have been restated due to the effect of the:

- reclassification of UniCredit Leasing S.p.A. and its controlled company and of UniCredit Leasing GMBH and its controlled companies out of the non current assets held for sale

Starting from first quarter 2022 the losses recognised on derivatives assets and arising from inability of the counterparty to fulfill contractual obligations have been reclassified from Trading income to Loans Loss Provisions (LLPs).



**UNICREDIT GROUP: RECLASSIFIED BALANCE SHEET**

(€ million)	3Q21	2Q22	3Q22	Q/Q	Y/Y
<b>ASSETS</b>					
Cash and cash balances	135,412	122,114	140,619	+15.2%	+3.8%
Financial assets held for trading	80,545	74,668	79,136	+6.0%	-1.7%
Loans to banks	98,379	97,973	73,410	-25.1%	-25.4%
Loans to customers	439,811	461,909	461,782	-0.0%	+5.0%
Other financial assets	157,104	157,014	154,883	-1.4%	-1.4%
Hedging instruments	5,553	(1,097)	(3,428)	<i>n.m.</i>	<i>n.m.</i>
Property, plant and equipment	9,582	9,400	9,222	-1.9%	-3.8%
Goodwill	-	-	-	<i>n.m.</i>	<i>n.m.</i>
Other intangible assets	2,205	2,263	2,295	+1.4%	+4.1%
Tax assets	12,402	12,743	12,680	-0.5%	+2.2%
Non-current assets and disposal groups classified as held for sale	832	802	980	+22.2%	+17.8%
Other assets	6,760	7,967	11,224	+40.9%	+66.0%
<b>Total assets</b>	<b>948,584</b>	<b>945,756</b>	<b>942,803</b>	<b>-0.3%</b>	<b>-0.6%</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Deposits from banks	181,186	181,872	175,267	-3.6%	-3.3%
Deposits from customers	509,794	529,499	533,927	+0.8%	+4.7%
Debt securities issued	98,518	85,982	85,033	-1.1%	-13.7%
Financial liabilities held for trading	49,863	53,882	64,592	+19.9%	+29.5%
Other financial liabilities	11,802	11,368	11,427	+0.5%	-3.2%
Hedging instruments	7,045	(10,496)	(18,309)	+74.4%	<i>n.m.</i>
Tax liabilities	1,243	1,533	1,802	+17.5%	+45.0%
Liabilities included in disposal groups classified as held for sale	576	553	557	+0.7%	-3.4%
Other liabilities	25,907	28,939	25,363	-12.4%	-2.1%
Minorities	463	424	155	-63.4%	-66.5%
Group Shareholders' Equity:	62,186	62,200	62,989	+1.3%	+1.3%
- <i>Capital and reserves</i>	59,207	59,915	58,995	-1.5%	-0.4%
- <i>Group stated net profit (loss)</i>	2,979	2,285	3,994	+74.8%	+34.1%
<b>Total liabilities and Shareholders' Equity</b>	<b>948,584</b>	<b>945,756</b>	<b>942,803</b>	<b>-0.3%</b>	<b>-0.6%</b>

## UNICREDIT GROUP: SOVEREIGN DEBT SECURITIES – BREAKDOWN BY COUNTRY/PORTFOLIO

With reference to the Group's sovereign exposures<sup>18</sup>, the book value of sovereign debt securities as at 30 September 2022 amounted to €106,433 million (of which €102,516 million classified in the banking book<sup>19</sup>, over the 80 per cent of it concentrated in eight countries; Italy, with €36,784 million, represents about 35 per cent of the total. For each of the eight countries, the following table shows the nominal value, the book value and the fair value of the exposures broken down by portfolio as at 30 September 2022.

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<sup>18</sup> Information on Sovereign exposures refers to the scope of the UniCredit Group consolidated results as at 30 September 2022, determined under IAS/IFRS. Sovereign exposures are bonds issued by and loans given to central and local governments and governmental bodies.

To the purpose of this risk exposure are not included:

- Sovereign exposures of Group's Legal entities classified as held for sale as at 30 September 2022
- ABSs.

<sup>19</sup> The banking book includes financial assets designated at fair value, those mandatorily at fair value, those at fair value through other comprehensive income and those at amortised cost.

(€ million)	Nominal Value	Book value	Fair Value
<b>As at 30 September 2022</b>			
<b>- Italy</b>	<b>39,196</b>	<b>36,784</b>	<b>36,597</b>
financial assets/liabilities held for trading (net exposures)(*)	91	(1)	(1)
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	50	52	52
financial assets at fair value through other comprehensive income	15,916	15,177	15,177
financial assets at amortised cost	23,139	21,556	21,369
<b>- Spain</b>	<b>15,400</b>	<b>14,700</b>	<b>14,547</b>
financial assets/liabilities held for trading (net exposures)(*)	767	607	607
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	-	-	-
financial assets at fair value through other comprehensive income	3,446	3,293	3,293
financial assets at amortised cost	11,187	10,800	10,647
<b>- Japan</b>	<b>11,162</b>	<b>11,225</b>	<b>11,234</b>
financial assets/liabilities held for trading (net exposures)(*)	-	-	-
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	-	-	-
financial assets at fair value through other comprehensive income	7,829	7,811	7,811
financial assets at amortised cost	3,333	3,414	3,423
<b>- Germany</b>	<b>7,917</b>	<b>7,772</b>	<b>7,558</b>
financial assets/liabilities held for trading (net exposures)(*)	626	484	484
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	2,012	2,006	2,006
financial assets at fair value through other comprehensive income	1,658	1,604	1,604
financial assets at amortised cost	3,621	3,678	3,464
<b>- United States of America</b>	<b>7,284</b>	<b>6,415</b>	<b>6,388</b>
financial assets/liabilities held for trading (net exposures)(*)	1,260	949	949
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	-	-	-
financial assets at fair value through other comprehensive income	4,169	4,017	4,017
financial assets at amortised cost	1,855	1,449	1,422
<b>- Austria</b>	<b>3,645</b>	<b>3,538</b>	<b>3,502</b>
financial assets/liabilities held for trading (net exposures)(*)	302	314	314
financial assets designated at fair value	9	6	6
financial assets mandatorily at fair value	70	69	69
financial assets at fair value through other comprehensive income	3,114	2,989	2,989
financial assets at amortised cost	150	160	124
<b>- France</b>	<b>2,928</b>	<b>2,672</b>	<b>2,578</b>
financial assets/liabilities held for trading (net exposures)(*)	843	749	749
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	-	-	-
financial assets at fair value through other comprehensive income	1,600	1,434	1,434
financial assets at amortised cost	485	489	395
<b>- Romania</b>	<b>2,565</b>	<b>2,517</b>	<b>2,240</b>
financial assets/liabilities held for trading (net exposures)(*)	91	71	71
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	-	-	-
financial assets at fair value through other comprehensive income	744	659	659
financial assets at amortised cost	1,730	1,787	1,510
<b>Total on-balance sheet exposures</b>	<b>90,097</b>	<b>85,623</b>	<b>84,644</b>

**Note:**

(\*) Including exposures in Credit Derivatives. In case of negative amount, it indicates the prevalence of liabilities positions.

### UNICREDIT GROUP: WEIGHTED DURATION

The weighted duration of the sovereign bonds shown in the table above, divided by the banking and trading book, is the following:

Weighted duration (years)	Banking Book	Trading Book	
		Assets positions	Liabilities positions
- Italy	4.07	4.03	3.71
- Spain	3.38	13.93	5.49
- Japan	3.94	-	-
- Germany	3.60	11.04	2.91
- United States of America	6.53	20.14	-
- Austria	4.20	6.43	7.46
- France	5.35	19.39	23.23
- Romania	4.10	5.98	7.24

The remaining 20 per cent of the total of sovereign debt securities, amounting to €20,810 million with reference to the book values as at 30 September 2022, is divided into 35 countries, including Czech Republic (€2,433 million), Bulgaria (€2,228 million), Portugal (€1,986 million), Croatia (€1,796 million), Hungary (€1,423 million), Russia (€1,293 million), Israel (€1,160 million), Poland (€1,027 million), Ireland (€988 million), Serbia (€938 million) and China (€780 million).

With respect to these exposures, as at 30 September 2022 there were no indications that default have occurred and the Group is closely monitoring the evolution of the situation.

With particular reference to the book value of the sovereign debt securities exposure to Russia it should be noted that €1,290 million are held by the Russian controlled bank and almost totally classified in the banking book. For more information on the criteria adopted for the evaluation of the Russian counterparties, see the following chapter "Basis of preparation".

It should also be noted that among the aforementioned remaining part of sovereign debt securities as at 30 September 2022 there are also debt securities towards Supranational Organisations such as the European Union, the European Financial Stability Facility and the European Stability Mechanism amounting to €3,082 million.

In addition to the exposures to sovereign debt securities, loans<sup>20</sup> given to central and local governments and governmental bodies must be taken into account, amounting to €24,183 million as at 30 September 2022, of which over 64 per cent to Austria, Italy and Germany.

### UNICREDIT GROUP: RATINGS

	Short-term debt	Medium and long-term debt	Outlook	Standalone Rating
Standard & Poor's	A-2	BBB	Stable	bbb
Moody's	P-2	Baa1	Negative	baa3
Fitch Ratings	F2	BBB	Stable	bbb

<sup>20</sup> tax items are not included.

## BASIS OF PREPARATION

1. This Consolidated interim report as at 30 September 2022 - Press release has been prepared on a voluntary basis, with the aim of ensuring continuity with the previous quarterly reports, following the elimination of the requirement to disclose additional financial information to the half-year and annual reports pursuant to law (D.Lgs. 25/2016), issued in application of Directive 2013/50/EU. This Consolidated interim report as at 30 September 2022 - Press release as well as the press releases on significant events occurred during the period, the market presentation of 3Q22 results, the Divisional Database, and the disclosure by institutions pursuant to Regulation (EU) No.575/2013 and subsequent amendments are available on UniCredit group website.

This Consolidated interim report - Press release is not audited by the External Auditors.

2. Reclassified balance sheet and income statements items have been prepared pursuant to Banca d'Italia instructions laid down in Circular 262/2005 (and subsequent amendments) by applying the aggregations and reclassifications disclosed in Annex 1 of Consolidated first half financial report as at 30 June 2022 of UniCredit group and supplemented by the notes below the reclassified balance sheet and income statement of this document.

3. The contents of this Consolidated interim report as at 30 September 2022 - Press release are not prepared according to the international accounting standard on interim reporting (IAS34).

Furthermore, in addition to the financial information prepared by applying measurement criteria in accordance with International Financial Reporting Standards ("IFRS"), this document contains alternative performance measures ("APMs") as defined in the Guidelines on Alternative Performance Indicators (APIs) issued by the European Securities and Markets Authority (ESMA) on 5 October 15 (ESMA/2015/1415) and other information not based on-IFRS definitions, in order to provide further information about the Group's performance. The financial measures that qualify as APMs and additional information not based on IFRS definitions determined using information from UniCredit Group should be considered supplemental information to IFRS information and do not intend to substitute them. Furthermore, companies in our industry and others may calculate or use APIs and information not based on IFRS definitions differently, thus making them less useful for compare.

The description of such APIs (such as Cost/income ratio, EVA, RoTE, RoAC, Cost of risk, Net bad loans to customer/Loans to customers, Net non-performing loans to customers/Loans to customers, Absorbed capital, ROA) is included in the Consolidated first half financial report as at 30 June 2022 of UniCredit group (Consolidated interim report on operations and Annexes). Further APMs (i.e. Coverage ratio, Underlying RoTE) have been described in the 3Q22 market presentation.

4. The Consolidated interim report as at 30 September 2022 - Press release, within which the accounts are presented in reclassified form, was prepared on the basis of IAS/IFRSs in force.

During 2022, the market environment was affected by a lower predictivity of the macro-economic projections arising from geopolitical tensions. Indeed, the outbreak of Russian-Ukrainian conflict, followed by the sanctions imposed to Russia, which reacted with counter sanctions, have increased the uncertainty around growth prospects, despite economic activities have resumed as a result of the lifting by governments of the measures put in place to contain the Covid-19 pandemic.

Indeed, the ECB Macro-economic Projections published in September 2022<sup>21</sup> report that, despite the better-than-expected economic growth in the first half 2022 related to the effects of the reopening of the economy and a strong rebound in tourism, the economic consequences of the geopolitical crisis still caused uncertainty about the outlook for the euro area economy, also pushing up inflationary pressures.

In light of the above, specific analyses were performed in the third quarter of 2022 with the aim to evaluate whether the scenarios used as at 30 June 2022 for the purposes of the evaluation process of the main items subject to valuation uncertainties were still coherent with the current economic environment. The assessment also leveraged on the updated macro-economic scenario issued by UniCredit Research in September 2022.

<sup>21</sup> ECB staff macroeconomic projections for the euro area, September 2022 (europa.eu).

5. Starting from 31 December 2019, the calculation of the sustainability test methodology was updated by the Group considering appropriate a 10 years' time horizon, for the recognition of DTA arising from tax loss carrying forward deemed coherent for assessing the generation of sufficient taxable profit to be available against which tax assets can be utilized. As at 30 September 2022 the following analyses were performed with reference to the Italian Tax Perimeter (which accounts for the significant majority of the DTAs): (i) analysis of the evolution of the macroeconomic scenario for the period 2022-2024 compared to the scenario underlying the valuation process at 30 June 2022; (ii) comparison between the actual profit before taxes and the budget underlying the test executed in December 2021; (iii) confirmation of the validity of the additional methodological assumptions (reference tax legislation, perimeter of companies, volatility of the parameters underlying the model) used in the valuation process.

With specific reference to the macro-economic scenario the analysis highlighted that: (i) cumulated Italy GDP 21-24 is more in line with UniCredit Unlocked Downturn than baseline; (ii) higher interest rates are foreseen, thus representing a positive driver considering the positive correlation existing between net interest income and interest rates trend, more than balancing the increase in operating costs induced by higher inflation rates and the potential negative impact arising from the decrease of GDP.

According to the outcome of such analysis, no material changes that may lead to put in discussion the data, parameters and assumptions adopted for 30 June 2022 sustainability test, were highlighted.

It shall be noted that the outcome of the measurement is significantly influenced by assumptions about future cash flows, which - in turn - incorporate assumptions on the evolution of the macro-economic scenario.

Moreover, the sustainability of deferred tax assets is influenced by criteria and assumptions about the statistic model used for future taxable income projections, for the years following the explicit period, as well as the volatility of expected results and the confidence level used.

Therefore, the results of these evaluations might be subject to changes currently not foreseeable, depending on the existence and degree of economic recovery which in turn depends on (i) the evolution of the geopolitical tensions, the effects of sanctions imposed to Russia as well as (ii) the evolution of the pandemic. Possible deviations of the actual economic recovery, compared to the assumptions which form the basis of the evaluations, might require a re-determination of the parameters used for valuation purposes, in particular regarding the future cash flows, and the consequent change in the valuation.

6. With reference to the credit exposures, the update of macroeconomic scenarios used for calculation of credit risk parameters (Probability of Default, Loss Given Default and Exposure at Default) occurs on a semi-annual basis (June and December), in accordance with the Group Policies.

However, in light of the evolution of the geopolitical environment as at 30 September 2022, a comparison between the scenarios used in the evaluation process of credit exposures as at 30 June 2022 and the updated macro-economic scenario released in September 2022 by UniCredit Research was performed. Considering the limited decrease in GDP evolution between the periods, the IFRS9 macro-economic scenario was not updated as at 30 September 2022.

Always with reference to credit exposures, a geopolitical overlay was recognized in specific geographies in 3Q2022 to reflect the increase in credit risk arising from the soaring in energy price, inflation and increase in interest rate applied. Furthermore in 3Q2022 the existing Supply Chain overlay was reviewed considering the risks stemming from the Russian Gas stoppage and energy crises.

It should be noted that, the amount of loan loss provisions is determined by considering the classification - current and expected - of credit exposures as non-performing, the sale prices (for those non-performing exposure whose recovery is expected through sale to external counterparties), and credit risk parameters which - in accordance with IFRS9 - incorporate, among other factors, forward looking information and the expected evolution of the macroeconomic scenario. Therefore, also in this case, the measurement is affected by the already mentioned degree of uncertainty on (i) the evolution of the geopolitical tensions, the effects of sanctions imposed to Russia as well as (ii) the evolution of the pandemic.

Indeed, the evolution of these factors might require the classification of additional credit exposures as non-performing in future reporting periods, thus determining the recognition of additional loan loss provisions related to both these exposures as well as performing exposures following the potential update in credit risk parameters.

In addition, the need to adjust the loan loss provisions might derive from a macro-economic scenario different from the one estimated for the calculation of the credit risk parameters, or by the prevalence on the market of non-performing exposures of prices different from those used in the measurement. Finally, the evolution of the real estate market could impact on the value of properties received as collateral and may require an adjustment to the loan loss provisions.

7. With reference to the real estate portfolio, which starting from 31 December 2019 is measured at fair value, the evaluations through external appraisals are updated on a semi-annual basis in June and December, in accordance with Group policies. As at 30 September 2022, the Group performed an analysis on the real estate market and the status of the properties (“trigger analysis”) aimed to evaluate whether the values determined as at 30 June 2022 were confirmed.

The trigger analysis performed did not reveal significant events causing impacts on the evaluation of real estate portfolio compared to 30 June 2022. Within next reporting periods, the fair value of these assets might be different from the values presented as at 30 September 2022 as a result of the possible evolution of prices of real estate market which will also depend on (i) the evolution of the geopolitical tensions, the effects of sanctions imposed to Russia as well as (ii) the evolution of the pandemic.

8. In addition to the above, the following additional Balance sheet items might be significantly affected in their evaluation by risks and uncertainties, even if not directly connected with the slow-down of the economic activity and the associated uncertainty level of the economic recovery:

- fair value of financial instruments not listed in active markets;
- severance pay and other employee’s benefits (including defined benefit obligation);
- provisions for risks and charges.

While evaluations have been made on the basis of information deemed to be reasonable and supportable as at 30 September 2022, they might be subject to changes not foreseeable at the moment, as a result of the evolution in the parameters used for the evaluation.

Furthermore, the following factors, in addition to those illustrated above, might influence the future results of the Group and cause outcomes materially different from those deriving from the valuations: (i) general economic and industrial conditions of the regions in which the Group operates or holds significant investments; (ii) exposure to various market risks (e.g. foreign exchange risk); (iii) political instability in the areas in which the Group operates or holds significant investments; (iv) legislative, regulatory and tax changes, including regulatory capital and liquidity requirements, also taking into account increased regulation in response to the financial crisis. Other unknown and unforeseeable factors could determine material deviations between actual and expected results.

9. Since 2 March 2022 the ECB stopped the quotation of EUR/RUB exchange rate; for the preparation of the Consolidated interim report therefore, as at 30 September 2022 and in coherence with the first half of the year, the Group has applied an OTC foreign exchange rate provided by Electronic Broking Service<sup>22</sup> (EBS). In this regard it cannot be excluded that, once the ECB will restart listing RUB/EUR FX rate, these quotes might be different from EBS quotes, thus requiring the recognition of an impact in Net Equity and in P&L.

10. According to UniCredit group accounting policy, the TLTRO III liabilities are recognised as banking book funding instruments to be subsequently measured at amortised cost according to IFRS9.4.2.1.

<sup>22</sup> EBS is a wholesale electronic trading platform used to trade on the foreign exchange market (FX) with market-making banks. It is part of CME Group (Chicago Mercantile Exchange).

The prospect for the borrowing bank to be charged of a variable negative interest on “long term refinancing operations”, additional to the average Deposit Facility Rate (“DFR”) or Main Refinancing Operation (“MRO”) rate, is linked to the achievement of specific threshold on cumulative net lending toward eligible counterparties<sup>23</sup>.

In particular, the financial conditions incorporated into TLTROs are reflecting ECB monetary policy initiatives to prospectively reduce market “cost of funding” for banking institutions by using “non-conventional” tools and reflected in money market operations.

As a result, accounting analysis rejected that such an interest would have been assimilated to either (i) a government grants (being ECB TLTRO a “limited access & banking specific” market by its own), or (ii) an embedded derivative.

Therefore, such contractual term must be seen as contractual clause included into a one-coupon floating-rate<sup>24</sup> financial liability (the refinancing operation), and to be considered part of the calculation of the liability’s interests according to IFRS9.

Under the said accounting standard, the interests shall be calculated by using the “effective interest method”, that allocates interests over the application period of the “effective interest rate (EIR)”. The latter is defined as the rate that discounts estimated future cash flows through the expected life of the financial instruments to the net carrying amount.

Accordingly, having introduced in March and December 2020 a new/prospective “performance-related” remuneration related to periods from June 2020 to June 2022, within the ECB, TLTRO “market” specific financial features are handled similarly to changes in market-index for floating-rate liabilities.

Therefore, referencing EIR rules for “markets-driven” variable remunerations, changes in “market index” (e.g., base rate and spread) are reflected by adjusting instruments’ carrying amount calculated by reference to the evolution of the “TLTRO index” and limited to the accrued (to-date) portion<sup>25</sup>.

It should be noted that the current IAS/IFRS lacks a specific guidance on accounting for TLTRO instruments. Indeed, on 16 February 2021, ESMA informed the Market that a letter<sup>26</sup> requiring an official position by IFRS Interpretation Committee (IFRIC) about the TLTRO III accounting treatment would have been issued. In June 2021, IFRIC replied without providing clear guidance on the topics raised by ESMA; in particular, questions related to the effective interest rate and the consequence of the modification in interest rate were referred to the “Post-Implementation Review of the classification and measurement requirements in IFRS9”.

Therefore, the accounting treatment adopted by the Group, as described above, may be still subject in the future to different interpretations by the competent bodies.

11. Considering the current international geopolitical situation, already outlined in the previous paragraphs, the internal managerial reporting envisages the segregation of the business Russia, previously within Eastern Europe. In line with IFRS8 that requires application of a “through the eyes of the management” approach<sup>27</sup>, the Consolidated interim report as at 30 September 2022 - Press release continues to include the new Russian operating segment, in continuity with the previous quarters 2022.

12. Regarding the scope of consolidation, in the first nine months of 2022 the following changes occurred:

- the number of fully consolidated companies, including those ones classified as non-current assets and asset disposal groups based on the accounting principle IFRS5, decreases for 40 (3 in and 43 out) changing from 407, at the end of 2021, to 367 as at 30 September 2022;
- the number of companies consolidated by using the equity method, including those ones classified as non-current assets and asset disposal groups, is 29, unchanged from the end of 2021 to September 2022.

<sup>23</sup> Loans to non-financial corporations & Loans to households, excluding loans for house purchase.

<sup>24</sup> Either for the base rate (Avg DFR or Avg MRO) and the spread (up to -50bps with a minimum of -1per cent for a portion of the liability’s expected duration).

<sup>25</sup> Similarly, to other “market indexed” variable rate notes.

<sup>26</sup> Link: <https://www.esma.europa.eu/press-news/esma-news/esma-submits-ifrs-9-and-ias-20-related-questions-ifrs-interpretations-committee>.

<sup>27</sup> IFRS8 requires that the identification of operating segments and measurement of disclosed segment information shall reflect how the entity is steered, and therefore it shall be based on internal management reports.



13. As at 30 September 2022, the main assets which, based on the application of IFRS5 accounting principle, were reclassified as non-current assets and asset disposal groups, regard the following individual asset and liability held for sale and groups of assets held for sale and associated liabilities which do not satisfy IFRS5 requirements for the classification as discontinued operations:

- the companies of the WealthCap group, the controlled companies BACA Cena Immobilien Leasing GmbH and UCTAM Svk S.R.O. and the associated companies Risanamento S.p.A. and CNP Vita Assicura S.p.A.;
- the loans included in some sale's initiatives of portfolios;
- the real estate properties held by certain companies in the Group.

## GENERAL NOTES

- **CET1 ratio** fully loaded throughout the document, unless otherwise stated.
- **Numbers** throughout the press release may not add up precisely to the totals provided in tables and text due to rounding.
- **Russia** includes the local bank and legal entities, plus the cross-border exposure booked in UniCredit SpA.
- **Shareholders distribution** subject to supervisory and AGM approvals.

## MAIN DEFINITIONS

- **Average commercial deposits** (excluding repurchase agreements – repos) are managerial figures and are calculated as daily averages. Deposits net of Group bonds are placed by the network.
- **Average gross commercial performing loans** defined as average stock for the period of performing loans to commercial clients (e.g. excluding markets counterparts and operations); managerial figures, key driver of the NII generated by the network activity.
- **Cost of risk (CoR)** is based on reclassified P&L and Balance sheet, calculated as (i) LLPs of the period (annualised in the interim periods) over (ii) by average loans to customers (including active repos) excluding debt securities (also IFRS5 reclassified assets are excluded).
- **Coverage ratio (on NPE)** defined as stock of LLPs on NPEs over gross NPEs excluding IFRS5 reclassified assets.
- **Diluted EPS** calculated as net profit on average number of diluted shares (sum of average outstanding and potential dilutive shares) excluding average treasury and CASHES usufruct shares.
- **Gross customer performing deposits rates** calculated assuming 365 days convention, adjusted for 360 days convention where analytically available, and based on average gross balances.
- **Gross customer performing loan rates** calculated assuming 365 days convention, adjusted for 360 days convention where analytically available, and based on average gross balances.
- **Gross NPE ratio** defined as (i) gross NPEs over (ii) gross loans (including repurchase agreements – repos) excluding debt securities and IFRS5 reclassified assets.
- **Gross NPEs** defined as non performing exposures before deduction of provisions comprising bad loans, unlikely to pay, and past due; including only loans to customers (including repurchase agreements – repos), excluding debt securities and IFRS5 reclassified assets.
- **IFRS5 reclassified assets** means exposures classified as Held for Sale.
- **Net NPE ratio** defined as (i) Net NPEs over (ii) total loans (including repurchase agreements – repos), excluding debt securities and IFRS5 reclassified assets.
- **Net NPEs** defined as loans to customers non performing exposures after deduction of provisions, comprising bad loans, unlikely to pay and past due (including active repurchase agreements – repos, excluding debt securities and IFRS5 reclassified assets).
- **Net profit** for 2021 equal to stated net profit adjusted for non-operating items considering also AT1, CASHES coupons and impacts from DTAs from tax loss carry forward sustainability test, for 2022 equal to stated net profit adjusted for AT1, CASHES coupons and impacts from DTAs from tax loss carry forward sustainability test.
- **Net revenues** means (i) revenues minus (ii) Loan Loss Provisions (LLPs).
- **Organic capital generation** for Group calculated as (Net Profit excluding Russia pre AT1 & CASHES less delta RWA excluding Regulatory Headwinds x CET1r actual)/ RWA.
- **Regulatory headwinds** are mostly driven by regulatory changes and model maintenance (impacting on both P&L, RWA and capital), shortfall and calendar provisioning (impacting on capital).
- **RoTE** means (i) net profit over (ii) average tangible equity excluding AT1, CASHES and DTA from tax loss carry forward contribution.
- **Share buyback** defined as repurchasing of shares by the company that issued them to reduce the number of shares available on the open market.
- **Stated net profit** means accounting net profit.
- **Tangible book value per share** for Group calculated as end-of-period tangible equity over end-of-period number of outstanding shares excluding treasury shares.

- **Tangible equity** for Group calculated as shareholders' equity (including Group stated profit of the period) less intangible assets (goodwill and other intangibles), less AT1 component.
- **TfAs** refers to Group commercial Total Financial Assets. Non-commercial elements, i.e. CIB, Group Corporate Centre, Non Core and Leasing/Factoring are excluded. Numbers are managerial figures.
- **Unlikely-to-pay (UTP):** Result of the judgement of the bank about the unlikelihood, without recourse to actions such as realizing collaterals, that the obligator 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.

Declaration by the Manager charged with preparing the financial reports

The undersigned, Stefano Porro, 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, 25 October 2022

**Manager charged with  
preparing the financial reports**

