DISTRIBUTION OF AN INTERIM DIVIDEND FOR THE YEAR 2024 BY UNICREDIT S.P.A. PURSUANT TO ARTICLE 2433-BIS OF THE ITALIAN CIVIL CODE

Unlocking **transformation,** together.

For our clients, our people, and our communities.

Empowering
Communities to Progress. | UniCredit

Contents

Notes
The following conventional symbols have been used in the tables:
- a dash (-) indicates that the item/figure is non-existent;
- "n.m." when the figures do not reach the minimum considered significant or are not meaningful.

The reconciliation between the "Reclassified Company accounts" and the Company accounts illustrated in section "Company reports" is presented in Annex 1.

Any discrepancy among data is solely due to the effect of rounding.

UniCredit S.p.A.
A joint stock company
Registered Office and Head Office: Piazza Gae Aulenti, 3 - Tower A - 20154 Milano, Italy
Share capital €21,367,680,521.48 fully paid in
Registered in the Register of Banking Groups and Parent Company of the UniCredit Banking Group, with cod. 02008.1
Cod. ABI 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 of the National Compensation Fund
Stamp duty paid virtually, if due - Auth. Agenzia delle Entrate, Ufficio di Roma 1, No.143106/07 of 12.21.2007

Board of Directors and External Auditors

	Board of Directors
Pietro Carlo Padoan	Chairman
Elena Carletti	Deputy Vice Chair
Andrea Orcel	CEO
Paola Bergamaschi Paola Camagni Vincenzo Cariello Marcus Johannes Chromik Antonio Domingues Julie B. Galbo Jeffrey Alan Hedberg Beatriz Lara Bartolomé Maria Pierdicchi Marco Rigotti Francesca Tondi Gabriele Villa	Directors
Alessandro Paladini	Company Secretary
Bonifacio Di Francescantonio	**Manager in charge with preparing the financial reports**
KPMG S.p.A.	**External Auditors**

Remarks on the distribution of an interim dividend

The strategic plan "UniCredit Unlocked" has set-out the Group's commitment to improve profitability and upgraded metrics on a per-share basis. In this context the Parent Company, UniCredit S.p.A. introduced, starting from 2024, a shareholders' distribution policy envisaging a cash dividend equal to 40% of the full year result, with the remaining part of the distribution that will take the form of share buyback, also on interim basis.

In light of this objective, the Board of Directors intends to distribute an interim dividend in the manner and form prescribed by law. In this regard article 2433 bis of the Italian civil code allows the distribution of interim dividends only to companies whose financial statements are subject to independent audit and conditional on the fulfilment of the following conditions:
- the distribution shall be allowed by company's Articles of Association and approved by the Board of Directors after independent auditors have issued a positive opinion on the financial statements of the previous year which shall also be approved.
- the approval shall be taken on the basis of financial reports that confirm that the Company's balance sheet, economic and financial position allow for the distribution. On these documents an opinion of independent auditors shall be acquired.

Furthermore, the mentioned article foresees that distribution of interim dividends is not allowed when the latest approved financial statements show losses for the years or previous years.

Conditions required by article 2433 bis of the Italian civil code are entirely fulfilled for UniCredit S.p.A. The Articles of associations of UniCredit S.p.A. foresees, in article 31 comma 4, the option for the company to distribute interim dividends in the manner and form prescribed by law. UniCredit S.p.A. financial statements as of 31 December 2023 has not evidenced losses for the year or for previous periods. These financial statements, subject to audit by KPMG which released a positive opinion on 11 March 2024, were approved by the shareholders on 12 April 2024.

Given the above, the distribution of interim dividends has been determined on the basis of the Company's reports as at 30 June 2024 prepared in accordance with the preparation and valuation criteria defined by IAS/IFRS accounting standards endorsed by European Union and applied for the preparation of UniCredit S.p.A. financial statements as at 30 June 2024 to which reference is made. The Company's reports are composed by the Balance sheet, the Income statement, the Statement of other comprehensive income, the Statement of changes in shareholders' equity, the Cash flow statement (compiled using the "indirect method") and the Explanatory notes. Figures reported refer to 30 June 2024 which are compared with 31 December 2023 for the Balance sheet and as of 30 June 2023 for the Income statement, the Statement of comprehensive income, the Statement of changes in shareholders' equity and the Cash flow statement.

With reference to the maximum amount which can be distributed as interim dividend, the article 2433-bis of the Italian Civil code foresees that such amount cannot exceed the lower between the profits accrued since the end of the previous year, decreased for the amount that shall be allocated to reserves following legal or statutory obligation, and the amount of the available reserves.

In this regard, it shall be noted that the available reserves resulting from the balance sheet as of 30 June 2024 amount to €24,591 million. The profit for the period as of 30 June 2024 is equal to €6,093 million; considering that such profits include income which are not distributable in accordance with article 6, comma 1, letter a) of D.Lgs. No.38/2005 for €19 million, the profits available for the period 1 January 2024 - 30 June 2024 amount to €6,074 million[1]. Given the above, in accordance with article 2433-bis, comma 4 of the Italian Civil code, the maximum amount which can be distributed as interim dividend is equal to €6,074 million.

With reference to the number of outstanding shares, it should be noted that following the authorization provided by the Shareholder's' meeting on 12 April 2024:
- on 20 June 2024 the "Second tranche of the Buyback Programme 2023" has concluded and on 26 June 2024 the cancellation of No.44,859,171 treasury shares, purchased in execution of the mentioned authorization, was deliberated;
- on 20 August 2024 the "Third tranche of the Buyback Programme 2023" has concluded through the purchase of No.42,242,975 treasury shares,
- on 16 September 2024 the "2024 Share Buy-back anticipation" has started which was communicated to the market on the same date and that has led to purchase, as at 4 November 2024, No.30,254,701 treasury shares.

Given the above, and considering No.9,675,640 common shares underlying the financial instruments denominated "Cashes" issued on February 2009, the outstanding shares that, on 4 November 2024, have the right to receive the interim dividend are No.1,554,803,184.

1 It should be noted that the Legal reserve amount to €4,356 million and exceeds 20% of the Share capital.

Reclassified company account

Given that, as indicated, above the conditions requested by the article 2433-bis of the Italian Civil code are fulfilled and considering:

- what has been reported in the subsequent chapter of the present Report on the economic and financial performance of UniCredit S.p.A. in the first six months of 2024 together with the information reported in the chapter "Subsequent Events",
- the economic and financial performance of UniCredit group in the first 9 months of 2024, and
- what has been reported in the paragraph "Subsequent Events and Outlook",

the Board of Directors intend to distribute an interim dividend, before tax, for €1.440 million equal to a "per share" amount of 92.61 €/cent to each of outstanding share calculated on the basis of No.1,554,803,184 common shares outstanding as at 4 November 2024. This interim dividend foresees payment date of 20 November 2024, ex-dividend date of 18 November 2024 and record date of 19 November 2024.

It should be noted that the treasury shares that the Bank may own on the record date of 19 November 2024, do not have right to receive the interim dividend; the corresponding amount for the treasury shares purchased from the date of communication of the dividend per shares (5 November 2024) and the record date of 19 November 2024 will be allocated to the Statutory Reserve.

Following the distribution of the interim dividend, the capital ratios of UniCredit group continue to be above both the regulatory minimum requirements and the 12.5-13% the Group is committed to.

Finally, it should be noted that there are not recommendations of Regulatory Authorities which prevent the distribution of the interim dividend.

Reclassified company account

Reconciliation principles followed for the reclassified balance sheet

The main reclassifications, whose amounts are provided analytically in the tables enclosed with this report, involve:

- the inclusion in "Loans to banks" of item "Financial assets at amortised cost: a) loans and advances to banks", net of debt securities and lease assets in accordance with IFRS16 accounting standard reclassified in "Other financial assets", and of loans related to item "Financial assets at fair value through profit or loss: c) other financial assets mandatorily at fair value";
- the inclusion in "Loans to customers" of item "Financial assets at amortised cost: b) Loans and advances to customers", net of debt securities and of IFRS16 leasing assets reclassified in "Other financial assets", and of loans related to item "Financial assets at fair value through profit or loss: c) other financial assets mandatorily at fair value";
- the aggregation as "Other financial assets" of items (i) "Financial assets at fair value through profit or loss: b) financial assets designated at fair value and c) other financial assets mandatorily at fair value", net of loans reclassified in "Loans to banks and to customers", of (ii) "Financial assets at fair value through other comprehensive income", of (iii) "Equity investments", besides reclassifications of (iv) debt securities from item "Financial assets at amortised cost: a) loans and advances to banks and b) loans and advances to customers" and of (v) IFRS16 leasing assets from item "Financial assets at amortised cost: a) loans and advances to banks and b) loans and advances to customers";
- the inclusion in "Other financial liabilities" of leasing liabilities pursuant to accounting standard IFRS16 relating to item "Financial liabilities at amortised cost: a) deposits from banks and b) deposits from customers";
- grouping under "Hedging instruments", both assets and liabilities, of items "Hedging derivatives" and "Changes in fair value of portfolio hedged items" in the assets and "Value adjustment of hedged financial liabilities" in the liabilities;
- the inclusion of items "Provision for employee severance pay" and "Provisions for risks and charges" under "Other liabilities".

Reclassified company account

Reclassified balance sheet

(€ million)

ASSETS	AMOUNTS AS AT 30.06.2024	AMOUNTS AS AT 31.12.2023	CHANGE AMOUNT	CHANGE %
Cash and cash balances	8,814	12,301	- 3,487	- 28.3%
Financial assets held for trading	10,077	15,384	- 5,307	- 34.5%
Loans to banks	20,897	17,908	+ 2,989	+ 16.7%
Loans to customers	175,305	172,661	+ 2,644	+ 1.5%
Other financial assets	133,639	131,294	+ 2,345	+ 1.8%
Hedging instruments	9,158	8,887	+ 271	+ 3.1%
Property, plant and equipment	3,626	3,730	- 104	- 2.8%
Goodwill	-	-	-	-
Other intangible assets	1,517	1,580	- 63	- 4.0%
Tax assets	8,759	9,714	- 955	- 9.8%
Non-current assets and disposal groups classified as held for sale	327	299	+ 28	+ 9.4%
Other assets	8,471	8,352	+ 119	+ 1.4%
Total assets	**380,591**	**382,110**	**- 1,519**	**- 0.4%**

(€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT 30.06.2024	AMOUNTS AS AT 31.12.2023	CHANGE AMOUNT	CHANGE %
Deposits from banks	29,618	32,584	- 2,966	- 9.1%
Deposits from customers	209,865	206,660	+ 3,205	+ 1.6%
Debt securities issued	48,694	46,557	+ 2,137	+ 4.6%
Financial liabilities held for trading	10,347	14,311	- 3,964	- 27.7%
Other financial liabilities	10,011	8,182	+ 1,829	+ 22.4%
Hedging instruments	3,425	4,547	- 1,122	- 24.7%
Tax liabilities	23	2	+ 21	n.s.
Liabilities included in disposal groups classified as held for sale	-	-	-	-
Other liabilities	9,583	8,964	+ 619	+ 6.9%
Shareholders' equity	59,026	60,303	- 1,277	- 2.1%
of which:				
- capital and reserves	*52,933*	*49,039*	*+ 3,894*	*+ 7.9%*
- stated net profit (loss)	*6,093*	*11,264*	*- 5,171*	*- 45.9%*
Total liabilities and shareholders' equity	**380,591**	**382,110**	**- 1,519**	**- 0.4%**

Reclassified company account

Reclassified balance sheet - Quarterly figures

(€ million)

ASSETS	AMOUNTS AS AT 30.06.2024	31.03.2024	AMOUNTS AS AT 31.12.2023	30.09.2023	30.06.2023	31.03.2023
Cash and cash balances	8,814	14,307	12,301	21,439	23,643	62,435
Financial assets held for trading	10,077	11,616	15,384	16,703	20,523	19,328
Loans to banks	20,897	20,424	17,908	23,785	21,375	17,923
Loans to customers	175,305	176,422	172,661	176,134	189,655	189,328
Other financial assets	133,639	131,267	131,294	123,004	121,876	121,902
Hedging instruments	9,158	9,172	8,887	9,544	8,926	8,789
Property, plant and equipment	3,626	3,709	3,730	3,743	3,802	3,877
Goodwill	-	-	-	-	-	-
Other intangible assets	1,517	1,532	1,580	1,581	1,588	1,618
Tax assets	8,759	9,204	9,714	9,295	9,616	10,160
Non-current assets and disposal groups classified as held for sale	327	202	299	460	443	174
Other assets	8,471	9,848	8,352	8,399	7,532	7,670
Total assets	**380,591**	**387,703**	**382,110**	**394,087**	**408,979**	**443,204**

(€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT 30.06.2024	31.03.2024	AMOUNTS AS AT 31.12.2023	30.09.2023	30.06.2023	31.03.2023
Deposits from banks	29,618	34,913	32,584	37,885	37,219	72,602
Deposits from customers	209,865	207,567	206,660	213,559	219,134	222,834
Debt securities issued	48,694	48,475	46,557	49,893	48,684	46,128
Financial liabilities held for trading	10,347	11,673	14,311	16,696	20,813	21,065
Other financial liabilities	10,011	8,995	8,182	7,543	7,359	7,009
Hedging instruments	3,425	4,026	4,547	3,094	3,364	3,239
Tax liabilities	23	3	2	5	5	19
Liabilities included in disposal groups classified as held for sale	-	-	-	-	-	-
Other liabilities	9,583	9,664	8,964	9,033	15,996	11,703
Shareholders' equity	59,026	62,386	60,303	56,379	56,405	58,605
of which:						
- capital and reserves	*52,933*	*59,197*	*49,039*	*50,548*	*51,706*	*55,498*
- stated net profit (loss)	*6,093*	*3,189*	*11,264*	*5,831*	*4,699*	*3,107*
Total liabilities and shareholders' equity	**380,591**	**387,703**	**382,110**	**394,087**	**408,979**	**443,204**

Reclassified company account

Reconciliation principles followed for the reclassified income statement

The main reclassifications, whose amounts are provided analytically in the tables enclosed with this report, involve:

- the inclusion in "Dividends" of "Profit (Loss) of equity investments valued at equity" and the exclusion of (i) "Dividends from held for trading equity instruments" and (ii) "Dividends on equity investments, shares and equity instruments mandatorily at fair value" which are included in "Trading income";
- the inclusion in the "Other expenses/income" of "Other operating expenses/income", excluding "Recovery of expenses excluded amounts related to credit card distribution agreements" which is classified under its own item, the exclusion of the costs for "Net value adjustments/write-backs on leasehold improvements" classified among "Non HR costs ", the inclusion of result of industrial companies and of gains/losses on disposal and repurchase of financial assets at amortised cost represented by performing loans;
- presentation of "Other expenses/income", "HR costs", "Non HR costs", "Amortisations and depreciations" and "Other charges and provisions" net of any "Integration costs" relating to the reorganisation operations, classified as a separate item;
- the exclusion from the "Non HR costs" of the Contributions to the Resolution Funds (SRF), the Deposit Guarantee Schemes (DGS), the Bank Levy and the Guarantee fees for DTA reclassified in item "Other charges and provisions" and (ii) of Credit recovery expenses for the variable portion of the outsourced NPE recovery costs not recovered from the clients and charged to the bank based on the recovered volumes, reclassified in item "Loan loss Provisions (LLPs)";
- the inclusion in the "Non HR costs" of "Tax Recovery" reclassified from "Recovery of expenses";
- the inclusion in "Other expenses/income" of amounts related to asset management distribution agreements. reclassified from "Other charges and provisions";
- the exclusion from "Amortisations and depreciations" of impairment/writebacks related to (i) inventories assets (IAS2) obtained from recovery procedures of NPE (ii) rights of use of land and buildings used in the business (classified in item "Net income from investments") and (iii) tangible in operating lease assets (classified in item "Other expenses/income");
- in "Loan Loss Provisions", the inclusion of net losses/recoveries on financial assets at amortised cost and at fair value through other comprehensive income net of debt securities, of the gains (losses) on disposal and repurchase of financial assets at amortised cost net of debt securities and of performing loans, of the "Net provisions for risks and charges" related to commitments and financial guarantees given;
- the inclusion in "Net income from investments" of net losses/recoveries on financial assets at amortised cost and at fair value through other comprehensive income - debt securities, of gains (losses) on tangible and intangible assets measured at fair value as well as gains (losses) of equity investments and on disposal on investments, including impacts from revaluation arising from IFRS5 non-current assets and disposal groups related to equity investment consolidated line by line and at net equity method not presented to item "Profit (Loss) of discontinued operations";
- the inclusion among "Trading income" (i) of the net gains (losses) on trading, (ii) of the net gains (losses) on hedge accounting, (iii) of the net gains/losses on other financial assets/liabilities at fair value through profit or loss, (iv) of the gains/losses on disposal or repurchase of financial assets at fair value through other comprehensive income, (v) of gains/losses on disposal and repurchase of financial assets at amortised cost represented by debt securities, (vi) of gains/losses on disposal and repurchase of financial liabilities at amortised cost and (vii) of the interest income and expenses deriving from Trading Book instruments, excluded the economical hedging or funding banking book positions;
- the inclusion in the "Fees" of commissions of the Structuring and mandate fees on certificates, and the connected derivatives, issued by the Group;
- the inclusion in the "Net interest" of interest component of the DBO (Defined Benefit Obligation), TFR (Trattamento di Fine Rapporto) and Jubilee deriving from HR costs.

Figures of Reclassified income statement relating to 2023 have been restated, starting from March 2024, with the effects of the:

- extension of shift from Trading Income to Fees of the client hedging mark-up for some additional derivatives non-linear product: Equity derivatives, FX derivatives and prepaid forward carbon trades;
- shift from Non HR Costs to Loan Loss Provisions of Credit recovery expenses for the variable portion of the outsourced NPE recovery costs not recovered from the clients and charged to the bank based on the recovered volumes;
- shift from Other charges and provision to Other expenses/income of amounts related to asset management distribution agreements.

Figures of Reclassified income statement have been restated starting from June 2024, with reference to 2023 and first quarter 2024, for the reclassification of "Tax Recovery" from Recovery of expenses to Non HR Costs.

Reclassified company account

Reclassified income statement

(€ million)

	H1		CHANGE	
	2024	2023	P&L	%
Net interest	3,004	2,726	+ 278	+ 10.2%
Dividends	4,478	2,904	+ 1,574	+ 54.2%
Fees	2,291	2,123	+ 168	+ 7.9%
Trading income	349	317	+ 32	+ 10.0%
Other expenses/income	412	379	+ 33	+ 8.6%
Revenue	**10,534**	**8,449**	**+ 2,085**	**+ 24.7%**
HR costs	(1,517)	(1,458)	- 59	+ 4.0%
Non HR costs	(741)	(729)	- 12	+ 1.7%
Recovery of expenses	56	37	+ 19	+ 52.0%
Amortisations and depreciations	(341)	(366)	+ 25	- 6.8%
Operating costs	**(2,543)**	**(2,516)**	**- 27**	**+ 1.1%**
GROSS OPERATING PROFIT (LOSS)	**7,991**	**5,933**	**+ 2,058**	**+ 34.7%**
Loan Loss Provisions (LLPs)	(190)	(171)	- 19	+ 11.0%
NET OPERATING PROFIT (LOSS)	**7,801**	**5,762**	**+ 2,039**	**+ 35.4%**
Other charges and provisions	(190)	(246)	+ 56	- 22.6%
of which: systemic charges	*(211)*	*(234)*	*+ 23*	*- 10.0%*
Integration costs	(31)	(203)	+ 172	- 84.7%
Net income from investments	(382)	221	- 603	n.m.
PROFIT (LOSS) BEFORE TAX	**7,198**	**5,534**	**+ 1,664**	**+ 30.1%**
Income taxes	(1,104)	(835)	- 269	+ 32.3%
Profit (Loss) of discontinued operations	-	-	-	-
NET PROFIT (LOSS) FOR THE PERIOD	**6,093**	**4,699**	**+ 1,394**	**+ 29.7%**
Goodwill impairment	-	-	-	-
STATED NET PROFIT (LOSS)	**6,093**	**4,699**	**+ 1,394**	**+ 29.7%**

Reclassified company account

Reclassified income statement - Quarterly figures

(€ million)

	2024		2023			
	Q2	Q1	Q4	Q3	Q2	Q1
Net interest	1,517	1,487	1,621	1,475	1,434	1,292
Dividends	2,218	2,261	34	131	592	2,312
Fees	1,156	1,135	971	951	1,023	1,100
Trading income	90	259	229	102	319	(2)
Other expenses/income	226	186	359	155	200	179
Revenue	**5,206**	**5,327**	**3,214**	**2,814**	**3,568**	**4,881**
HR costs	(757)	(760)	(850)	(744)	(731)	(727)
Non HR costs	(380)	(361)	(451)	(359)	(382)	(347)
Recovery of expenses	35	21	26	21	20	17
Amortisations and depreciations	(167)	(175)	(144)	(175)	(184)	(182)
Operating costs	**(1,269)**	**(1,274)**	**(1,419)**	**(1,257)**	**(1,277)**	**(1,239)**
GROSS OPERATING PROFIT (LOSS)	**3,938**	**4,053**	**1,795**	**1,557**	**2,291**	**3,642**
Loan Loss Provisions (LLPs)	(20)	(170)	43	(53)	(54)	(117)
NET OPERATING PROFIT (LOSS)	**3,918**	**3,883**	**1,838**	**1,504**	**2,237**	**3,525**
Other charges and provisions	(11)	(179)	(3)	(229)	(19)	(227)
of which: systemic charges	*(17)*	*(193)*	*(14)*	*(209)*	*(24)*	*(210)*
Integration costs	(20)	(11)	(320)	(18)	(197)	(6)
Net income from investments	(353)	(29)	3,348	246	85	136
PROFIT (LOSS) BEFORE TAX	**3,533**	**3,664**	**4,863**	**1,503**	**2,106**	**3,428**
Income taxes	(630)	(475)	570	(371)	(514)	(321)
Profit (Loss) of discontinued operations	-	-	-	-	-	-
NET PROFIT (LOSS) FOR THE PERIOD	**2,904**	**3,189**	**5,433**	**1,132**	**1,592**	**3,107**
Goodwill impairment	-	-	-	-	-	-
STATED NET PROFIT (LOSS)	**2,904**	**3,189**	**5,433**	**1,132**	**1,592**	**3,107**

Main results and performance for the period

The income statement

Breakdown of Net operating profit (loss)

Net operating profit (loss) on 30 June 2024 amounted to €7,801 million compared to €5,762 million of the first half 2023 (+€2,039 million, +35.4%) while Gross operating profit (loss), totaled €7,791 million, shows an increase of +€2,058 million compared to €5,933 of first half 2023.
The half-year increase in Gross operating profit (loss) compared to the first half 2023 is mainly explained by the increase in Revenues (+€2,085 million), mainly attributable to Dividends.

Net operating profit (loss)

(€ million)

	H1		CHANGE	
	2024	2023	P&L	%
REVENUE	**10,534**	**8,449**	**+ 2,085**	**+ 24.7%**
Operating costs	(2,543)	(2,516)	- 27	+ 1.1%
GROSS OPERATING PROFIT (LOSS)	**7,991**	**5,933**	**+ 2,058**	**+ 34.7%**
Net write-downs of loans and provisions for guarantees and commitments	(190)	(171)	- 19	+ 11.0%
NET OPERATING PROFIT (LOSS)	**7,801**	**5,762**	**+ 2,039**	**+ 35.4%**

Revenue

At 30 June 2024 Revenues totaled €10,534 million, up €2,085 million (+24.7%) compared to the first half of 2023. This increase is attributable to the all items of Revenues, and in detail: to Dividends (+€1,574 million), to Net Interest (+€278 million), to Fees (+€168 million), to the Other expenses/income (+€33 million) and to Trading income (+€32million).

Net interest at June 2024 amounted to €3,004 million, up 10.2% (+€278 million) compared to the first half 2023.
The strong growth in Net interest was supported by the favorable interest rate environment combined with prudent deposit beta management.
The average customer loans interest rates recorded overall an increase versus the first half 2023. The growth was mainly attributable to short-term loans, household mortgages and loans to enterprises, for which the increase was also influenced by the maturity of state guarantees loans provided by Covid-19 measures. At the same time there was a decrease in the stock of loans, mainly linked to the general reduction in the demand for credit by customers resulting from the increase in interest rates together and from the progressive maturity of mortgages granted under Covid-19 guarantee schemes, partially offset by the commercial development actions on the positive sEva clients.
Average interest rates on deposits show an increase, in particular for corporate customers.
During first half 2024, there was also a reduction in the volumes of customer deposits: the decline reflects the Bank's attention to pricing, a greater diversification of savings by customers with a rotation towards other forms of asset under custody as well as a reduction in Retail segment strongly influenced by higher placements in government bonds (BTPs).

Dividends recorded in first half 2024 totaled €4,478 million, up €1,574 million compared to the first half year 2023. This trend is mainly explained by the growth in the distribution of dividends by UniCredit Bank Austria AG (+599 million), UniCredit Bank GmbH (+€565 million) and to dividends of banks in CEE area (+€350 million) mainly ZAO UniCredit Bank (+€141 million), UniCredit Tiriac Bank S.A (+€128 million) and UniCredit Bank Hungary Zrt (+€61 million).

Fees in the first half of the year amounted to €2,291 million, up €168 million (+7.9%) compared to the first six months of 2023; this performance benefited from the greater commercial boost on asset management products, mainly investment funds, the increase in commissions on loans, the growth recorded on payment services and cards, which more than offset the higher costs related to securitisation transactions and the lower contribution of commissions on current accounts, penalized in the year-on-year comparison by the repricing maneuvers resulting from the changed market interest rate scenario. Commissions on insurance products increased by 4.5% equal to €19 million compared to the first half of 2023 mainly supported by the casualty insurance component as well as the positive result of credit protection insurance.

Trading income at June 2024, amounting to €349 million, was essentially attributable to the effects of the revaluation of UniCredit Bank GmbH (+€97 million), to the revaluation of the issuance of Additional Tier1 of UniCredit Bank Austria AG (+€33million), to the gains from investment portfolio (+€77 million) and to the hedging activity in derivatives with customers (+€52 million). In addition, effects unrealized related to Webuild S.p.A. (+€19 million) were recorded.

In 2024 the effects of the revaluation of the hedging derivative related to the issuance in USD of Additional Tier1 instruments amounted to -€9 million.

Main results and performance for the period

In addition, gains related to XVA - Credit, Funding and Debt Value Adjustment, amounting to €10 million, were absorbed by loss from relative hedging activity (-€15million).

Overall, Trading income increased of +€32 million compared to the first half 2023.
The mainly changes in comparison with the first half 2023 are attributable to the following:
- +€77million deriving from equity instruments and OICR quotes mandatorily at fair value;
- +€33 million deriving from the unrealized effects related to the issuance of Additional Tier1 of UniCredit Bank Austria AG;
- +€10 million deriving from the effects of the revaluation of the hedging derivative related to the issuance in USD of Additional Tier1 instruments;
- +19 million deriving from the unrealized effects related to the issuance of Additional Tier1 of UniCredit Bank GmbH;
- -€104 million deriving from the losses from investment portfolio.

Other expenses/income at 30 June 2024 was positive and amounted to €412 million, increasing by +€33 million compared to the first half 2023. The figure of the first half year 2024 includes income for services, ICT projects and software provided to other Group companies and the positive effects deriving from the signing of the Global Partnership Agreement with Nexi in the second quarter of 2024, which updates the previous agreement, as well as those deriving from the renegotiation of the contract with Amundi.

Operating costs

Operating costs at June 2024 amounted to -€2,543 million, increasing of €27 million (+1.1%) compared to the first year 2023. HR costs, amounted to -€1,517 million, increase compared to the first half 2023 (+€59 million, +4.0%) mainly due to the effect of CCNL renewal partially balanced by lower FTEs.
Full Time Equivalent (FTE) evolution stands at 33,563 at 30 June 2024 and shows a decrease of about 1,200 FTE compared to the first half 2023 thanks to multiyear personnel exit plan linked with "UniCredit Unlocked".

Non-HR costs in the first half 2024 amounted to -€741 million, up by €12 million (+1.7%) compared to the first half 2023, with an increase mainly related to ICT initiatives.

Recovery of expenses, amounting to €56 million, are increasing compared to the first half 2023 (+€19 million, +52.0%) mainly for recoveries on contracts versus third parties.

Amortisation and depreciation amounted to -€341 million, decreasing (-6.8%) compared to the first half 2023, connected to initiatives of rationalization of real estate assets and to the modification of the useful life of the properties.

Loan Loss Provisions (LLPs)

At June 2024 Loan Loss Provisions (LLPs) sum up to -€190 million, growing for €19 million (+11.0%) compared to the first half 2023.
Net of the Russian segment, which showed recoveries of €26 million, LLPs amounted to -€216 million, compared to -€209 million recorded in the first half 2023.

With reference to Russia, the result recorded first half 2024 is essentially attributable to the contraction of receivables in the Russia perimeter as a result of repayments as per the amortization schedule.

With regard to the other segments, the amount of LLPs in June 24 amounted to -€216 million and were mainly determined by the combined effect of the following events: (i) -€21 million of LLPs increase connected to IFRS9 macro-economic scenario update and main Rating Model credit risk parameters calibration (PD, LGD and EAD), (ii) €18 millions of LLPs write back due to Non Performing Portfolio disposals (iii)-€213 million of LLPs increase mainly connected to credit portfolio dynamics like recoveries, Inflows and Outflows to NPE.

Cost of Risk in first half 2024 was 22 basis points. Excluding Russia, Cost of Risk was 25 basis point, slightly increasing versus 22 basis points of first six months 2023.

Net profit (loss)

In the table below, the data showing the transition to Stated Net profit (loss) for illustrative purposes.

Main results and performance for the period

Net profit (loss)

(€ million)

	H1		CHANGE	
	2024	2023	P&L	%
NET OPERATING PROFIT (LOSS)	**7,801**	**5,762**	**+ 2,039**	**+ 35.4%**
Other charges and provisions	(190)	(246)	+ 56	- 22.6%
Integration costs	(31)	(203)	+ 172	- 84.7%
Net income from investments	(382)	221	- 603	n.m.
PROFIT (LOSS) BEFORE TAX	**7,198**	**5,534**	**+ 1,664**	**+ 30.1%**
Income taxes	(1,104)	(835)	- 269	+ 32.3%
Profit (Loss) of discontinued operations	-	-	-	-
NET PROFIT (LOSS) FOR THE PERIOD	**6,093**	**4,699**	**+ 1,394**	**+ 29.7%**
Goodwill impairment	-	-	-	-
STATED NET PROFIT (LOSS)	**6,093**	**4,699**	**+ 1,394**	**+ 29.7%**

Other charges and provisions

Other charges and provisions, amounting to -€190 million, down compared to -€246 million of the first half 2023 include charges for Deposits Guarantee Schemes (DGS) for -€171 million and other provisions and release for litigations, lawsuits, disputes, incidents, and claims in which the Bank is passive subject.

Integration costs

Integration costs amounted to -€31 million, down by €172 million compared to the first half 2023 for a different timing on accrual of severance costs.

Net income from investments

Net income from investments was- €382 million, down compared to +€221 million of the first half 2023.
In particular, in the first half 2024 impairment of equity investments related to AO UniCredit Bank (-€285million), to UniCredit International Bank Luxembourg (-€41 million) and to Pioneer Alternative Investment Management Ltd (-€33 million).

Taxes on income

Taxes on income for the first half 2024 reports a negative amount of €1.104 million, with respect to the negative amount of €835 million in the first half 2023, this amount is mainly composed by:

- IRES (current and deferred taxes) negative value of €895 million. The amount of the current IRES is zero since the half generate a tax loss for a total of €528 million in terms of taxes, of which €479 million produced by tax cases from Income statement and €49 million produced by tax cases from Net equity. This tax loss, mainly determined by credit impairment and goodwill amount of the year, has been converted in a tax credit as per Art.2 par. 56-bis of Law Decree 29 December 2010, No.225 and subsequent amendments. The handling of deferred tax assets and liabilities of the period is negative for €1,374 million, mainly determined by the recovery of temporary convertible DTA and provisions for risks and charges DTA; the update of the DTAs TLCF sustainability test as of 30 June confirmed the values considered in 2023;
- IRAP negative (current and deferred taxes) of €259 million. The amount of the current negative IRAP is negative for €92 million (fully produced by tax cases from Income statement) while IRAP deferred taxes negative for €167 million (mainly determined by the recovery of temporary convertible DTA and provisions for personnel fund DTA;
- a provision of -€1 million related to the taxation on a transparent basis of controlled foreign companies (CFC);
- non-deductible withholding tax of -€24 million suffered in Italy and abroad;
- net amount of previous years current and deferred taxes positive of €79 million;
- tax accrual referred to foreign branches and permanent establishment for an amount equal to -€1 million;
- a provision of -€3 million related to Global Minimum Tax.

Main results and performance for the period

The balance sheet

Loans to Customers
As at 30 June 2024, loans to customers totalled €175,305 million, an increase of €2,644 million (+1.5%) compared to 31 December 2023.

Loans to customers

(€ million)

	AMOUNT AS AT		CHANGE	
	30.06.2024	31.12.2023	AMOUNT	%
Performing loans	147,701	151,480	- 3,779	- 2.5%
Repos	25,081	18,965	+ 6,116	+ 32.2%
Non-performing exposures	2,523	2,216	+ 307	+ 13.9%
Total loans to customers	**175,305**	**172,661**	**+ 2,644**	**+ 1.5%**

More specifically:
- **performing loans** recorded a decrease of -€3,779 million (-2.5%);
- **reverse repos** recorded an increase of €6,116 million (+32.2%);
- **impaired assets** recorded an increase of €307 million (+13.9%).

Performing loans (€147,701 million at 30 June 2024) included €247 million due to Special Purpose Vehicles (SPVs), attributable mainly to liquidity which UniCredit S.p.A., following the downgrading from 2012 by the rating agencies involved in the transactions, had to transfer (based on the contractual documentation signed) to other banks, still considered "eligible", in favor of the SPVs granting loans as part of the transactions originated by UniCredit S.p.A. in relation to securitisations and covered bond issue programmes.
During 2024 the aforementioned receivables from Special Purpose Vehicle (S.P.V.) decreased by €115 million compared to 31 December 2023 related to the normal management of securitisation transactions.

Reverse repos, whose performance are strictly linked to liquidity management, amounted to €25,081 million at 30 June 2024 (€18,965 million at the end of 2023), and consisted almost entirely of transactions with Cassa di Compensazione e Garanzia, with Cassa Depositi e Prestiti and Poste Italiane S.p.A.

Impaired loans as at 30 June 2024 amounted to €2,523 million and came to 1.4% of the total amount of loans to customers. They mainly referred to the business segment.
The increase of €307 million (+13.9% in comparison to €2,216 million at the end of December 2023) is mainly due to ordinary inflows to Non-Performing Exposures, partially compensated by activity of the Bank aimed to reduce impaired credit exposures operated through disposal operations.

Credit quality
As at 30 June 2024, the gross book value (GBV) of the Non-Performing Exposures (NPE) amounts to €4,607 million, representing 2.6% of total GBV loans to customers, a slight increase, compared to 2023. The increase is mainly due to ordinary inflows to Non-Performing Exposures, partially compensated by activity of the Bank aimed to reduce impaired credit exposures operated through disposal operations.

The ratio of bad exposures loans (GBV) amounted to 0.8% of total loans to customers (0.6% at 31 December 2023) loans classified as unlikely to pay amounted to 1.5% of total loans (1.5% at 31 December 2023), while impaired past due exposures amounted to 0.26% of total loans (0.27% at 31 December 2023).

The coverage ratio of impaired loans (specific write-downs to face value) came to around 45.2%, down compared to the 48.9% recorded on 31 December 2023, in detail the coverage ratio is equal to 59.6% for bad exposures loans, 40.7% for loans classified as unlikely to pay and 29.8% for impaired past due exposures.

Performing loans, which amounted to €174,555 million at GBV (€172,287 million at 31 December 2023), were written down, at 30 June 2024, by a total of €1,773 million, with a coverage ratio of 1.02% (1.07% at 31 December 2023).
The aforementioned includes written down in the Russian segment net of which the coverage ratio stands at 0.96% (1.01% at 31 December 2023).

Main results and performance for the period

Therefore, overall, total Loans to customers at 30 June 2024 stood at €179,162 million, with value adjustments of €3,857 million taking the general level of coverage for Loans to Customers to 2.2% (2.2% at 31 December 2023).

For the management and recovery of problematic loans, the Bank uses also the services offered by doValue S.p.A., a bank specialised in loan recovery (bad exposures loans and unlikely-to-pay loans) and Prelios Credit Servicing S.p.A., a company specializing in the management of unlikely to pay loans.

Loans to customers - Asset quality

(€ million)

	BAD EXPOSURES	UNLIKELY TO PAY	NON-PERFORMING PAST-DUE	TOTAL NON-PERFORMING	PERFORMING	TOTAL LOANS
As at 30.06.2024						
Gross exposure	1,382	2,752	473	**4,607**	174,555	**179,162**
as a percentage of total loans	*0.77%*	*1.54%*	*0.26%*	***2.57%***	*97.43%*	
Writedowns	823	1,119	141	**2,084**	1,773	**3,857**
as a percentage of gross value	*59.59%*	*40.67%*	*29.80%*	***45.23%***	*1.02%*	
Carrying value	558	1,632	332	**2,523**	172,782	**175,305**
as a percentage of total loans	*0.32%*	*0.93%*	*0.19%*	***1.44%***	*98.56%*	
As at 31.12.2023						
Gross exposure	1,141	2,728	470	**4,340**	172,287	**176,627**
as a percentage of total loans	*0.65%*	*1.54%*	*0.27%*	***2.46%***	*97.54%*	
Writedowns	802	1,171	151	**2,124**	1,842	**3,966**
as a percentage of gross value	*70.28%*	*42.93%*	*32.05%*	***48.94%***	*1.07%*	
Carrying value	339	1,557	320	**2,216**	170,445	**172,661**
as a percentage of total loans	*0.20%*	*0.90%*	*0.19%*	***1.28%***	*98.72%*	

Note:
Total loans to customers exclude the receivables arising from subleases recognised due to the application of IFRS16.

Deposits from customers and debt securities in issue

Deposits from customers and debt securities in issue increase in respect of 2023 for the combined effect of increase attributable to operating units in Italy (+€5,493 million) and decrease due to operating units abroad (-€151 million).

Deposits from customers and debt securities in issue

(€ million)

	AMOUNTS AS AT		CHANGE	
	30.06.2024	31.12.2023	AMOUNT	%
Deposits from customers	209,865	206,660	+ 3,205	+ 1.6%
Debt securities in issue	48,694	46,557	+ 2,137	+ 4.6%
Total deposits from customers and debt securities in issue	**258,559**	**253,217**	**+ 5,342**	**+ 2.1%**

Deposits from customers change due to:
- current accounts and demand deposits, decreased by €3,476 million;
- time deposits, increased by €103 million;
- repurchase agreements with customers, increased by €5,133 million;
- other types of deposits, increased by €1,445 million, mainly driven by operativity in hot money transactions.

Debt securities in issue, only managed by operating units in Italy, increase mainly driven by bond issues (+€2,346 million), repos on own issued bonds (-€206 million), certificates of deposit (-€2 million) and to "buoni fruttiferi" (-€1 million).

Other financial assets

In the first semester of 2024 financial investments showed an increase mainly attributable to bonds.

Main results and performance for the period

Other financial assets

(€ million)

	AMOUNT AS AT		CHANGE	
	30.06.2024	31.12.2023	AMOUNT	%
Financial assets at fair value through profit or loss - Other financial assets designated at fair value	127	132	- 5	- 3.4%
Financial assets at fair value through profit or loss - Other financial assets mandatorily at fair value	5,860	5,548	+ 312	+ 5.6%
Financial assets at fair value through other comprehensive income	35,285	31,636	+ 3,649	+ 11.5%
Debt securities and loans at amortised cost	50,218	51,460	- 1,242	- 2.4%
Equity investments	42,149	42,517	- 368	- 0.9%
Total other financial assets	**133,639**	**131,294**	**+ 2,345**	**+ 1.8%**

More specifically:

- financial assets designated at fair value are composed by few government bonds;
- financial assets mandatory at fair value are mainly composed by units in investment funds (€3,120 million) and bonds (€2,410 million), whose changes in respect of December 2023 are mainly originated by the combination of buy/sell and maturities dynamic and fair value evaluation. Equity investments decrease by €285 million mainly due the combined effect of purchases and sales occurred during the semester;
- financial assets at fair value through other comprehensive income included €33,892 million in debt (increased by €3,611 million primarily due to government and bank bonds) and €1,393 million in equity interests that have undergone an annual increase of €38 million, mainly attributable to fair value change of ABH Holding (+€9 million);
- debt securities and loans at amortised cost mainly include (i) government and bank securities, decreased due to combination of buy/sell and maturities dynamic in the semester and (ii) receivables for subleases deriving from the application of the IFRS16 standard;
- the value of equity investments decreased mainly driven by the effects arising from the write-downs of the investment during the semester, of which: AO UniCredit Bank (-€285 million), UniCredit International Luxembourg S.A. (-€41 million), Pioneer Alternative Investment Management Ltd (-€33 million).

Interbank position

The Bank recorded, under its financial activities, a net interbank position at the end of the first half 2024 of assets (€20,897 million) and liabilities (€29,618 million) equal to -€8,721 million. Compared with the corresponding figures at the end of 2023 (net equal to -€14,676 million), the balance showed a decrease in the net liabilities of €5,955 million due to the combined effect of the reduction of Deposits from banks (-€2,966 million) and an increase of Loans and receivables with banks (+€2,989 million).
In this regard, the Deposits from banks dynamics includes the termination ECB TLTRO deal, having repaid the entire amount of €5,129 million at the end of March.

Interbank position

(€ million)

	AMOUNTS AS AT		CHANGE	
	30.06.2024	31.12.2023	AMOUNT	%
Loans and receivables with banks	20,897	17,908	+ 2,989	+ 16.7%
Deposits from banks	29,618	32,584	- 2,966	- 9.1%
NET INTERBANK POSITION	**(8,721)**	**(14,676)**	**+ 5,955**	**- 40.6%**

Main results and performance for the period

Shareholders' equity

Shareholders' equity

(€ million)

	AMOUNT AS AT		CHANGE	
	30.06.2024	31.12.2023	AMOUNT	%
Share capital	21,368	21,278	+ 90	+ 0.4%
Share premium	23	23	- 0	- 1.8%
Equity instruments	3,965	4,863	- 898	- 18.5%
Reserves	27,218	23,944	+ 3,274	+ 13.7%
Revaluation reserves	589	658	- 69	- 10.5%
Treasury shares	(229)	(1,727)	+ 1,498	- 86.7%
Total capital and reserves	**52,933**	**49,039**	**+ 3,894**	**+ 7.9%**
Net profit (loss)	6,093	11,264	- 5,171	- 45.9%
Total shareholders' equity	**59,026**	**60,303**	**- 1,277**	**- 2.1%**

Shareholders' equity as at 30 June 2024 amounted to €59,026 million, with a decrease of €1,277 million compared to previous year attributable to:

- -€3,015 million for distribution of cash dividend from allocation of 2023 net profit as approved by Shareholders' Meeting of 12 April 2024;
- -€30 million in favor of UniCredit Foundation for social, charity and cultural initiatives as approved by Shareholders' Meeting of 12 April 2024;
- -€898 million from the early redemption of the Additional Tier 1 (AT1) instruments issued in 2014, net of the related placement costs, exercising the redemption option in accordance with the relevant terms and conditions of the securities;
- -€368 million from the allocation to the reserves of the coupon paid to subscribers of Additional Tier 1 notes, net of related tax effects and transaction costs on redeemed issues.
- -€126 million from the allocation to the reserves of the cash-out related to the usufruct contract connected to the "Cashes" financial instruments;
- +€32 million from the adjustment to the reserve dedicated to Equity Settled Share Based Payments;
- +€4 million for allocation to equity of realized net gains and losses from disposal of financial assets and liabilities at fair value through other comprehensive income;
- -€1.086 million for the purchase of the residual No.37,815,422 treasury shares at completion of the First Tranche of Share Buy-Back Programme 2023 started on 30 October 2023 and completed on 7 March 2024;
- -€1.585 million for the purchase of No.44,859,171 treasury shares in execution of the Second tranche of the Share Buy-Back Programme 2023 started on 9 May 2024 and completed on 20 June 2024;
- -€229 million for th purchase of No.6,574,254 treasyry shares up to 30 June 2024 in execution of the Third tranche of Buy-Back Programme 2023 for a maximum expenditure of €1,500 million;
- +€6.093 million from the net profit of the period;
- -€69 million to the net effect deriving from revaluation reserves, of which: -€82 million from financial assets at fair value through other comprehensive income; -€13 million from financial liabilities designated at fair value through profit or loss, due to changes in their creditworthiness; +€32 million from cash flow hedges; -€11 million from revaluation of real estate properties with impact on equity and +€5 million from defined benefit plans.

Note also the following significant changes occurred in 2023 within the components of shareholders' equity which did not lead to a change in the overall amount of the same:

- the increase of €90 million in share capital following the resolution of the Board of Directors of 4 February 2024 executed through a withdrawal from the specifically constituted reserve, for the issue of the shares connected to the medium-term incentive plan for Group personnel;
- following the resolutions of the Shareholders' Meeting of 12 April 2024 occurred: (i) the allocation of the net profit of the year 2023 to the establishing of a specific reserve for tax on banks' extra-profits (€1,125 million), to the Reserve for social, charity and cultural initiatives (€5 million), to the Reserve for the issue of the shares connected to the medium term incentive plan for Group personnel (€100 million) and to the Statutory reserve (€6,989 million); ii) coverage of the negative reserves totaling €445 million, partly buy use the Reserve from business combinations (IFRS3) to cover the reserve related to the payment of AT1 coupons (€263 million) and to cover the negative Reserve deriving from payments related to the "equity-settled share based payments" settled in cash (€7 million) and partly by use of the Statutory reserve to cover the reserve emerged from the cash-out related to the usufruct contract connected to the "Cashes" financial instruments (€175 million); iii) the establishment of the specific unavailable reserve of €3,085 million for the execution of the Share Buy-Back Programme 2023 (second and third tranche) with withdrawal from the Statutory reserve;
- following the cancellation of the treasury shares purchased in execution of the buy-back programs (completion of Buy-Back 2022 and first and second tranche Buy-Back 2023) carried out on 16 January 2024, 26 March 2024 and 26 June 2024, the unavailable reserve for the share buy-back was used to offset the negative item Treasury shares for a total of €4,398 million.

Main results and performance for the period

Capital ratios

Transitional Own Funds and capital ratios

DESCRIPTION	AS AT 30.06.2024	31.12.2023
Common Equity Tier 1 Capital (€ million)	43,079	42,721
Tier 1 Capital (€ million)	47,014	47,553
Total Own Funds (€ million)	54,889	55,330
Total RWEA (€ million)	159,881	164,162
Common Equity Tier 1 Capital ratio	**26.94%**	**26.02%**
Tier 1 Capital ratio	**29.41%**	**28.97%**
Total Capital ratio	**34.33%**	**33.70%**

Notes:
- Transitional own funds and capital ratios including all transitional adjustments according to the yearly applicable percentages.
- UniCredit S.p.A. has decided to not apply the IFRS9 transitional approach as reported in article 473a of the Regulation 575/2013/EU (CRR).

As at 30 June 2024 UniCredit S.p.A. individual Total Own Funds stand at €54,889 million, while the Common Equity Tier 1 ratio is equal to 26.94%, well above the regulatory minimum requirement.

Information on risks

The information on risk control and management to which the UniCredit Group is exposed, as well as the role of the Parent Company's Risk Management function, is detailed in the corresponding chapter (Part E - Information on risks and related hedging policies) of the Explanatory Notes to the Condensed Interim Consolidated Financial Statements as at 30 June 2024, which is referenced herein. UniCredit manages risks through a centralised Risk Management structure led by the Group Risk Officer (CRO), with the mission of optimising asset quality and minimizing the cost of risk, ensuring consistency in management and control policies at the Group level. This mission is achieved by coordinating the overall risk management of the Group, specifically through a series of macro-functions including risk control, development of measurement methodologies, and stress testing.

It should be noted that one of the objectives of the Parent Company's Risk Management function is to define and provide Group companies with the criteria for risk assessment, management, measurement, monitoring, and reporting, while also ensuring consistency in risk control systems and procedures both at the Group and individual company levels. The ICAAP process ensures capital adequacy even in crisis scenarios, the ILAAP process ensures the Group has a robust and systematic approach to liquidity management, while the Risk Appetite Framework (RAF) provides an integrated view of business and risk strategy, ensuring that the strategic plan is executed within the risk limits the bank is willing to accept. The risk culture, disseminated at all levels, aims to ensure that risk management is integrated into daily activities and promotes the principles of environmental, social, and governance (ESG) sustainability.

Specifically, the referenced chapter of the Explanatory Notes to the Condensed Interim Consolidated Financial Statements covers the following main types and factors of risk:

- **ongoing conflicts**. The conflict between Russia and Ukraine continues into 2024, while the conflict in the Middle East has been ongoing since October 2023. These conflicts have had negative effects on inflation, market volatility, and energy costs. Since the start of the conflict between Russia and Ukraine in 2022, the Group has adopted various strategies to reduce its cross-border and domestic exposures in Russia. UniCredit implemented de-risking measures to mitigate the risks associated with the Russian economic and political context, classifying credit exposures to Russia as Stage 2 to reflect the increased credit risk arising from the crisis. As at June 2024, this classification has been removed for exposures of AO UniCredit Bank, as risk analyses observed over a period of approximately two years indicated a reduction in default probabilities and expected losses; consequently, staging is determined according to the standard IFRS9 framework. As at 30 June 2024, due to persistent geopolitical uncertainty, overlays relating to credit loss provisions are maintained (these are commented further below in the credit risk section);
- **credit risk.** This risk is managed through a comprehensive framework that includes policies, monitoring processes, and measurement models. A structured approach is used to evaluate the risk of exposures, which involves classifying customers' creditworthiness and continuous monitoring of positions. Key metrics adopted include stress scenarios and risk capital measurement through advanced models, with the aim of reducing expected losses and mitigating the Group's overall exposure. In line with IFRS9 accounting principles and the Group's internal regulations, IFRS9 parameters have been calibrated considering updated macroeconomic scenarios for second quarter of 2024 to determine the forecast component of expected credit losses (ECL). UniCredit has applied specific overlays to address geopolitical uncertainty and refinancing risk in the commercial real estate sector, maintaining adjustments on credit loss provisions. The geopolitical overlay, introduced in December 2022, reflects the increase in energy costs, inflation, and interest rates, with specific impact on vulnerable corporate and retail clients, particularly in sectors most affected by the energy crisis. The real estate overlay, active since December 2023, aims to cover risks arising from declining property collateral values and refinancing difficulties, especially in a high-interest rate context;
- **counterparty risk** arises from the default of a counterparty in derivative contracts and repurchase transactions. The most active geographies in trading these instruments (Italy, Germany, Austria) use advanced methodologies approved by the ECB for most of the perimeter, while other geographies use the same advanced metrics in a managerial capacity, without regulatory approval;
- **market risks** arise from changes in key market variables such as interest rates, bond, equity prices, indices, and exchange rates, which can affect the economic value of the overall portfolio. This includes both activities held in the Trading Book and those in the Banking Book. The Group manages market risk within UniCredit for all items measured at Fair Value, whether they pertain to trading activities, treasury, or balance sheet management. UniCredit uses measures such as Value at Risk (VaR), complemented by Stressed VaR (SVaR) and the Incremental Risk Charge (IRC) for trading activities, integrating these with sensitivities and stress tests to limit and monitor market risk exposure, ensuring consistency with business strategy and defined limits;
- **liquidity risks** stem from the Group's inability to meet payment obligations without compromising its operations or financial stability. UniCredit manages this risk by adhering to banking regulations and maintaining an adequate liquidity position through policies established at the Group level. The Parent Company, under the supervision of Group Risk Management, has established policies and metrics to ensure that the liquidity position of each Group entity meets Group requirements. Local liquidity reference banks manage local liquidity flows, while the Group Treasury coordinates intra-group flows. The Group Risk Management monitors and independently controls the risk through stress testing exercises and impact assessments of operations affecting both short and long-term liquidity;
- **operational risks**. Defined as the risk of losses due to errors, violations, interruptions, or damages caused by internal processes, personnel, systems, or external events. This definition includes legal and compliance risks. UniCredit manages operational risk through a Group framework that covers the identification, assessment, measurement, management, mitigation, monitoring, and reporting. UniCredit uses the Advanced Measurement Approach (AMA) for regulatory capital calculation, which considers past losses and hypothetical scenarios to evaluate the likelihood and extent of operational losses, including legal risks;
- **climate and environmental risks** are central to UniCredit's ESG strategy, based on the principle of "double materiality," which considers both the impact of the bank's activities on the environment and the effect of climate and environmental factors on the Group's activities. Additionally, UniCredit is committed to reducing its environmental footprint (direct impacts) aiming for net-zero CO2 emissions through energy efficiency and the

use of renewable sources. Regarding indirect impacts, i.e., those related to portfolio clients, UniCredit supports its clients in transitioning to sustainable business models, constantly assessing and monitoring portfolio exposure to climate and environmental risks. In fact, climate and environmental risks are integrated into the Group's risk management;

- **other risks included in Economic Capital**. In line with the proportionality principle regulated by the Second Pillar of Basel II, the Group and its major entities' risk profile is calculated for all types of risks covered, which, in addition to Credit, Market, and Operational risks, also include Business Risk, Real Estate Risk, Financial Investments Risk, and Reputational Risk. Business risk arises from unexpected changes in margins or business volumes, while real estate risk relates to fluctuations in the values of the Group's properties. Financial investment risk covers holdings in unconsolidated companies. Reputational risk refers to potential losses due to negative perceptions of the institution's image, influenced by other risks such as credit, market, and operational risks. UniCredit manages this risk through the Group Reputational Risk Management Policy, which includes specific measures for sensitive sectors. Economic Capital represents the capital required to cover potential losses related to the Group's activities, calculated with a one-year time horizon and at a confidence level equivalent to the regulatory level (99.90%).

No events that could significantly alter the risk profile of the Bank and the Group have been identified after 30 June 2024.

Subsequent events and outlook

Subsequent events[2]

On 3 July 2024 UniCredit S.p.A. exercised the option to early redeem in whole the notes Fixed to Floating Rate Callable Non-Preferred Senior ISIN XS2021993212.

In July 2024, UniCredit and Alpha International Holdings Single Member signed a share purchase agreement, pursuant to which UniCredit would have acquired from Alpha International Holdings Single Member 90.1% of the share capital of Alpha Bank Romania S.A. (Alpha Bank Romania) in consideration of (i) 9.9% of the share capital of UniCredit Bank S.A. (UniCredit Romania) and (ii) €255 million in cash. The transaction is part of the strategic partnership between Alpha Services and Holdings S.A. and UniCredit announced on 23 October 2023. Completion of the transaction, subject to regulatory approvals, took place on 4 November 2024.

Always in July 2024, UniCredit S.p.A. entered into a binding agreement for the acquisition of the entire share capital of Aion Bank NV/SA and Vodeno S.p.z.o.o. (the "Companies"). The Companies combine an innovative, scalable, and flexible cloud-based platform with banking services based on Aion's ECB licence to enable fully end-to-end Banking-as-a-Service (BaaS) for both financial and non-financial companies across Europe. The Companies are able to embed financial solutions, including accounts, deposits, lending and payment propositions, directly into the customer journeys of retailers, e-Commerce marketplaces, fintechs, financial technology providers and banks. Closing of the transaction, subject to regulatory approvals, is expected in the fourth quarter 2024.

On 1 August 2024 UniCredit announced that the rating agency Moody's has improved the outlook of UniCredit S.p.A.'s Senior Preferred (unsecured) debt rating from negative to stable.
At the same time, UniCredit S.p.A.'s Senior Preferred debt and long-term deposit ratings have been affirmed at Baa1.

On 20 August 2024 UniCredit S.p.A. announced the completion on 19 August 2024 of the share buy-back programme communicated to the market on 21 June 2024 and initiated on 24 June 2024, as per the authorisation granted by the Shareholders' Meeting held on 12 April 2024 (the Third Tranche of the Buy-Back Programme 2023).

Always in August 2024 UniCredit S.p.A. announced that, with reference to the notes €1,250,000,000 Fixed Rate Resettable Tier 2 Subordinated Callable Notes ISIN XS2055089457 (the Notes), in accordance with the applicable terms and conditions, having received the European Central Bank authorisation, it would have exercised the option to early redeem in whole the Notes on 23 September 2024 (the Optional Redemption Date").

On 9 September 2024 UniCredit S.p.A. issued Additional Tier 1 Non-Cumulative Temporary Write-Down Deeply Subordinated Fixed Rate Resettable Notes targeted to institutional investors, for a total amount of €1 billion.

On 11 September 2024 UniCredit announced the acquisition of an equity stake equal to around 9% in the share capital of Commerzbank AG: 4.49% has been acquired in an accelerated book building offering on behalf of the Federal Republic of Germany in line with its intention to reduce its stake in Commerzbank AG, and the rest of the stake has been acquired through market activity.
Later on, consistent with its statement, UniCredit submitted the required regulatory filing for acquiring a stake in Commerzbank in excess of 10% up to 29.9%.
Meanwhile, on 23 September 2024, UniCredit has entered into financial instruments relating to ca. 11.5% Commerzbank shares. Physical settlement under the new financial instruments may only occur after the required approvals have been obtained. Together with the position of ca. 9% communicated previously, UniCredit's overall position totals ca. 21%.
The majority of UniCredit's economic exposure has been hedged to provide it with full flexibility and optionality to either retain its shareholding, sell its participation with a floored downside, or increase the stake further. This will depend on the outcome of engagement with Commerzbank, its management and supervisory boards as well as its wider stakeholders in Germany.

On 13 September 2024 UniCredit S.p.A informed having received the ECB authorization for the execution of the first tranche of the 2024 share buy-back programme for a maximum of €1.7 billion.

On 16 September it also announced the measures for the execution of the share buy-back programme related to the anticipation of the expected distributions for the 2024 financial year (the 2024 SBB Anticipation) for an amount equal to the maximum granted.

On 25 September 2024 UniCredit S.p.A. announced having started the process to internalise its life bancassurance business in Italy through the termination of the current agreements with CNP Assurances S.A. (CNP Assurances) and Allianz S.p.A. (Allianz). This entails the exercise of the related rights to acquire CNP Assurances 51% stake in CNP UniCredit Vita S.p.A. and Allianz's 50% stake in UniCredit Allianz Vita S.p.A.

2 Up to the date of approval by the Board of Directors' Meeting of 5 November 2024.

Subsequent events and outlook

On 2 October 2024 UniCredit S.p.A. communicated that the rating agency Moody's has affirmed UniCredit S.p.A.'s Senior Preferred (unsecured) debt and long-term deposit ratings at Baa1, with a stable outlook.
At the same time, the rating agency stated that, in the event of UniCredit acquiring Commerzbank, it will consider the potential for UniCredit's stand-alone rating (Baseline Credit Assessment) currently at baa3 to be upgraded to baa2, one notch above Italy's sovereign rating. This would lead to higher ratings on senior non-preferred and junior debt as well.

On 25 October 2024 UniCredit S.p.A. announced that, with reference to €100,000,000 6.30 per cent Fixed Rate Senior Notes due 14 November 2036 ISIN IT0005571051 (the Notes), pursuant to the Condition 19 (Issuer Call) of the relevant Final Terms and to Condition 10.5 and 15 the Terms and Conditions for the Dematerialised Notes included in the Base Prospectus dated 10 May 2023 as supplemented from time to time, it will exercise the option to early redeem in whole the Notes on 14 November 2024 (the Optional Redemption Date).
The early redemption of the Notes will be at par, together with accrued and unpaid interest as per Condition 13(b) (Interest Payment Date(s)) of the relevant Final Terms. Interest shall cease to accrue on the Optional Redemption Date.

On 31 October 2024 UniCredit S.p.A. announced the early closure of the offer period relating to €77,000,000 Fixed to Floating Rate Senior Notes due 14 October 2037 (ISIN IT0005617375) issued by UniCredit S.p.A.

Always on 31 October 2024 UniCredit S.p.A. communicated that the rating agency Fitch Ratings has upgraded UniCredit S.p.A.'s Long-Term Issuer Default Rating (IDR) and Senior Preferred rating by one notch to 'BBB+' and improved the outlook from stable to positive. The rating is now one notch above the Italian sovereign.
The Viability Rating (i.e. standalone rating) has been upgraded to 'bbb+', while the corresponding long-term deposit, Senior Non-Preferred, Tier 2, and Additional Tier 1 ratings have each been upgraded by one notch.
The Short-Term Issuer Default Rating has been affirmed at 'F2'.

Subsequent events and outlook

Outlook

For the UniCredit group, revenues for the 2024 financial year are expected to increase compared to the previous year, supported by a significant increase in commissions, increasing in all main categories, by the increase in client driven trading activities as well as the resilience of net interest income. The dynamics of operating costs will confirm the Group's ability to control its costs despite inflation while investing in future growth. The cost of risk is expected to remain at structurally low levels. Therefore, the operating margin, benefiting from these dynamics, is expected to increase, supporting the net profit for the period.
The Group will remain focused on completing the transformation introduced by UniCredit Unlocked by further improving the profitability and sustainability of the performance achieved. Earnings quality, along with a continued focus on operational and capital efficiency, is the key to maximize profitability and organic capital generation. The continuous attention paid to the customer will allow to further improve the quality of profits; this, together with the structural initiatives implemented and the investments made, will ensure future growth, allowing the Group to face the challenges and possible risks linked with the uncertainty of the global economic scenario. The combination of these elements will create further value for all stakeholders.

The Group is expecting strong distributions for 2024. In particular:

- for 2024 total distributions in line with full year 2023 at €8.6 billion with a total pay-out at 90% or above capped at organic capital generation, and a cash dividend pay-out at 40%;
- distributions on 2024 results have already started with the first tranche SBB 2024 for €1.7 billion and the interim cash dividend to be paid in November;
- potential further excess capital distributions to be quantified with 2024 full-year results, depending on actual results, regulatory impacts and capital deployed in strategic options.

The Group capital position is expected to remain strong, with a Common Equity Tier 1 ratio above UniCredit Unlocked target range of 12.50%-13%, also after the introduction of Basel 4 upcoming rules.

The capital position of the Parent Company at individual level is expected to be particularly solid and far above all minimum regulatory requirements.

Milan, 5 November 2024

THE BOARD OF DIRECTORS

CHAIRMAN
PIETRO CARLO PADOAN

CEO
ANDREA ORCEL

Company accounts

Balance sheet

(€)

ASSETS	AMOUNTS AS AT 30.06.2024	AMOUNTS AS AT 31.12.2023
10. Cash and cash balances	8,813,698,432	12,300,646,051
20. Financial assets at fair value through profit or loss:	16,557,997,286	21,267,989,561
a) financial assets held for trading	10,077,016,479	15,383,565,674
b) financial assets designated at fair value	127,279,110	131,799,109
c) other financial assets mandatorily at fair value	6,353,701,697	5,752,624,778
30. Financial assets at fair value through other comprehensive income	35,284,864,630	31,636,271,633
40. Financial assets at amortised cost:	245,926,269,634	241,824,989,251
a) loans and advances to banks	38,255,678,395	34,249,206,255
b) loans and advances to customers	207,670,591,239	207,575,782,996
50. Hedging derivatives	11,236,807,022	10,842,783,352
60. Changes in fair value of portfolio hedged items (+/-)	(2,078,743,948)	(1,955,951,795)
70. Equity investments	42,148,614,500	42,517,221,538
80. Property, plant and equipment	3,626,151,826	3,730,489,182
90. Intangible assets	1,517,241,185	1,580,047,133
of which: goodwill	-	-
100. Tax assets:	8,759,253,500	9,714,047,808
a) current	1,373,321,501	811,207,169
b) deferred	7,385,931,999	8,902,840,639
110. Non-current assets and disposal groups classified as held for sale	327,129,316	299,375,469
120. Other assets	8,471,244,798	8,352,197,584
Total assets	**380,590,528,181**	**382,110,106,767**

Company accounts

continued: Balance sheet

(€)

	AMOUNTS AS AT	
LIABILITIES AND SHAREHOLDERS' EQUITY	**30.06.2024**	**31.12.2023**
10. Financial liabilities at amortised cost:	288,991,794,245	286,723,579,156
a) deposits from banks	29,635,981,703	32,608,235,210
b) deposits from customers	210,661,802,287	207,558,139,239
c) debt securities in issue	48,694,010,255	46,557,204,707
20. Financial liabilities held for trading	10,347,398,941	14,311,299,296
30. Financial liabilities designated at fair value	9,195,220,368	7,260,356,965
40. Hedging derivatives	11,472,191,212	11,950,477,886
50. Value adjustment of hedged financial liabilities (+/-)	(8,047,573,750)	(7,403,173,362)
60. Tax liabilities:	22,805,337	2,350,490
a) current	22,805,337	2,350,490
b) deferred	-	-
70. Liabilities associated with assets classified as held for sale	-	-
80. Other liabilities	7,923,317,285	6,950,304,070
90. Provision for employee severance pay	301,220,541	330,090,848
100. Provisions for risks and charges:	1,358,281,935	1,681,598,523
a) commitments and guarantees given	423,180,549	466,262,365
b) post-retirement benefit obligations	32,103,229	34,154,805
c) other provisions for risks and charges	902,998,157	1,181,181,353
110. Valuation reserves	588,962,008	658,187,274
120. Redeemable shares	-	-
130. Equity instruments	3,964,794,278	4,862,697,736
140. Reserves	27,217,931,148	23,944,526,253
150. Share premium	22,580,466	22,580,466
160. Share capital	21,367,680,521	21,277,874,388
170. Treasury shares (-)	(229,232,844)	(1,726,850,405)
180. Profit (Loss) for the period (+/-)	6,093,156,490	11,264,207,183
Total Liabilities and Shareholders' Equity	**380,590,528,181**	**382,110,106,767**

Company accounts

Income statement

(€)

ITEMS	AS AT 30.06.2024	AS AT 30.06.2023
10. Interest income and similar revenues	7,718,133,007	6,778,067,668
of which: interest income calculated with the effective interest method	*5,830,035,699*	*5,207,662,706*
20. Interest expenses and similar charges	(4,661,852,476)	(4,010,505,470)
30. Net interest margin	**3,056,280,531**	**2,767,562,198**
40. Fees and commissions income	2,606,340,082	2,481,475,449
50. Fees and commissions expenses	(412,212,702)	(420,591,893)
60. Net fees and commissions	**2,194,127,380**	**2,060,883,556**
70. Dividend income and similar revenues	4,504,981,621	2,911,459,256
80. Net gains (losses) on trading	172,746,032	161,368,059
90. Net gains (losses) on hedge accounting	2,236,838	(5,820,982)
100. Gains (Losses) on disposal and repurchase of:	68,387,106	195,288,475
a) financial assets at amortised cost	3,925,009	52,761,367
b) financial assets at fair value through other comprehensive income	64,187,656	121,090,445
c) financial liabilities	274,441	21,436,663
110. Net gains (losses) on other financial assets/liabilities at fair value through profit or loss:	119,000,039	(19,149,874)
a) financial assets/liabilities designated at fair value	(84,859,692)	(134,054,920)
b) other financial assets mandatorily at fair value	203,859,731	114,905,046
120. Operating income	**10,117,759,547**	**8,071,590,688**
130. Net losses/recoveries on credit impairment relating to:	(215,654,467)	(193,280,324)
a) financial assets at amortised cost	(204,903,614)	(190,094,937)
b) financial assets at fair value through other comprehensive income	(10,750,853)	(3,185,387)
140. Gains/Losses from contractual changes with no cancellations	228,263	1,205,377
150. Net profit from financial activities	**9,902,333,343**	**7,879,515,741**
160. Administrative expenses:	(2,719,290,408)	(2,804,669,199)
a) staff costs	(1,542,503,589)	(1,661,594,596)
b) other administrative expenses	(1,176,786,819)	(1,143,074,603)
170. Net provisions for risks and charges:	89,754,511	(2,740,813)
a) commitments and financial guarantees given	43,081,816	8,465,641
b) other net provisions	46,672,695	(11,206,454)
180. Net value adjustments/write-backs on property, plant and equipment	(156,086,781)	(198,875,471)
190. Net value adjustments/write-backs on intangible assets	(191,797,139)	(187,561,563)
200. Other operating expenses/income	645,201,802	602,824,542
210. Operating costs	**(2,332,218,015)**	**(2,591,022,504)**
220. Gains (Losses) of equity investments	(356,880,304)	248,009,064
230. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value	(15,496,045)	(2,662,226)
240. Goodwill impairment	-	-
250. Gains (Losses) on disposals on investments	(98,927)	(51,345)
260. Profit (Loss) before tax from continuing operations	**7,197,640,052**	**5,533,788,730**
270. Tax expenses (income) for the period from continuing operations	(1,104,483,562)	(834,690,942)
280. Profit (Loss) after tax from continuing operations	**6,093,156,490**	**4,699,097,788**
290. Profit (Loss) after tax from discontinued operations	-	-
300. Profit (Loss) for the period	**6,093,156,490**	**4,699,097,788**

Company accounts

Statement of other comprehensive income

(€)

ITEMS	AS AT 30.06.2024	AS AT 30.06.2023
10. Profit (Loss) for the period	**6,093,156,490**	**4,699,097,788**
Other comprehensive income after tax not reclassified to profit or loss	**7,470,647**	**840,268**
20. Equity instruments designated at fair value through other comprehensive income	27,358,912	15,357,961
30. Financial liabilities designated at fair value through profit or loss (own creditworthiness changes)	(13,318,423)	(25,811,340)
40. Hedge accounting of equity instruments designated at fair value through other comprehensive income	-	-
50. Property, plant and equipment	(8,800,462)	2,102,135
60. Intangible assets	-	-
70. Defined-benefit plans	5,143,980	9,184,055
80. Non-current assets and disposal groups classified as held for sale	(2,913,360)	7,457
90. Portion of valuation reserves from investments valued at equity method	-	-
Other comprehensive income after tax reclassified to profit or loss	**(76,695,912)**	**(6,853,109)**
100. Foreign investments hedging	-	-
110. Foreign exchange differences	-	-
120. Cash flow hedging	32,421,061	(29,792,202)
130. Hedging instruments (non-designated items)	-	-
140. Financial assets (different from equity instruments) at fair value through other comprehensive income	(109,116,973)	22,939,093
150. Non-current assets and disposal groups classified as held for sale	-	-
160. Part of valuation reserves from investments valued at equity method	-	-
170. Total other comprehensive income after tax	**(69,225,265)**	**(6,012,841)**
180. Other comprehensive income (Item 10+170)	**6,023,931,225**	**4,693,084,947**

Company accounts

Statement of changes in the shareholders' equity as at 30 June 2024

(€)

	BALANCE AS AT 31.12.2023	CHANGE IN OPENING BALANCE	BALANCE AS AT 01.01.2024	PREVIOUS YEAR PROFIT (LOSS) ALLOCATION: RESERVES	PREVIOUS YEAR PROFIT (LOSS) ALLOCATION: DIVIDENDS AND OTHER ALLOCATIONS	CHANGES IN THE PERIOD: CHANGES IN RESERVES	SHAREHOLDERS' EQUITY TRANSACTIONS: ISSUE OF NEW SHARES	SHAREHOLDERS' EQUITY TRANSACTIONS: PURCHASE OF TREASURY SHARES	SHAREHOLDERS' EQUITY TRANSACTIONS: DIVIDENDS EXTRAORDINARY DISTRIBUTION	SHAREHOLDERS' EQUITY TRANSACTIONS: CHANGE IN EQUITY INSTRUMENTS	SHAREHOLDERS' EQUITY TRANSACTIONS: TREASURY SHARES DERIVATIVES	SHAREHOLDERS' EQUITY TRANSACTIONS: STOCK OPTIONS	OTHER COMPREHENSIVE INCOME FIRST HALF 2024	SHAREHOLDERS' EQUITY AS AT 30.06.2024
Share capital:	21,277,874,388	-	21,277,874,388	-	-	-	89,806,133	-	-	-	-	-	-	21,367,680,521
- ordinary shares	*21,277,874,388*	-	*21,277,874,388*	-	-	-	*89,806,133*	-	-	-	-	-	-	*21,367,680,521*
- other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium	22,580,466	-	22,580,466	-	-	-	-	-	-	-	-	-	-	22,580,466
Reserves:	23,944,526,253	-	23,944,526,253	8,219,469,863	-	(4,888,437,699)	(89,806,133)	-	-	-	-	32,178,864	-	27,217,931,148
- from profits	*17,191,341,012*	-	*17,191,341,012*	*8,219,469,863*	-	*(3,256,682,162)*	*(89,806,133)*	-	-	-	-	-	-	*22,064,322,580*
- other	*6,753,185,241*	-	*6,753,185,241*	-	-	*(1,631,755,537)*	-	-	-	-	-	*32,178,864*	-	*5,153,608,568*
Valuation reserves	658,187,273	-	658,187,273	-	-	-	-	-	-	-	-	-	(69,225,265)	588,962,008
Equity instruments	4,862,697,736	-	4,862,697,736	-	-	-	-	-	-	(897,903,458)	-	-	-	3,964,794,278
Treasury shares	(1,726,850,405)	-	(1,726,850,405)	-	-	-	4,397,676,189	(2,900,058,628)	-	-	-	-	-	(229,232,844)
Profit (Loss) for the period	11,264,207,183	-	11,264,207,183	(8,219,469,863)	(3,044,737,320)	-	-	-	-	-	-	-	6,093,156,490	6,093,156,490
Shareholders' equity	**60,303,222,894**	**-**	**60,303,222,894**	**-**	**(3,044,737,320)**	**(4,888,437,699)**	**4,397,676,189**	**(2,900,058,628)**	**-**	**(897,903,458)**	**-**	**32,178,864**	**6,023,931,225**	**59,025,872,067**

The changes in the period of the item "Treasury shares" refer to the purchases of UniCredit ordinary shares executed under the share buy-back programs and the subsequent cancellation of the shares purchased with no reduction in the nominal share capital. The positive change due to the cancellation of the treasury shares is conventionally reported in the column “issue of new shares”.
The amounts disclosed in column “Stock Options” represent the effects of the delivery of shares connected with the ESOP Plans and other Group Executive Incentive Plans.

Company accounts

Statement of changes in the shareholders' equity as at 30 June 2023

(€)

	BALANCE AS AT 31.12.2022	CHANGE IN OPENING BALANCE	BALANCE AS AT 01.01.2023	PREVIOUS YEAR PROFIT (LOSS) ALLOCATION		CHANGES IN THE PERIOD								SHAREHOLDERS' EQUITY AS AT 30.06.2023
							SHAREHOLDERS' EQUITY TRANSACTIONS							
				RESERVES	DIVIDENDS AND OTHER ALLOCATIONS	CHANGES IN RESERVES	ISSUE OF NEW SHARES	PURCHASE OF TREASURY SHARES	DIVIDENDS EXTRAORDINARY DISTRIBUTION	CHANGE IN EQUITY INSTRUMENTS	TREASURY SHARES DERIVATIVES	STOCK OPTIONS	OTHER COMPREHENSIVE INCOME FIRST HALF 2023	
Share capital:	21,220,169,840	-	21,220,169,840	-	-	-	57,704,548	-	-	-	-	-	-	21,277,874,388
- ordinary shares	*21,220,169,840*	-	*21,220,169,840*	-	-	-	*57,704,548*	-	-	-	-	-	-	*21,277,874,388*
- other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium	2,516,382,837	-	2,516,382,837	-	-	(2,493,802,371)	-	-	-	-	-	-	-	22,580,466
Reserves:	23,706,970,948	-	23,706,970,948	1,212,066,067	-	2,283,240,065	(57,704,548)	-	-	-	-	36,378,379	-	27,180,950,911
- from profits	*18,617,664,875*	-	*18,617,664,875*	*1,212,066,067*	-	*(76,757,005)*	*(57,704,548)*	-	-	-	-	-	-	*19,695,269,389*
- other	*5,089,306,073*	-	*5,089,306,073*	-	-	*2,359,997,070*	-	-	-	-	-	*36,378,379*	-	*7,485,681,522*
Valuation reserves	711,984,612	-	711,984,612	-	-	-	-	-	-	-	-	-	(6,012,841)	705,971,771
Equity instruments	6,099,697,039	-	6,099,697,039	-	-	-	-	-	-	(1,236,999,303)	-	-	-	4,862,697,736
Treasury shares	-	-	-	-	-	-	-	(2,344,424,341)	-	-	-	-	-	(2,344,424,341)
Profit (Loss) for the period	3,106,674,500	-	3,106,674,500	(1,212,066,067)	(1,894,608,433)	-	-	-	-	-	-	-	4,699,097,788	4,699,097,788
Shareholders' equity	**57,361,879,776**	**-**	**57,361,879,776**	**-**	**(1,894,608,433)**	**(210,562,306)**	**-**	**(2,344,424,341)**	**-**	**(1,236,999,303)**	**-**	**36,378,379**	**4,693,084,947**	**56,404,748,719**

Company accounts

Cash flow statement (indirect method)

(€)

	AS AT	
	30.06.2024	30.06.2023
A. OPERATING ACTIVITIES		
1. Operations:	**3,971,583,950**	**3,376,033,980**
- profit (loss) for the period (+/-)	6,093,156,490	4,699,097,788
- gains/losses on financial assets held for trading and on other financial assets/liabilities at fair value through profit or loss (-/+)	(737,524,819)	(924,655,333)
- gains (losses) on hedge accounting (-/+)	(2,236,838)	5,820,982
- net impairment losses/writebacks on impairment for credit risk (+/-)	1,053,717,022	1,152,919,241
- net value adjustments/write-backs on property, plant and equipment and intangible assets (+/-)	363,379,965	389,099,260
- net provisions for risks and charges and other expenses/income (+/-)	(90,969,897)	3,537,438
- unpaid duties, taxes and tax credits (+/-)	1,017,744,804	833,896,301
- impairment/write-backs after tax on discontinued operations (+/-)	-	-
- other adjustments (+/-)	(3,725,682,777)	(2,783,681,697)
2. Liquidity generated/absorbed by financial assets:	**(5,235,704,852)**	**(8,720,283,835)**
- financial assets held for trading	4,707,231,664	(4,330,111,849)
- financial assets designated at fair value	(161,957)	80,595,954
- other financial assets mandatorily at fair value	(424,183,779)	(10,655,611)
- financial assets at fair value through other comprehensive income	(3,781,062,397)	119,272,863
- financial assets at amortised cost	(5,156,957,656)	(4,037,008,377)
- other assets	(580,570,727)	(542,376,815)
3. Liquidity generated/absorbed by financial liabilities:	**881,475,846**	**(22,696,318,423)**
- financial liabilities at amortised cost	2,268,215,094	(34,006,560,348)
- financial liabilities held for trading	(2,767,863,654)	3,609,026,994
- financial liabilities designated at fair value	1,883,585,496	896,591,434
- other liabilities	(502,461,090)	6,804,623,497
Net liquidity generated/absorbed by operating activities	**(382,645,056)**	**(28,040,568,278)**
B. INVESTMENT ACTIVITIES		
1. Liquidity generated by:	**4,488,874,258**	**2,894,312,470**
- sales of equity investments	23,754,796	-
- collected dividends on equity investments	4,453,941,086	2,882,522,588
- sales of property, plant and equipment	11,178,376	7,966,332
- sales of intangible assets	-	3,823,550
- sales of business units	-	-
2. Liquidity absorbed by:	**(233,553,558)**	**(169,382,077)**
- purchases of equity investments	(11,014,932)	(84,454)
- purchases of property, plant and equipment	(93,344,696)	(30,521,951)
- purchases of intangible assets	(129,193,930)	(138,775,672)
- purchases of business units	-	-
Net liquidity generated/absorbed by investment activities	**4,255,320,700**	**2,724,930,393**
C. FUNDING ACTIVITIES		
- issue/purchase of treasury shares	(2,900,279,985)	(2,344,550,308)
- issue/purchase of equity instruments	(1,155,802,127)	(1,250,000,000)
- dividend distribution and other	(3,322,355,501)	(2,142,838,491)
Net liquidity generated/absorbed by funding activities	**(7,378,437,613)**	**(5,737,388,799)**
NET LIQUIDITY GENERATED/ABSORBED IN THE PERIOD	**(3,505,761,969)**	**(31,053,026,684)**

Legend:
(+) generated;
(-) absorbed.

Company accounts

Reconciliation

(€)

ITEMS	AS AT 30.06.2024	AS AT 30.06.2023
Cash and cash balances at the beginning of the period	**12,300,646,051**	**54,713,168,717**
Net liquidity generated/absorbed in the period	(3,505,761,969)	(31,053,026,684)
Cash and cash balances: foreign exchange effect	18,814,350	(16,877,811)
Cash and cash balances at the end of the period	**8,813,698,432**	**23,643,264,222**

The item "Cash and cash balances" refers to the definition according to Banca d'Italia (Circular 262 of 22 December 2005 and subsequent amendments) and is mainly related to "Current accounts and Demand deposits with Central Banks" for €5 billion.

Explanatory notes

Preparation criteria and accounting policies

Statement of compliance with IFRS

This document “Distribution of an interim dividend for the year 2024 by UniCredit S.p.A. pursuant to article 2433-bis of the Italian Civil Code” comprises, in addition to the Reclassified Company Accounts and Asset Quality, the section “Company report of UniCredit S.p.A. as at 30 June 2024 prepared pursuant to Article 2433-bis of the Italian Civil Code” composed by the Balance sheet, the Income statement, the Statement of other comprehensive income, the Statement of changes in shareholders’ equity, the Cash flow statement (compiled using the “indirect method”) and the Explanatory notes. This document has been prepared, with reference to the recognition and measurement criteria, in accordance with the IFRSs issued by the International Accounting Standards Board (IASB), including the interpretation documents issued by the SIC and the IFRIC, and endorsed by the European Commission up to 30 June 2024, pursuant to (EU) Regulation 1606/2002 which was incorporated into the Italian legislation through the Legislative Decree 38 dated 28 February 2005.

The document is going to be published and does not contain comparative data and explanatory notes requested by IAS/IFRS and by IAS34 “Interim Financial Reporting”, therefore, it does not represent an interim financial report under IAS/IFRS accounting principles.

General preparation criteria

As mentioned above, this document “Distribution of an interim dividend for the year 2024 by UniCredit S.p.A. pursuant to article 2433-bis of the Italian Civil Code” has been prepared, with reference to the recognition and measurement criteria, in accordance with the international accounting standards endorsed by the European Commission.

The following documents have been used to interpret and support the application of IAS/IFRS, even though they have not all been endorsed by the European Commission:
- the Conceptual Framework for Financial Reporting;
- implementation Guidance, Basis for Conclusions, IFRICs and the documents prepared by either the IASB or the International Financial Reporting Interpretations Committee (IFRIC) supplementing the IFRS;
- interpretative documents on the application of the IAS/IFRS in Italy prepared by the Organismo Italiano di Contabilità (the Italian Standard Setter; OIC) and Associazione Bancaria Italiana (Italian Banking Association, that is the trade association of Italian banks; ABI);
- coordination Table between Banca d'Italia, Consob and Ivass with regard to the application of IAS/IFRS, in particular the Document No.9, dated 5 January 2021, Accounting Treatment of tax credits connected with the “Cura Italia” and “Rilancio” Law Decrees purchased following the sale without recourse by the direct beneficiaries or previous buyers (“Trattamento contabile dei crediti d’imposta connessi con i Decreti Legge “Cura Italia” e “Rilancio” acquistati a seguito di cessione da parte dei beneficiari diretti o di precedenti acquirenti”); such document was subsequently updated by Banca d’Italia on 24 July 2023 with the clarification note “Credit risk - Standardised method and IRB - Clarification note” (“Rischio di credito - Metodo Standardizzato e IRB - Nota di chiarimenti”);
- ESMA (European Securities and Markets Authority), European Banking Authority, European Central Bank and Consob documents on the application of specific IAS/IFRS provisions also with specific reference to the presentation of the effects arising from geopolitical tensions and their effects on the evaluation processes. In particular, it shall be made reference to the ESMA statements dated 29 October 2021, 14 March 2022, 13 May 2022, 28 October 2022 and 25 October 2023; and to Consob “Call for attention" dated 18 March 2022 and 19 May 2022.

The schemes of the section “Company report of UniCredit S.p.A. as at 30 June 2024 prepared pursuant to Article 2433-bis of the Italian Civil Code” of the “Distribution of an interim dividend for the year 2024 by UniCredit S.p.A. pursuant to article 2433-bis of the Italian Civil Code” are in line with Banca d’Italia templates as prescribed by Circular 262 dated 22 December 2005 (and subsequent amendments) and they present comparative figures, as at 31 December 2023 for the Balance sheet and as at 30 June 2023 for the Income statement, the Statement of comprehensive income, the Statement of changes in shareholders’ equity and the Cash flow statement.

Company accounts figures of “Company report of UniCredit S.p.A. as at 30 June 2024 prepared pursuant to Article 2433-bis of the Italian Civil Code” are given in units of euro and Explanatory notes are given in millions of euros, unless otherwise specified.

Risk and uncertainty related to the use of estimates

Under the IFRS, management must make judgments, estimates and assumptions that affect the application of accounting principles and the amounts of assets/liabilities and income and expenses reported in the accounts, as well as the disclosure concerning contingent assets and liabilities.
Estimates and related assumptions are based on previous experience and on the available information framework with reference to the current and expected context and have been used to estimate the carrying values of assets and liabilities not readily available from other sources.
Estimates and assumptions are regularly reviewed. Any change resulting from these reviews is recognised in the period in which the review was carried out, provided the change only concerns that period. If the review concerns both current and future periods, it is recognised accordingly in both current and future periods.

Explanatory notes

In particular, estimated figures have been used for the recognition and measurement of some of the main items in the “Company report of UniCredit S.p.A. as at 30 June 2024 prepared pursuant to Article 2433-bis of the Italian Civil Code”, as required by the accounting policies, statements and regulations described above.

As at 30 June 2024, the market environment continues to be affected by a persistent level of uncertainty. In this respect, according to the ECB macroeconomic projections updated in June 2024[3], the outlook for the euro area showed that the economy recovered at the start of 2024 by more than expected in March 2024, with a boost from net trade and rising household spending.
Real disposable income should continue to increase, giving rise to a consumption-driven recovery in the course of 2024. The boost from net trade at the start of the year partly reflects volatility following a temporary decline at the end of 2023. However, foreign demand is expected to continue to expand, supporting euro area export growth. Over the medium term, the negative impact of the past monetary policy tightening is seen to gradually fade, with activity supported by an assumed easing of financing conditions in line with market expectations for the future path of interest rates. Growth will also benefit from a resilient labour market, with the unemployment rate declining to historically low levels later in the projection horizon.
Headline inflation is projected to move broadly sideways in the near term, showing some volatility over the remainder of 2024 owing to base effects and higher energy commodity prices, before moderating further to levels close to target in the course of 2025.
This reflects an easing of cost pressures, including from the labour side, and the lagged impact of past monetary policy tightening gradually feeding through to consumer prices. Over the medium term, energy inflation should settle at low positive rates. Recent quarters have seen food price inflation decline strongly, as pipeline pressures have eased with lower energy and food commodity prices. Looking ahead, food price inflation is expected to fluctuate around its current levels before moderating further from the end of 2025.
In its report, the ECB acknowledges that the economic outlook continues to be surrounded by high uncertainty; indeed, according to the ECB, past monetary policy tightening and elevated economic uncertainty amid geopolitical tensions are also still dampening growth.
In the context of persisting uncertainty explained above, the Bank has defined different macro-economic scenarios, to be used for the purposes of the evaluation processes of “Company report of UniCredit S.p.A. as at 30 June 2024 prepared pursuant to Article 2433-bis of the Italian Civil Code”.
In particular, in addition to the "Base" scenario, which reflects the expectations considered most likely concerning macro-economic trends, an Alternative Scenario has been outlined, the latter reflecting a downward forecast of the macroeconomic parameters and consequently in the expected profitability of the business; in light of the persistent level of uncertainty, no positive scenario was included in the approach (thus, the positive scenario was weighted at zero percent). Such updated scenarios were applied for the valuation of credit exposures, investments in subsidiaries and deferred tax assets.

Macroeconomic scenarios

In order to reflect the heightened uncertainty, the Bank has developed the following scenarios:

- Base scenario: it is the main reference scenario, which embeds the following assumptions: (i) moderate growth expected for 2024 impacted by tight financing conditions in short-term, improving trend in 2025 and 2026 underpinned by global trade and demand; (ii) inflation along a declining path during 2024, mainly energy, food and goods inflation, converging towards the Central Banks targets in 2025-2026 in several countries; (iii) ECB monetary policy assumed unchanged up to June 2024; (iv) 3M Euribor assumed to decrease consistently with the inflation normalization, landing to 2.25% YE2025 and to 2.05% YE2026; and (v) Russia Sovereign Rating at CCC.
  In Italy and Germany, GDP is expected to expand in 2024, but still at a low pace, while an improving growth is expected in 2025 and 2026 also supported by lower inflation; for Central and Eastern Europe (including Austria and excluding Russia), the Real GDP is expected to increase in 2024, with a further additional spike in the following 2 years; for Russia, a stronger growth is expected in 2024, while decreasing in 2025 and 2026.
  With reference to FX rates, the Base scenario assumes the Russian ruble depreciation over time, mainly reflecting technology imports and output gap.
  Average Inflation (excluding Russia) will decrease in 2024, but generally remaining above the Central Banks targets.
  Potential pressure is assumed on BTP-Bund spread, considering that high rates could impact on Sovereign Debt.
- Alternative scenario: this scenario embeds stressed macro-economic conditions, consistent with an intensification of geopolitical tensions, implying a push up in price of oil & gas and causing weaker demand. The shock tips the economies of the countries in which UniCredit is present into a recession in 2025. It is also assumed that disinflationary forces prevail, leading Central Banks to cut interest rates more aggressively than in the Base case. Russia Sovereign and Russian Multinationals rating at CCC.
  For Italy and Germany, the GDP would contract mainly in 2025, recovering in 2026. For Central and Eastern Europe (including Austria and excluding Russia), a negative growth is assumed in 2025, with a recovery in 2026. For Russia, a more significant growth shock is assumed in 2025, while resuming in 2026.
  With reference to the inflation, the expected inflation is lower than in the base scenario for Eurozone, also considering an ECB monetary policy more dovish compared with Base scenario.
  BTP credit spread is expected to experience a higher pressure compared to the Base scenario, reflecting deteriorated economic conditions.

3 ECB staff macroeconomic projections for the euro area, June 2024.

Explanatory notes

INTEREST RATES, INFLATION AND YIELD ENVIRONMENT		2023 Actual	2024	2025	2026
Base Scenario	Euribor 3M (EoP, bps)	391	300	225	205
	Spread BTP - Bund (EoP, bps)	167	170	170	170
	Real GDP growth y/y, %				
	Italy	1.0	0.6	1.1	1.3
	Germany	(0.2)	0.4	1.3	1.5
	CE & EE (excl. Russia)	0.6	1.6	2.3	2.7
	Russia	3.6	2.8	1.3	1.5
	Inflation average %				
	Italy	5.7	1.7	1.9	2.0
	Germany	6.0	2.4	1.7	1.8
	CE & EE (excl. Russia)	10.4	3.9	3.4	3.0
	Russia	5.9	6.7	4.5	4.0
Alternative Scenario	Euribor 3M (EoP, bps)		236	150	155
	Spread BTP - Bund (EoP, bps)		190	210	200
	Real GDP growth y/y, %				
	Italy		(0.2)	(2.3)	0.1
	Germany		(0.5)	(2.0)	(0.1)
	CE & EE (excl. Russia)		0.8	(1.1)	1.9
	Russia		0.4	(2.0)	0.7
	Inflation average %				
	Italy		1.6	1.2	1.4
	Germany		2.1	1.0	1.4
	CE & EE (excl. Russia)		3.6	2.9	2.6
	Russia		6.5	3.6	3.8

Deferred Tax Assets

With reference to Deferred tax assets, as at 30 June 2024, the following analyses were performed with reference to the Italian Tax Perimeter: (i) analysis of the evolution of the macroeconomic scenarios highlighted above compared to the scenario underlying the valuation process at 31 December 2023; (ii) comparison between the actual profit before taxes and the budget underlying the test executed in December 2023; (iii) confirmation of the validity of the additional methodological assumptions (reference tax legislation, perimeter of companies, volatility of the parameters underlying the model and reversal timeline of non-convertible DTAs) used in the valuation process.
It shall be noted that the outcome of the measurement is significantly influenced by assumptions on future cash flows, which in turn incorporate assumptions on the evolution of the macroeconomic scenario. Moreover, the sustainability of deferred tax assets is influenced by criteria and assumptions of the statistic model used for future taxable income projections, for the period following that for which the official projections are available, as the volatility of expected results and by 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 the evolution of the geo-political tensions as well as the evolution of the macroeconomic conditions. 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.

Shareholding impairment test

With reference to investments in subsidiaries, a trigger analysis has been carried out as of 30 June 2024 to verify the continuing sustainability of the values recognised as of 31 December 2023. In this context, the following items were assessed: (i) the evolution of the macroeconomic scenario by comparing the available macroeconomic scenarios (same approach reported above); (ii) the cash flows underlying the value of the stakes, by comparing the Actual Net Profit and RWEA with the estimates embedded in the impairment test executed as of year-end 2023; and (iii) the quantitative parameters used in the impairment test (e.g. cost of equity, time value, foreign exchange rates). The outcome of such analysis reported recoverable amounts higher than the carrying value, apart from a specific case that has determined the recognition of an impairment loss equal to approximately €41 million.

Furthermore, with specific reference to AO UniCredit bank (Russia), even though the tests did not result in any trigger breach, it was decided to adjust the model methodology considering the increasing geo-political uncertainty in Russia (also highlighted by the recent measures taken by the Russian Court(s) that ruled against AO Bank in various legal cases, freezing dividend distribution and/or seizing AO assets, making distribution more problematic).

Explanatory notes

Such a model methodology adjustment resulted in an additional impairment for -€285 million as of 30 June 2024.
Always with reference to Russia an action plan was requested by the ECB aimed at reducing exposures in Russia; in this regard it was noted that (i) a final decision on the contents of the action plan will also depend on the clarifications requested to the Authorities and (ii) the implementation of the action plan is currently not quantifiable, despite - directionally - the profitability might be affected, but also RWEA might be reduced (potentially increasing the value in use). Since a new business plan is not yet available, the valuation relied on the cash flows used as at 31 December 2023.

It shall be noted that the outcome of the measurement of the investments in subsidiaries is significantly influenced by assumptions on future cash flows, which in turn incorporate assumptions on the evolution of the macroeconomic scenario. Therefore, the results of these evaluations might be subject to changes currently not foreseeable, depending on the existence and degree of economic recovery.
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, regarding the future cash flows, and the consequent change in the valuation.

Measurement of Credit Exposures

With reference to the credit exposures as at 30 June 2024, the macroeconomic scenarios used for calculation of credit risk parameters (Probability of Default, Loss Given Default, Exposure at Default) were updated according to the Group policies, on the basis of the scenarios highlighted above. Considering the persistent level of uncertainty, the overall blended probability did not consider the positive scenario (whose weighting was kept at 0%), in coherence with the fourth quarter 2023; the Base scenario was set at 60% and the Adverse[4] scenario at 40%.

It must be noted that, the amount of loan loss provisions is determined by considering: (i) the classification (current and expected) of credit exposures as non-performing, (ii) the expected sale prices, for those non-performing exposure whose recovery is expected through sale to external counterparties; and (iii) 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 the evolution of the geo-political tensions as well as the evolution of the macroeconomic conditions.
The evolution of these factors may, indeed, require, in future financial years, the classification of additional credit exposures as non-performing, thus determining the recognition of additional loan loss provisions related to both these exposures, as well as performing exposures, following the update in credit risk parameters.
In addition, adjustments to the loan loss provisions might derive from the occurrence of 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.
Eventually, 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.

Measurement of Real estate portfolio

Always with reference to the valuation of the non-financial assets, the valuation of the real estate portfolio has become relevant following the adoption, starting from 31 December 2019, of the fair value model (assets held for investment) and the revaluation model (assets used in the business). For these assets, with reference to the 30 June 2024 reporting date, the fair value has been determined through external appraisals, following the Bank guidelines.
In this context it is worth to note that, in the upcoming financial years, fair value of these assets might be different from the fair value observed as at 30 June 2024, as a result of the possible evolution of real estate market, which also depend on the evolution of the macro-economic scenario, including but not limited to the geo-political tensions as well as the evolution of the macroeconomic conditions.

Other measurements

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 (in Italy) 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 June 2024, 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 Bank and cause outcomes materially different from those deriving from the valuations: (i) general economic and industrial conditions of the regions in which the Bank 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 Bank 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; (v) adverse change in climate which may affect the value of the

4 Adverse scenario is based on the alternative scenario released by UniCredit Group Planning and Control but embeds a worsened evolution of macro-economic context.

Explanatory notes

assets held and/or the ability of customers to serve their debts. Other unknown and unforeseeable factors could determine material deviations between actual and expected results.

Regarding the Russian Ruble FX rate, the ECB stopped the quotation of EUR/RUB exchange rate since 2 March 2022. Therefore, as at 30 June 2024 and in coherence with the previous years, the Bank is applying an OTC foreign exchange rate provided by Electronic Broking Service (EBS[5]). 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.

Statement of going concern

In their joint Document No.4 of 3 March 2010, Banca d'Italia, Consob and ISVAP made observations on the situation of the markets and businesses and requested that information essential for a better understanding of business trends and outlook be disclosed in financial reports. Also following such guideline, the present statement of going concern is released.

UniCredit Directors observed that during first half 2024 the geopolitical tensions between Russian Federation and Ukraine and in the middle - east persisted. Such events determined a relevant uncertainty in the macroeconomic outlook, in terms of GDP, inflation rates and interest rates.
The Directors assessed such circumstances, and concluded - with reasonable certainty - that the Bank will be able to operate profitably in the foreseeable future; as a result, in accordance with the provisions of IAS1, the "Company report of UniCredit S.p.A. as at 30 June 2024 prepared pursuant to Article 2433-bis of the Italian Civil Code" were prepared on a going concern basis.

For releasing such statement and the connected evaluations, the main Group regulatory ratios were also taken into account at 30 June 2024, in terms of: (i) actual figures as at 30 June 2024 (CET1 Ratio Transitional equal to 16.32%; MREL Ratio equal to 32.53% in terms of RWEA and 10.11% in terms of Leverage Exposure; Liquidity Coverage Ratio at 146% based on monthly average on 12 months); (ii) the related buffer versus the minimum requirements at the same reference date (CET1 Ratio Transitional: excess of 575 basis points; MREL Ratio: excess of 519 basis points in terms of RWEA and 402 in terms of Leverage Exposure; Liquidity Coverage Ratio: excess of about 46 percentage points); iii) the expected evolution of the same ratios during the following periods of 2024 (in particular, in 2024, it is expected to stay well above the capital requirements, consistently with the "UniCredit Unlocked" CET1 ratio target of 12.5-13 per cent).

On 12 April 2024 the Shareholders meeting has authorised the purchase of a maximum No.200,000,000 of UniCredit S.p.A. shares, to be carried out, even in more transactions, within the earliest of: (i) the date which will fall after 18 (eighteen) months from the date of the authorisation of the shareholders' meeting; and (ii) the date of the shareholders' meeting which will be called to approve the financial statements for the year ending on 31 December 2024. The request for authorisation to purchase treasury shares was proposed by the Board of Directors as a part of the activities envisaged in the 2022-2024 Strategic Plan "UniCredit Unlocked" presented to the market on 9 December 2021.
In particular, the following distributions are envisaged:

- a first distribution, for a maximum disbursement of €3,085,250,000, relating to the residual part of the overall payout for the 2023 financial year (the "2023 SBB Residual")[6];
- a second distribution as an anticipation of the expected distributions for the 2024 financial year, the amount of which will be defined by the Board of Directors of the Company in accordance with the criteria listed below (the "2024 SBB Anticipation").

With reference to the 2024 SBB Anticipation, the Board of Directors shall determine the maximum disbursement within the limits set forth in the shareholders' meeting authorisation considering, inter alia, the Company's results for the half-year period ending on 30 June 2024. It is expected, in this regard, that the amount of the 2024 SBB Anticipation will be equal to the lower amount between (i) €1,700,000,000 and (ii) 50% of the net profit for the period relating to the semester ended on 30 June 2024.
The shares purchased pursuant to the aforementioned programmes will be subject to cancellation.
The purchase programmes are subject to the prior permissions of the European Central Bank (ECB). In this respect, on 11 April 2024 the "2023 SBB Residual" buy-back programme has been entirely authorized by the ECB and it is being executed in two tranches during 2024. The execution of a tranche for an amount of Euro 1,585,250,000 denominated "Second Tranche of the Buy-Back Programme 2023", was initiated on 9 May 2024 and completed on 20 June 2024. While the execution of the final tranche for a maximum amount of Euro 1,500,000,098.53, denominated "Third Tranche of the Buy-Back Programme 2023", was initiated on 21 June 2024 and still on-going.

The measurement criteria adopted are therefore consistent with the going concern assumption and with the principles of accrual-based accounting, the relevance and materiality of accounting information, and the prevalence of economic substance over legal form.
These criteria have not changed with respect to the previous year.

5 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).
6 For the sake of completeness, on 27 October 2023 the shareholders' meeting authorised the Board of Directors to purchase treasury shares for a total disbursement of approx. Euro 2,500,000,000 (First Tranche of the Buy-Back Program 2023); these purchases began on 30 October 2023 and completed on 7 March 2024. These shares, together with those related to 2022 SBB, were cancelled on 26 March 2024 pursuant to the resolution passed by the Shareholders' Meeting on 27 October 2023.

Explanatory notes

Subsequent events to the reference date

In July 2024, UniCredit and Alpha International Holdings Single Member signed a share purchase agreement, pursuant to which UniCredit would have acquired from Alpha International Holdings Single Member 90.1% of the share capital of Alpha Bank Romania S.A. (Alpha Bank Romania) in consideration of (i) 9.9% of the share capital of UniCredit Bank S.A. (UniCredit Romania) and (ii) €255 million in cash. The transaction is part of the strategic partnership between Alpha Services and Holdings S.A. and UniCredit, announced on 23 October 2023. Completion of the transaction, subject to regulatory approvals, took place on 4 November 2024.

Always in July 2024, UniCredit S.p.A entered into a binding agreement for the acquisition of the entire share capital of Aion Bank NV/SA and Vodeno S.p.z.o.o. (the “Companies”). The Companies combine an innovative, scalable, and flexible cloud-based platform with banking services based on Aion's ECB licence to enable fully end-to-end Banking-as-a-Service (BaaS) for both financial and non-financial companies across Europe. The Companies are able to embed financial solutions, including accounts, deposits, lending and payment propositions, directly into the customer journeys of retailers, e-Commerce marketplaces, fintechs, financial technology providers and banks. Closing of the transaction, subject to regulatory approvals, is expected in the fourth quarter 2024.

Both transactions envisage the acquisition of control over the target companies.

Other matters

In 2024 the following standards, amendments or interpretations of the existing accounting standards came into force:
- amendments to IFRS16 Leases: Lease Liability in a Sale and Leaseback (EU Regulation 2023/2579);
- amendments to IAS1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current; Classification of Liabilities as Current or Non-current - Deferral of Effective Date and Non-current Liabilities with Covenants (EU Regulation 2023/2822);
- amendments to IAS7 Statement of Cash Flows and IFRS7 Financial Instruments: Disclosures: Supplier Finance Arrangements (EU Regulation 2024/1317).

The entry into force of these new standards, amendments or interpretations has not determined substantial effects on the amounts recognised in balance sheet or income statement.

As at 30 June 2024, no accounting standards applicable to reporting starting from 1 January 2025 have been endorsed by the European Commission.

As at 30 June 2024 the IASB issued the following accounting standards, amendments or interpretations of the existing accounting standards, whose application is subject to completion of the endorsement process by the competent bodies of the European Union, which is still ongoing:
- amendments to IAS21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023);
- IFRS18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024);
- IFRS19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024);
- amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS9 and IFRS7) (issued on 30 May 2024).

The whole document is filed in the competent offices and entities as required by law.

The document “Distribution of an interim dividend for the year 2024 by UniCredit S.p.A. pursuant to article 2433-bis of the Italian Civil Code” is subject to the Board of Directors’ approval and to an opinion by the External auditors KPMG S.p.A.

Main items of the accounts

With regard to the classification and measurement criteria of the main items, refer to Part A.2 of the Notes to the accounts of the Company financial statements as at 31 December 2023.

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, 5 November 2024

Manager charged with preparing the financial reports

Reconciliation between reclassified company balance sheet and income statement accounts and company accounts

A reconciliation of the reclassified Balance sheet and profit and loss account to the mandatory reporting schedules, is provided below.
An explanation for the restatement of comparative figures is provided in the previous sections.

Balance sheet

(€ million)

	AMOUNTS AS AT	
ASSETS	**30.06.2024**	**31.12.2023**
Cash and cash balances	8,814	12,301
Item 10. Cash and cash balances	*8,814*	*12,301*
Financial assets held for trading	10,077	15,384
Item 20. Financial assets at fair value through profit or loss: a) Financial assets held for trading	*10,077*	*15,384*
Loans to banks	20,897	17,908
Item 40. Financial assets at amortised cost: a) Loans and advances to banks	*38,256*	*34,249*
less: Debt securities	*(17,343)*	*(16,324)*
less: Leasing assets IFRS16	*(15)*	*(17)*
Loans to customers	175,305	172,661
Item 40. Financial assets at amortised cost: b) Loans and advances to customers	*207,671*	*207,576*
less: Debt securities	*(32,787)*	*(35,051)*
less: Leasing assets IFRS16	*(72)*	*(68)*
+ Loans (from Item 20 c)	*494*	*204*
Other financial assets	133,639	131,294
Item 20. Financial assets at fair value through profit or loss: b) Financial assets designated at fair value	*127*	*132*
Item 20. Financial assets at fair value through profit or loss: c) Other financial assets mandatorily at fair value	*6,354*	*5,752*
less: Loans	*(494)*	*(204)*
Item 30. Financial assets at fair value through other comprehensive income	*35,285*	*31,636*
Item 70. Equity investments	*42,149*	*42,517*
+ Debt securities (from Item 40 a)	*17,343*	*16,324*
+ Debt securities (from Item 40 b)	*32,787*	*35,051*
+ Leasing assets IFRS16 (from Item 40 a)	*15*	*17*
+ Leasing assets IFRS16 (from Item 40 b)	*72*	*68*
Hedging instruments	9,158	8,887
Item 50. Hedging derivatives	*11,237*	*10,843*
Item 60. Changes in fair value of portfolio hedged items (+/-)	*(2,079)*	*(1,956)*
Property, plant and equipment	3,626	3,730
Item 80. Property, plant and equipment	*3,626*	*3,730*
Goodwill	-	-
Item 90. Intangible assets of which: goodwill	-	-
Other intangible assets	1,517	1,580
Item 90. Intangible assets net of goodwill	*1,517*	*1,580*
Tax assets	8,759	9,714
Item 100. Tax assets	*8,759*	*9,714*
Non-current assets and disposal groups classified as held for sale	327	299
Item 110. Non-current assets and disposal groups classified as held for sale	*327*	*299*
Other assets	8,471	8,352
Item 120. Other assets	*8,471*	*8,353*
Total assets	**380,591**	**382,110**

Reconciliation between reclassified company balance sheet and income statement accounts and company accounts

continued: Balance sheet

(€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT 30.06.2024	31.12.2023
Deposits from banks	29,618	32,584
Item 10. Financial liabilities at amortised cost: a) Deposits from banks	*29,636*	*32,608*
less: Leasing liabilities IFRS16	*(18)*	*(24)*
Deposits from customers	209,865	206,660
Item 10. Financial liabilities at amortised cost: b) Deposits from customers	*210,662*	*207,558*
less: Leasing liabilities IFRS16	*(797)*	*(898)*
Debt securities issued	48,694	46,557
Item 10. Financial liabilities at amortised cost: c) Debt securities in issue	*48,694*	*46,557*
Financial liabilities held for trading	10,347	14,311
Item 20. Financial liabilities held for trading	*10,347*	*14,311*
Other financial liabilities	10,011	8,182
Item 30. Financial liabilities designated at fair value	*9,195*	*7,260*
+ Leasing liabilities IFRS16 (from Item 10 a)	*18*	*24*
+ Reclassification of leasing liabilities IFRS16 from Deposits from customers - Item 10 b)	*797*	*898*
Hedging instruments	3,425	4,547
Item 40. Hedging derivatives	*11,472*	*11,950*
Item 50. Value adjustment of hedged financial liabilities (+/-)	*(8,048)*	*(7,403)*
Tax liabilities	23	2
Item 60. Tax liabilities	*23*	*2*
Liabilities included in disposal groups classified as held for sale	-	-
Item 70. Liabilities associated with assets classified as held for sale	-	-
Other liabilities	9,583	8,964
Item 80. Other liabilities	*7,923*	*6,950*
Item 90. Provision for employee severance pay	*301*	*330*
Item 100. Provisions for risks and charges	*1,358*	*1,682*
Shareholders' equity:	59,026	60,303
- Capital and reserves	52,933	49,039
Item 110. Valuation reserves	*589*	*658*
Item 120. Redeemable shares	-	-
Item 130. Equity instruments	*3,965*	*4,863*
Item 140. Reserves	*27,218*	*23,945*
Item 150. Share premium	*23*	*23*
Item 160. Share capital	*21,368*	*21,278*
Item 170. Treasury shares (-)	*(229)*	*(1,727)*
- Stated net profit (loss)	6,093	11,264
Item 180. Profit (Loss) for the period (+/-)	6,093	11,264
Total liabilities and shareholders' equity	**380,591**	**382,110**

Reconciliation between reclassified company balance sheet and income statement accounts and company accounts

Income statement

(€ million)

	H1	
	2024	2023
Net interest	3,004	2,726
Item 30. Net interest margin	*3,056*	*2,768*
less: Net interest from trading book instruments	*(26)*	*(43)*
+ Interest on DBO/TFR/Jubilee (from Item 160 a)	*(6)*	*(8)*
+ Derivatives instruments - Economic Hedges - Others - Interest component (from Item 80)	*(20)*	*9*
Dividends and other income from equity investments	4,478	2,904
Item 70. Dividend income and similar revenue	*4,505*	*2,911*
less: Dividends on equity investments, shares and equity instruments mandatorily at fair value	*(26)*	*(7)*
Net fees and commissions	2,291	2,123
Item 60. Net fees and commissions	*2,194*	*2,061*
less: Amounts related to credit card distribution agreements	*3*	*-*
+ Structuring and mandate fees on issued or placed certificates by the Group and connected derivatives (from Item 80)	*(2)*	*(3)*
+ Structuring and mandate fees on issued or placed certificates by the Group (from Item 110)	*63*	*27*
+ Mark-up fees on client hedging activities (from Item 80)	*32*	*39*
Trading income	349	317
Item 80. Net gains (losses) on trading	*173*	*161*
less: Derivatives instruments - Economic Hedges - Others - Interest component	*20*	*(9)*
less: Structuring and mandate fees on issued or placed certificates by the Group and connected derivatives	*2*	*3*
less: Mark-up fees on client hedging activities	*(32)*	*(39)*
Item 90. Net gains (losses) on hedge accounting	*2*	*(6)*
Item 100. Gains (Losses) on disposal and repurchase of: b) financial assets at fair value through other comprehensive income	*64*	*121*
Item 100. Gains (Losses) on disposal and repurchase of: c) financial liabilities	*-*	*22*
Item 110. Net gains (losses) on other financial assets/liabilities at fair value through profit or loss	*119*	*(19)*
less: Structuring and mandate fees on issued or placed certificates by the Group	*(63)*	*(27)*
+ Gains (Losses) on disposal and repurchase of financial assets at amortised cost - debt securities (from Item 100 a)	*12*	*59*
+ Dividends on equity investments, shares and equity instruments mandatorily at fair value (from Item 70)	*26*	*7*
+ Net interest from trading book instruments (from Item 30)	*26*	*43*
Other expenses/income	412	379
Item 200. Other operating expenses/income	*645*	*603*
less: Integration costs	*4*	*-*
Less: Recovery of expenses excluded amounts related to credit card distribution agreements	*(274)*	*(235)*
less: Net value adjustments/write-backs on leasehold improvements on non-separable assets	*14*	*14*
less: Gain (Losses) on commodities held with a trading intent and on precious stones	*2*	*-*
less: Other operating income other - reversal of invoices to be received related to tangible assets	*-*	*(2)*
+ Gains (Losses) on disposal and repurchase of financial assets at amortised cost - performing loans (from Item 100 a)	*(1)*	*(1)*
+ Amounts related to credit card distribution agreements (from item 60)	*(3)*	*-*
+ Amounts related to credit card distribution agreements (from item 160)	*(1)*	*-*
+ Net provision for risks and charges - Penalties (from Item 170 b)	*26*	*-*
Ricavi	**10,534**	**8,449**
HR costs	(1,517)	(1,458)
Item 160. Administrative expenses: a) staff costs	*(1,542)*	*(1,662)*
less: Integration costs	*19*	*195*
less: Interest on DBO/TFR/Jubilee	*6*	*8*
Non HR costs	(741)	(729)
Item 160. Administrative expenses: b) Other administrative expenses	*(1,177)*	*(1,143)*
less: Contributions to Resolution Funds (SRF), Deposit Guarantee Schemes (DGS), Bank Levy and Guarantee fees for DTA	*211*	*234*
less: Integration costs	*3*	*2*
less: Amounts related to credit card distribution agreements	*1*	*-*
less: Variable portion of the outsourced NPE recovery costs not recovered from the clients	*16*	*(7)*
+ Net value adjustments/write-backs on leasehold improvements on non-separable assets (from Item 200)	*(14)*	*(14)*
+ Tax recovery (from Item 200)	*219*	*199*
Recovery of expenses	56	37
+ Recovery of expenses excluded amounts related to credit card distribution agreements and Tax recovery (from Item 200)	*56*	*36*
Amortisation and depreciation	(341)	(366)
Item 180. Net value adjustments/write-backs on property, plant and equipment	*(156)*	*(199)*
less: Impairment/write backs of right of use of land and buildings used in the business	*1*	*13*
less: Integration costs	*-*	*-*
Item 190. Net value adjustments/write-backs on intangible assets	*(192)*	*(188)*
less: Integration costs	*5*	*6*
+ Other operating income other - reversal of invoices to be received related to tangible asset (from Item 200)	*-*	*2*
Operating costs	**(2,543)**	**(2,516)**
GROSS OPERATING PROFIT (LOSS)	**7,991**	**5,933**

Reconciliation between reclassified company balance sheet and income statement accounts and company accounts

	H1	
	2024	2023
GROSS OPERATING PROFIT (LOSS)	**7,991**	**5,933**
Loan Loss Provisions	(190)	(171)
Item 100. Gains (Losses) on disposal and repurchase of: a) financial assets at amortised cost	*4*	*53*
less: Gains (Losses) on disposal and repurchase of financial assets at amortised cost - performing loans	*1*	*1*
less: Gains (Losses) on disposal and repurchase of financial assets at amortised cost - debt securities	*(12)*	*(59)*
Item 130. Net losses/recoveries on credit impairment relating to: a) financial assets at amortised cost	*(205)*	*(190)*
less: Net losses/recoveries on impairment relating to: a) financial assets at amortised cost - debt securities	*(4)*	*8*
Item 130. Net losses/recoveries on credit impairment relating to: b) financial assets at fair value through other comprehensive income	*(11)*	*(3)*
130. Net losses/recoveries on credit impairment relating to: b) financial assets at fair value through other comprehensive income	*11*	*3*
Item 140. Gains/Losses from contractual changes with no cancellations	*-*	*1*
Item 170. Net provisions for risks and charges: a) commitments and financial guarantees given	*43*	*8*
+ Variable portion of the outsourced NPE recovery costs not recovered from the clients (from item 160)	*(16)*	*7*
NET OPERATING PROFIT (LOSS)	**7,801**	**5,762**
Other charges and provisions	(190)	(246)
Item 170. Net provisions for risks and charges: b) other net provisions	*47*	*(11)*
less: Integration costs	*-*	*-*
less: Net provision for risks and charges - Penalties	*(26)*	*-*
+ Contributions to Resolution Funds (SRF), Deposit Guarantee Schemes (DGS), Bank Levy and Guarantee fees for DTA (from Item 160 b)	*(211)*	*(234)*
Integration costs	(31)	(203)
+ Administrative expenses - staff costs - integration costs (from Item 160 a)	*(19)*	*(195)*
+ Administrative expenses - other administrative expenses - integration costs (from Item 160 b)	*(3)*	*(2)*
+ Other operating income/expenses - integration costs (from Item 200)	*(4)*	*-*
+ Net provisions for risks and charges: b) other net provisions - integration costs (from Item 170 b)	*-*	*-*
+ Net value adjustments/write-backs on property, plant and equipment on tangible assets - integration costs (from Item 180)	*-*	*-*
+ Net value adjustments/write-backs on intangible assets - Integration costs (from Item 190)	*(5)*	*(6)*
Net income from investments	(382)	221
Item 220. Profit (Loss) of equity investments	*(357)*	*248*
Item 230. Net gains (losses) on tangible and intangible assets measured at fair value	*(15)*	*(3)*
Item 250. Gains (Losses) on disposal of investments	*-*	*-*
+ Net losses/recoveries on impairment relating to financial assets at amortised cost - debt securities (from Item 130 a)	*4*	*(8)*
+ Net losses/recoveries on impairment relating to financial assets at fair value through other comprehensive income - debt securities (from Item 130 b)	*(11)*	*(3)*
+ Net losses/recoveries on impairment relating to financial assets at fair value through other comprehensive income - debt securities (from Item 130 b)	*(1)*	*(13)*
+ Gain (Losses) on commodities held with a trading intent and on precious stones (from Item 200)	*(2)*	*-*
PROFIT (LOSS) BEFORE TAX	**7,198**	**5,534**
Income tax	(1,104)	(835)
Item 270. Tax expenses (income) from continuing operations	*(1,104)*	*(835)*
Profit (Loss) from non-current assets held for sale after tax	-	-
Item 290. Profit (Loss) after tax from discontinued operations	*-*	*-*
NET PROFIT (LOSS) FOR THE PERIOD	**6,093**	**4,699**
Goodwill impairment	-	-
Item 240. Goodwill impairment	*-*	*-*
STATED NET PROFIT (LOSS)	**6,093**	**4,699**
Item 300. Net profit (loss) for the period	*6,093*	*4,699*