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Consolidated First Half Financial Report as at 30 June 2025

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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.

Any discrepancy between data disclosed in this report are solely due to the effect of rounding.

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UniCredit S.p.A.
A joint stock company
Registered Office and Head Office: Piazza Gae Aulenti, 3 - Tower A - 20154 Milano
Share capital €21,453,835,025.48 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 21.12.2007

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Board of Directors and External Auditors as at 30 June 2025

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

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Preliminary notes

General aspects

This Consolidated first half financial report was prepared pursuant to the article 154-ter, paragraph 2 of the Legislative Decree No.58 of 24 February 1998, according to IAS/IFRS international accounting standards, in compliance with the requirements of IAS34 Interim Financial Reporting, in the condensed version provided for in paragraph 10, instead of the full reporting provided for annual financial statements.

The Consolidated first half financial report includes:

- the Consolidated interim report on operations using Reclassified consolidated accounts, including not only comments on the results for the period and on other main events, but also the additional financial information required by Consob provisions;
- the Consolidated accounts in line with Banca d'Italia templates as prescribed by Circular 262 of 22 December 2005 (and subsequent amendments);
- the Explanatory notes which include, in addition to the detailed information required by IAS34 stated accordingly to the formats adopted in the financial statements, also the additional information required by Consob and the information deemed useful for providing a better picture of the corporate standing;
- the Condensed interim consolidated financial statements certification pursuant to Art.81-ter of Consob Regulation No.11971/99 as amended;
- the Auditor's Report on review;
- the Annexes.

The definitions of the main terms used in this document are described in the chapter Glossary. The acronyms/abbreviations not explained in the Glossary are reported in full the first time they are mentioned.

UniCredit's website also contains the press releases concerning the main events of the period and the Market presentation of Group results.

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Introduction and Group highlights

Introduction to the Consolidated interim report on operations of UniCredit group

This Consolidated interim report on operations illustrates the performance of the UniCredit group and related amounts and results. It includes financial information such as Group highlights, Reclassified consolidated accounts and their Quarterly figures, Summary results by business segment, Group and UniCredit share historical data series as well as the commented "Group results".

To further illustrate the results of the period, the Consolidated interim report on operations includes Reclassified consolidated accounts prepared using the same criteria of previous quarterly reports.

The information included in this report is supported, in order to provide further information about the performance achieved by the Group, by some Alternative Performance Indicators (API) such as: Cost/Income ratio, Economic Value Added (EVA), Return On Tangible Equity (ROTE), Net bad loans to customers/Loans to customers, Net non-performing loans to customers/Loans to customers, Absorbed capital, Return On Allocated Capital (ROAC), Return On Assets (ROA), Cost of risk.
Although some of this information, including certain APIs, is neither extracted nor directly reconciled with Condensed interim consolidated financial statements, in the Consolidated interim report on operations, the Annexes and the Glossary provide explanatory descriptions of the contents and, in case, the calculation methods used, in accordance with European Securities and Markets Authority Guidelines (ESMA/2015/1415) of 5 October 2015.
In particular, in Annex 1 is included the reconciliation between the reclassified accounts and the mandatory reporting schedule, as required by Consob Notice No.6064293 of 28 July 2006.

The amounts related to year 2024 Reclassified consolidated income statement and to Profitability ratios differ from the ones published at that time. For further details refer to "Reconciliation principles followed for the Reclassified consolidated income statement".

For the disclosure relating to related-party relations and transactions, it shall be referred to Part H - Related-party transactions, Explanatory notes of the Condensed interim consolidated financial statements.
For the complete description of risks and uncertainties that the Group has to face in the current market situation, reference shall be made to the Part E - Information on risks and related hedging policies and to paragraph "Risks and uncertainty relating to the use of estimates", Part A - Accounting policies, A.1 - General, Section 2 - General preparation criteria of the Explanatory notes of the Condensed interim consolidated financial statements.

Group highlights, alternative performance indicators and other measures

Income statement figures

(€ million)

	H1		
	2025	2024	% CHANGE
Revenue	12,682	12,709	- 0.2%
of which:			
- Net interest	*6,934*	*7,138*	*- 2.9%*
- Dividends	*446*	*226*	*+ 97.1%*
- Fees	*4,426*	*4,273*	*+ 3.6%*
Operating costs	(4,636)	(4,605)	+ 0.7%
Gross operating profit (loss)	8,046	8,104	- 0.7%
Loan Loss Provisions (LLPs)	(192)	(118)	+ 62.2%
Net operating profit (loss)	7,854	7,985	- 1.6%
Profit (Loss) before tax	8,206	7,327	+ 12.0%
Group stated net profit (loss)	6,115	5,236	+ 16.8%

The figures in this table refer to the Reclassified consolidated income statement.

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Introduction and Group highlights

Balance sheet figures

(€ million)

	AMOUNTS AS AT		
	30.06.2025	31.12.2024	% CHANGE
Total assets	860,328	784,004	+ 9.7%
Financial assets held for trading	60,371	55,083	+ 9.6%
Loans to customers	433,153	418,378	+ 3.5%
Financial liabilities held for trading	34,426	31,349	+ 9.8%
Deposits from customers and debt securities issued	590,305	590,213	+ 0.0%
of which:			
- deposits from customers	*494,291*	*499,505*	*- 1.0%*
- debt securities issued	*96,015*	*90,709*	*+ 5.8%*
Group shareholders' equity	68,023	62,441	+ 8.9%

The figures in the table above refer to the Reclassified consolidated balance sheet.

Profitability ratios

	H1		
	2025	2024	CHANGE
EPS (€)	7.768	6.116	1.652
Cost/Income ratio	36.6%	36.2%	+ 0.3%
EVA (€ million)	3,780	2,960	819
RoTE	23.1%	19.7%	+ 3.4%
ROA	1.4%	1.3%	+ 0.1%

Note:
EPS: Earnings Per Share. Annualised figure. For further details refer to "Section 25 - Earning per share", Explanatory notes, Part C - Consolidated income statement.

Risk ratios

	AS AT		
	30.06.2025	31.12.2024	% CHANGE
Net bad loans to customers/Loans to customers	0.25%	0.23%	0.03%
Net non-performing loans to customers/Loans to customers	1.47%	1.44%	0.03%

For the amounts refer the table "Loans to customers - Asset quality" in the paragraph "Loan Loss Provisions (LLPs)" of this Consolidated interim report on operations, Group results, Main results and performance for the period.

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Introduction and Group highlights

Staff and Branches

	AS AT		
	30.06.2025	31.12.2024	CHANGE
Number of employees	68,710	69,722	-1,012
Number of branches	2,990	3,039	-49
of which:			
- Italy	*1,942*	*1,943*	*-1*
- Other countries	*1,048*	*1,096*	*-48*

Notes:
Number of employees counted for the rate of presence (FTEs - Full Time Equivalent).
Number of branches includes only Retail branches.

Group transitional capital ratios

	AS AT		
DESCRIPTION	30.06.2025	31.12.2024	CHANGE
Total Own Funds (€ million)	58,594	56,554	+ 2,040
Total RWEA (€ million)	287,743	277,093	+ 10,649
Common Equity Tier 1 Capital ratio	**16.02%**	**15.96%**	**0.06%**
Total Capital ratio	**20.36%**	**20.41%**	**-0.05%**

For further details refer to paragraphs “Capital ratios" and “Risk weighted exposure amounts” of this Consolidated interim report on operations, Group results, Capital and value management.

Ratings

	SHORT-TERM DEBT	MEDIUM AND LONG-TERM	OUTLOOK	STANDALONE RATING
Fitch Ratings	F2	BBB+	positive	bbb+
Moody's Investors Service	P-2	Baa1	positive	baa3
Standard & Poor's	A-2	BBB+	positive	bbb+

Ratings updated as at 14 July 2025.

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Reclassified consolidated accounts

Changes occurred in the scope of consolidation

During the first half of 2025, the following changes have been recorded with reference to the consolidation perimeter:

- the number of fully consolidated companies, including the Parent Company and those ones classified as non-current assets and disposal groups based on accounting principle IFRS5, decreased by 14 (6 incoming and 20 exited) from 312 as at 31 December 2024 to 298 as at 30 June 2025;
- the number of companies consolidated though the equity method, including those ones classified as non-current assets and disposal groups, decreased from 24 as at 31 December 2024 to 22 as at 30 June 2025 due to change in consolidation method.

For further details, refer to the Explanatory notes, Part A - Accounting Policies, A.1 - General, Section 3 - Consolidation scope and methods.

Non-current assets and disposal groups classified as held for sale

As at 30 June 2025, the main assets which, based on the application of IFRS5 accounting principle, were reclassified as non-current assets and asset disposal groups, regard the following individual assets held for sale and groups of assets held for sale and associated liabilities which do not satisfy IFRS5 requirements for the classification as discontinued operations:

- the associated company Risanamento S.p.A. and the controlled companies Weicker S.A.R.L., Monnet 8-10 S.A.R.L. and Card Complete Service Bank AG;
- the loans included in some sale's initiatives of portfolios;
- the real estate properties held by certain companies in the Group.

For additional information, reference is made to Explanatory notes, Part B - Consolidated balance sheet - Assets, Section 12 - Non-current assets and disposal groups classified as held for sale - Item 120 (Assets) and Item 70 (Liabilities).

Reconciliation principles followed for the Reclassified consolidated 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 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".

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Reclassified consolidated accounts

Reclassified consolidated balance sheet

(€ million)

	AMOUNTS AS AT		CHANGE	
ASSETS	**30.06.2025**	**31.12.2024**	**AMOUNT**	**%**
Cash and cash balances	41,804	41,442	+ 361	+ 0.9%
Financial assets held for trading	60,371	55,083	+ 5,288	+ 9.6%
Loans to banks	58,779	50,678	+ 8,101	+ 16.0%
Loans to customers	433,153	418,378	+ 14,775	+ 3.5%
Other financial assets	231,231	183,118	+ 48,113	+ 26.3%
Hedging instruments	(1,711)	(351)	- 1,360	n.m.
Insurance assets	164	-	+ 164	n.m.
Property, plant and equipment	8,824	8,794	+ 30	+ 0.3%
Goodwill	1,091	38	+ 1,053	n.m.
Other intangible assets	2,180	2,191	- 11	- 0.5%
Tax assets	9,914	10,273	- 359	- 3.5%
Non-current assets and disposal groups classified as held for sale	949	394	+ 555	n.m.
Other assets	13,579	13,966	- 387	- 2.8%
Total assets	**860,328**	**784,004**	**76,323**	**+ 9.7%**

(€ million)

	AMOUNTS AS AT		CHANGE	
LIABILITIES AND SHAREHOLDERS' EQUITY	**30.06.2025**	**31.12.2024**	**AMOUNT**	**%**
Deposits from banks	85,862	67,903	+ 17,959	+ 26.4%
Deposits from customers	494,291	499,505	- 5,214	- 1.0%
Debt securities issued	96,015	90,709	+ 5,306	+ 5.8%
Financial liabilities held for trading	34,426	31,349	+ 3,078	+ 9.8%
Other financial liabilities	23,677	15,228	+ 8,449	+ 55.5%
Hedging instruments	(7,801)	(8,134)	+ 333	- 4.1%
Tax liabilities	2,413	1,708	+ 705	+ 41.3%
Liabilities included in disposal groups classified as held for sale	373	0	+ 373	n.m.
Other liabilities	26,390	22,895	+ 3,495	+ 15.3%
Insurance liabilities	36,264	-	+ 36,264	n.m.
Minorities	395	400	- 5	- 1.2%
Group shareholders' equity	68,023	62,441	+ 5,581	+ 8.9%
of which:				
- capital and reserves	*61,908*	*52,722*	*+ 9,186*	*+ 17.4%*
- Group stated net profit (loss)	*6,115*	*9,719*	*- 3,604*	*- 37.1%*
Total liabilities and shareholders' equity	**860,328**	**784,004**	**+ 76,323**	**+ 9.7%**

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Reclassified consolidated accounts

Reclassified consolidated balance sheet - Quarterly figures

(€ million)

	AMOUNTS AS AT		AMOUNTS AS AT			
ASSETS	**30.06.2025**	**31.03.2025**	**31.12.2024**	**30.09.2024**	**30.06.2024**	**31.03.2024**
Cash and cash balances	41,804	43,971	41,442	38,425	50,029	65,433
Financial assets held for trading	60,371	54,972	55,083	58,286	55,674	55,472
Loans to banks	58,779	54,851	50,678	61,221	54,447	53,205
Loans to customers	433,153	424,347	418,378	430,941	433,997	434,834
Other financial assets	231,231	183,767	183,118	180,569	171,620	167,130
Hedging instruments	(1,711)	(1,526)	(351)	(946)	(2,387)	(1,425)
Insurance assets	164	-	-	-	-	-
Property, plant and equipment	8,824	8,760	8,794	8,818	8,958	9,151
Goodwill	1,091	294	38	-	(0)	-
Other intangible assets	2,180	2,201	2,191	2,157	2,194	2,210
Tax assets	9,914	9,382	10,273	9,929	10,470	11,068
Non-current assets and disposal groups classified as held for sale	949	899	394	471	610	356
Other assets	13,579	14,017	13,966	13,638	13,313	13,145
Total assets	**860,328**	**795,935**	**784,004**	**803,509**	**798,925**	**810,578**

(€ million)

	AMOUNTS AS AT		AMOUNTS AS AT			
LIABILITIES AND SHAREHOLDERS' EQUITY	**30.06.2025**	**31.03.2025**	**31.12.2024**	**30.09.2024**	**30.06.2024**	**31.03.2024**
Deposits from banks	85,862	77,791	67,903	86,971	82,916	87,099
Deposits from customers	494,291	492,895	499,505	493,506	499,492	502,120
Debt securities issued	96,015	93,582	90,709	90,116	91,656	90,942
Financial liabilities held for trading	34,426	32,393	31,349	36,185	36,858	38,277
Other financial liabilities	23,677	15,804	15,228	15,480	15,039	14,332
Hedging instruments	(7,801)	(8,808)	(8,134)	(8,711)	(13,114)	(11,782)
Tax liabilities	2,413	1,888	1,708	2,050	1,778	1,748
Liabilities included in disposal groups classified as held for sale	373	345	0	0	0	-
Other liabilities	26,390	24,339	22,895	24,055	22,128	22,250
Insurance liabilities	36,264	-	-	-	-	-
Minorities	395	384	400	166	158	172
Group shareholders' equity	68,023	65,322	62,441	63,691	62,013	65,420
of which:						
- capital and reserves	*61,908*	*62,551*	*52,722*	*55,941*	*56,777*	*62,862*
- Group stated net profit (loss)	*6,115*	*2,771*	*9,719*	*7,750*	*5,236*	*2,558*
Total liabilities and shareholders' equity	**860,328**	**795,935**	**784,004**	**803,509**	**798,925**	**810,578**

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Reclassified consolidated accounts

Reconciliation principles followed for the reclassified consolidated income statement

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

- the inclusion in the "Net interest" of (i) the interest component of the DBO (Defined Benefit Obligation), TFR (Trattamento di Fine Rapporto) and Jubilee deriving from "Staff costs", (ii) the costs of issued Credit Linked notes guaranteeing the performance of Loan portfolios from item "Net fees and commissions" (iii) interest component on derivatives related to the economical hedging on banking book positions from item "Net gains (losses) on trading";
- the inclusion in "Dividends" of "Profit (Loss) of equity investments valued at equity";
- the inclusion in the "Fees" (i) of the structuring and mandate fees on certificates and the connected derivatives, issued or placed by the Group and (ii) of Mark-up fees on client hedging activities;
- 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, (vii) of the interest income and expenses deriving from Trading Book instruments, (viii) of the gain/losses on commodities held with a trading intent from "Other operating expenses/income", (ix) dividends from held for trading equity instruments and (x) dividends on equity investments, shares and equity instruments mandatorily at fair value;
- the inclusion in the "Other expenses/income" of (i) "Other operating expenses/income", excluding recovery of expenses not related to credit card distribution agreement, (ii) result of industrial companies, (iii) gains/losses on disposal and repurchase of financial assets at amortised cost represented by performing loans, (iv) net value adjustments/write-backs of tangible in operating lease assets;
- the inclusion in the "Non HR costs" (i) of tax recovery, excluded non-recoverable expenses incurred for customers financial transactions taxes reclassified, from "Other operating expenses/income" (ii) the costs for net value adjustments on leasehold improvements from "Other operating expenses/income" and (iii) the component of discount associated with the accrual of the right to require specific services recognised in the context of agreements for credit card distribution and payment services from "Net fees and commissions";
- the presentation under its own item of "Recovery of expenses" different than the tax recovery and not related to credit card distribution agreement from "Other operating expenses/income";
- in "Loan Loss Provisions", the inclusion (i) of net losses/recoveries on financial assets at amortised cost and at fair value through other comprehensive income net of debt securities, (ii) of the gains (losses) on disposal and repurchase of financial assets at amortised cost net of debt securities and of performing loans, (iii) of the net provisions for risks and charges related to commitments and financial guarantees given, (iv) 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 from item "Other administrative expenses";
- the inclusion in the "Other charges and provisions" of contributions to the resolution funds (SRF), the deposit guarantee schemes (DGS), the Bank Levy, the life insurance Guarantee Fund and the Guarantee fees for DTA reclassified from item "Other administrative expenses";
- the inclusion in the "Integration costs" of impact relating to the reorganization operations of "Other expenses/income", "HR costs", "Non HR costs", "Amortisations and depreciations" and "Other charges and provisions";
- the inclusion in "Net income from investments" of (i) net losses/recoveries on financial assets at amortised cost and at fair value through other comprehensive income - debt securities, (ii) gains (losses) on tangible and intangible assets measured at fair value, (iii) gains (losses) of equity investments and on disposal on investments, including impacts from evaluation 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) after tax from discontinued operations", (iv) net Result on Financial Assets mandatorily at fair value related to debt securities referred to non-performing loans (included securitisations), (v) inventories assets (IAS2) obtained from recovery procedures of NPE and (vi) impairment/write backs of rights of use of land and buildings used in the business.

Figures of Reclassified consolidated income statement relating to 2024 have been restated, starting from March 2025, mainly with the effects of the extension of shift from Trading Income to Fees of the client hedging mark-up to all interest rate derivative products included interest rates options and interest rate structures alongside cross currency swaps, to all commodity products including commodity financing and of the revenue arising from bonds bought/sold the same day without being dependent on how swap desk is hedging their position in the market.
Figures of Reclassified consolidated income statement have been restated starting from June 2025, with reference to 2024 and first quarter 2025, for Financial Transaction Tax reclassification from Fees to Other charges and provisions of which systemic charges.

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Reclassified consolidated accounts

Reclassified consolidated income statement

(€ million)

	H1		CHANGE		
	2025	2024	P&L	%	% AT CONSTANT FX(*) RATES
Net interest	6,934	7,138	- 204	- 2.9%	- 2.9%
Dividends	446	226	+ 220	+ 97.1%	+ 97.1%
Fees	4,426	4,273	+ 153	+ 3.6%	+ 3.6%
Net insurance result	-	-	-	-	n.m.
Trading income	833	989	- 156	- 15.8%	- 16.3%
Other expenses/income	44	84	- 40	- 47.4%	- 47.3%
Revenue	**12,682**	**12,709**	**- 27**	**- 0.2%**	**- 0.3%**
HR costs	(2,865)	(2,853)	- 12	+ 0.4%	+ 0.4%
Non HR costs	(1,301)	(1,282)	- 19	+ 1.5%	+ 1.4%
Recovery of expenses	43	59	- 16	- 26.6%	- 26.5%
Amortisations and depreciations	(513)	(529)	+ 15	- 2.9%	- 2.9%
Operating costs	**(4,636)**	**(4,605)**	**- 31**	**+ 0.7%**	**+ 0.7%**
GROSS OPERATING PROFIT (LOSS)	**8,046**	**8,104**	**- 58**	**- 0.7%**	**- 0.8%**
Loan Loss Provisions (LLPs)	(192)	(118)	- 74	+ 62.2%	+ 61.5%
NET OPERATING PROFIT (LOSS)	**7,854**	**7,985**	**- 131**	**- 1.6%**	**- 1.8%**
Other charges and provisions	(442)	(582)	+ 140	- 24.0%	- 23.1%
of which: systemic charges	*(227)*	*(412)*	*+ 185*	*- 45.0%*	*- 44.0%*
Integration costs	(70)	(54)	- 17	+ 31.1%	+ 31.2%
Net income from investments	865	(23)	+ 888	n.m.	n.m.
PROFIT (LOSS) BEFORE TAX	**8,206**	**7,327**	**+ 880**	**+ 12.0%**	**+ 11.8%**
Income taxes	(2,058)	(2,075)	+ 18	- 0.9%	- 1.0%
Profit (Loss) of discontinued operations	-	-	-	-	n.m.
NET PROFIT (LOSS) FOR THE PERIOD	**6,149**	**5,251**	**+ 897**	+ 17.1%	+ 16.9%
Minorities	(34)	(15)	- 19	n.m.	n.m.
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**6,115**	**5,236**	**+ 878**	**+ 16.8%**	**+ 16.5%**
Purchase Price Allocation (PPA)	-	-	-	-	n.m.
Goodwill impairment	-	-	-	-	n.m.
GROUP STATED NET PROFIT (LOSS)	**6,115**	**5,236**	**+ 878**	**+ 16.8%**	**+ 16.5%**

Note:
Foreign Exchange.

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Reclassified consolidated accounts

Reclassified consolidated income statement - Quarterly figures

(€ million)

	2025		2024			
	Q2	Q1	Q4	Q3	Q2	Q1
Net interest	3,461	3,473	3,649	3,561	3,562	3,575
Dividends	317	129	93	151	118	108
Fees	2,120	2,306	1,980	1,975	2,142	2,130
Net insurance result	-	-	-	-	-	-
Trading income	192	641	274	417	454	534
Other expenses/income	38	6	11	45	56	28
Revenue	**6,127**	**6,555**	**6,006**	**6,149**	**6,333**	**6,376**
HR costs	(1,429)	(1,436)	(1,572)	(1,427)	(1,424)	(1,429)
Non HR costs	(653)	(647)	(695)	(624)	(649)	(633)
Recovery of expenses	22	21	31	19	36	23
Amortisations and depreciations	(254)	(259)	(272)	(261)	(260)	(268)
Operating costs	**(2,315)**	**(2,321)**	**(2,508)**	**(2,294)**	**(2,298)**	**(2,307)**
GROSS OPERATING PROFIT (LOSS)	**3,812**	**4,234**	**3,499**	**3,856**	**4,035**	**4,069**
Loan Loss Provisions (LLPs)	(109)	(83)	(357)	(165)	(15)	(103)
NET OPERATING PROFIT (LOSS)	**3,703**	**4,151**	**3,141**	**3,691**	**4,020**	**3,965**
Other charges and provisions	(235)	(207)	(392)	(115)	(232)	(349)
of which: systemic charges	*(40)*	*(187)*	*(46)*	*(75)*	*(49)*	*(364)*
Integration costs	(40)	(30)	(753)	(34)	(35)	(18)
Net income from investments	865	0	13	(19)	(24)	1
PROFIT (LOSS) BEFORE TAX	**4,293**	**3,913**	**2,010**	**3,523**	**3,728**	**3,599**
Income taxes	(934)	(1,124)	(7)	(1,003)	(1,043)	(1,033)
Profit (Loss) of discontinued operations	-	-	-	-	-	-
NET PROFIT (LOSS) FOR THE PERIOD	**3,359**	**2,790**	**2,003**	**2,520**	**2,685**	**2,566**
Minorities	(15)	(19)	(34)	(7)	(7)	(8)
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**3,344**	**2,771**	**1,969**	**2,513**	**2,679**	**2,558**
Purchase Price Allocation (PPA)	-	-	-	-	-	-
Goodwill impairment	-	-	-	-	-	-
GROUP STATED NET PROFIT (LOSS)	**3,344**	**2,771**	**1,969**	**2,513**	**2,679**	**2,558**

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Reclassified consolidated accounts

Reclassified consolidated income statement - Comparison of Q2 2025/2024

(€ million)

	Q2		CHANGE		
	2025	2024	P&L	%	% AT CONSTANT FX(*) RATES
Net interest	3,461	3,562	- 102	- 2.8%	- 3.0%
Dividends	317	118	+ 199	n.m.	n.m.
Fees	2,120	2,142	- 22	- 1.0%	- 1.1%
Net insurance result	-	-	-	-	n.m.
Trading income	192	454	- 262	- 57.7%	- 58.8%
Other expenses/income	38	56	- 18	- 32.9%	- 32.7%
Revenue	**6,127**	**6,333**	**- 206**	**- 3.3%**	**- 3.5%**
HR costs	(1,429)	(1,424)	- 5	+ 0.3%	+ 0.3%
Non HR costs	(653)	(649)	- 4	+ 0.6%	+ 0.5%
Recovery of expenses	22	36	- 14	- 38.7%	- 38.6%
Amortisations and depreciations	(254)	(260)	+ 6	- 2.3%	- 2.4%
Operating costs	**(2,315)**	**(2,298)**	**- 17**	**+ 0.7%**	**+ 0.7%**
GROSS OPERATING PROFIT (LOSS)	**3,812**	**4,035**	**- 223**	**- 5.5%**	**- 5.8%**
Loan Loss Provisions (LLPs)	(109)	(15)	- 94	n.m.	n.m.
NET OPERATING PROFIT (LOSS)	**3,703**	**4,020**	**- 317**	**- 7.9%**	**- 8.2%**
Other charges and provisions	(235)	(232)	- 2	+ 1.0%	+ 1.7%
of which: systemic charges	*(40)*	*(49)*	+ 9	*- 18.6%*	*- 19.6%*
Integration costs	(40)	(35)	- 5	+ 12.9%	+ 13.0%
Net income from investments	865	(24)	+ 889	n.m.	n.m.
PROFIT (LOSS) BEFORE TAX	**4,293**	**3,728**	**+ 565**	**+ 15.2%**	**+ 14.8%**
Income taxes	(934)	(1,043)	+ 109	- 10.4%	- 10.8%
Profit (Loss) of discontinued operations	-	-	-	-	n.m.
NET PROFIT (LOSS) FOR THE PERIOD	**3,359**	**2,685**	**+ 674**	+ 25.1%	+ 24.7%
Minorities	(15)	(7)	- 9	n.m.	n.m.
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**3,344**	**2,679**	**+ 665**	**+ 24.8%**	**+ 24.4%**
Purchase Price Allocation (PPA)	-	-	-	-	n.m.
Goodwill impairment	-	-	-	-	n.m.
GROUP STATED NET PROFIT (LOSS)	**3,344**	**2,679**	**+ 665**	**+ 24.8%**	**+ 24.4%**

Note:
Foreign Exchange.

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Summary results by business segments

Key figures by business segment

	ITALY	GERMANY	AUSTRIA	CENTRAL EASTERN EUROPE	RUSSIA	GROUP CORPORATE CENTRE(1)	CONSOLIDATED GROUP TOTAL
Income statement							
Revenue							
H1 2025	5,723	2,908	1,334	2,339	664	(286)	**12,682**
H1 2024	*5,826*	*2,819*	*1,346*	*2,238*	*580*	*(100)*	***12,709***
Operating costs							
H1 2025	(1,912)	(1,069)	(518)	(798)	(108)	(231)	**(4,636)**
H1 2024	*(1,955)*	*(1,091)*	*(511)*	*(710)*	*(113)*	*(226)*	***(4,605)***
GROSS OPERATING PROFIT (LOSS)							
H1 2025	3,811	1,840	816	1,541	556	(518)	**8,046**
H1 2024	*3,870*	*1,729*	*835*	*1,528*	*468*	*(326)*	***8,104***
PROFIT (LOSS) BEFORE TAX							
H1 2025	4,184	1,734	830	1,433	599	(575)	**8,206**
H1 2024	*3,387*	*1,553*	*820*	*1,478*	*423*	*(335)*	***7,327***
Balance sheet							
CUSTOMERS LOANS(*)							
as at 30 June 2025	145,595	125,948	59,916	76,557	1,024	748	**409,788**
as at 31 December 2024	*144,590*	*126,599*	*59,625*	*72,151*	*1,192*	*162*	***404,319***
CUSTOMERS DEPOS(*)							
as at 30 June 2025	180,305	130,112	58,838	91,050	3,376	1,610	**465,291**
as at 31 December 2024	*183,922*	*138,528*	*60,201*	*89,774*	*3,480*	*(5)*	***475,900***
TOTAL RWEA							
as at 30 June 2025	106,591	69,258	39,225	55,649	11,444	5,575	**287,743**
as at 31 December 2024	*101,083*	*65,213*	*38,952*	*54,033*	*10,819*	*6,993*	***277,093***
EVA							
H1 2025	2,162	636	355	594	(67)	100	**3,780**
H1 2024	*1,419*	*520*	*383*	*678*	*(53)*	*12*	***2,960***
Cost/income ratio							
H1 2025	33.4%	36.8%	38.8%	34.1%	16.3%	n.m.	**36.6%**
H1 2024	*33.6%*	*38.7%*	*38.0%*	*31.7%*	*19.4%*	n.m.	***36.2%***
Employees							
as at 30 June 2025	26,323	8,667	4,448	19,537	2,355	7,378	**68,710**
as at 31 December 2024	*26,807*	*8,903*	*4,483*	*19,996*	*2,590*	*6,943*	***69,722***

Notes:
The item "Group Corporate Centre" comprehend Corporate Centre Global Functions, inter-segment adjustments and consolidation adjustments not attributable to individual segments.
The Customer loans and the Customers depos are net of repos, intercompany transactions.

Figures were recasted, where necessary, on a like-to-like basis to consider changes in scope of business segment and methodological rules.
For further details about changes in scope of business segment, refer to the Explanatory notes, Part L - Segment reporting, Organisational structure.

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Group and UniCredit share historical data series

Group figures 2015 - 2025

	IAS/IFRS										
	H1 2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Reclassified income statement (€ million)											
Revenue	12,682	24,844	23,843	20,343	17,954	17,140	18,839	19,723	19,619	18,801	22,405
Operating costs	(4,636)	(9,405)	(9,471)	(9,560)	(9,797)	(9,805)	(9,929)	(10,698)	(11,350)	(12,453)	(13,618)
Gross operating profit (loss)	8,046	15,439	14,372	10,782	8,158	7,335	8,910	9,025	8,268	6,348	8,787
Profit (Loss) before tax	8,206	12,860	11,451	7,289	1,236	(1,546)	3,065	3,619	4,148	(10,978)	2,671
Net profit (loss) for the period	6,149	9,775	9,537	6,473	1,570	(1,842)	3,559	4,112	5,790	(11,061)	2,239
Group stated net profit (loss)	6,115	9,719	9,507	6,458	1,540	(2,785)	3,373	3,892	5,473	(11,790)	1,694
Reclassified balance sheet (€ million)											
Total assets	860,328	784,004	784,974	857,773	916,671	931,456	855,647	831,469	836,790	859,533	860,433
Loans to customers	433,153	418,378	429,452	455,781	437,544	450,550	482,574	471,839	447,727	444,607	473,999
of which: bad exposures	*1,099*	*944*	*753*	*601*	*1,121*	*1,645*	*2,956*	*5,787*	*9,499*	*10,945*	*19,924*
Deposits from customers and debt securities issued	590,305	590,213	585,561	594,300	596,402	600,964	566,871	560,141	561,498	567,855	584,268
Group shareholders' equity	68,023	62,441	64,079	63,339	61,628	59,507	61,416	55,841	59,331	39,336	50,087
Profitability ratios (%)											
Gross operating profit (loss)/Total assets	0.94	1.97	1.83	1.26	0.89	0.79	1.04	1.09	0.99	0.74	1.02
Cost/Income ratio	36.6	37.9	39.7	47.0	54.6	57.2	52.7	54.2	57.9	66.2	60.8

Figures shown refer to the information published in the reference period.

Share information

	H1 2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Share price (€)											
- maximum	58.290	42.840	25.565	15.850	13.576	14.174	13.494	18.212	18.350	25.733	32.824
- minimum	38.345	24.850	13.446	8.021	7.420	6.213	9.190	9.596	12.160	8.785	24.605
- average	50.512	35.166	20.463	11.087	10.088	8.650	11.193	14.635	15.801	13.820	29.509
- end of period	56.910	38.525	24.565	13.272	13.544	7.648	13.020	9.894	15.580	13.701	25.733
Number of outstanding shares (million)											
- at period end	1,558	1,551	1,712	1,935	2,211	2,237	2,233	2,230	2,226	6,180	5,970
- shares cum dividend	1,548	1,542	1,703	1,926	2,201	2,228	2,224	2,220	2,216	6,084	5,873
of which: savings shares	-	-	-	-	-	-	-	-	*0.25*	*2.52*	*2.48*
- average	1,556	1,631	1,838	2,079	2,231	2,236	2,233	2,229	1,957	6,110	5,927
Dividend											
- total dividends (€ million)	-	3,726	3,015	1,875	1,170	268	-	601	726	-	706
- dividend per ordinary share	-	2.402	1.803	0.987	0.538	0.120	-	0.270	0.320	-	0.120
- dividend per savings share	-	-	-	-	-	-	-	-	-	-	0.120

Notes:
Due to extraordinary corporate operations involving the detachment of rights, splitting or grouping of shares, demerger operations as well as distributions of extraordinary dividends, share prices might systematically change being no longer comparable with each other. The historical series of share prices have been therefore adjusted to restore price continuity.

The number of shares, existing at the end of the reference period, is net of treasury shares and included No.9.675.645 of shares held under a contract of usufruct signed with Mediobanca S.p.A. supporting the issuance of convertible securities denominated "Cashes". The shares held under a contract of usufruct are excluded from the shares cum dividend highlighted at the row "shares cum dividend".

The overall dividend 2024 includes interim dividend for €1.440 million paid in Novembre 2024.

Here follows detailed information concerning share capital changes and distribution to shareholders in the form of share buybacks and cash dividends, occurred the first half of 2025.

On 19 February 2025, the share capital increase for €86 million resolved by the Board of Directors on 10 February 2025 was carried out with the issue of No.6,255,326 ordinary free shares for the execution of Group Incentive System.

On 27 March 2025 the Shareholders' Meeting of the Company approved the share buy-back programme as part of the overall remuneration to shareholders: a distribution for a maximum disbursement of €3,574 million to be carried out also in several tranches during the 2024 relating to the residual part of the overall payout for the 2025 financial year ("Second Tranche of the 2024 Buyback Program").

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Group and UniCredit share historical data series

On 24 April 2025 was paid the cash dividend approved by Shareholders' Meeting of 27 March 2025 for a total amount of €2,285 million from allocation of the net profit of the year 2024, equal a dividend of €1.4764 for each share outstanding and entitled to dividend at payment date.

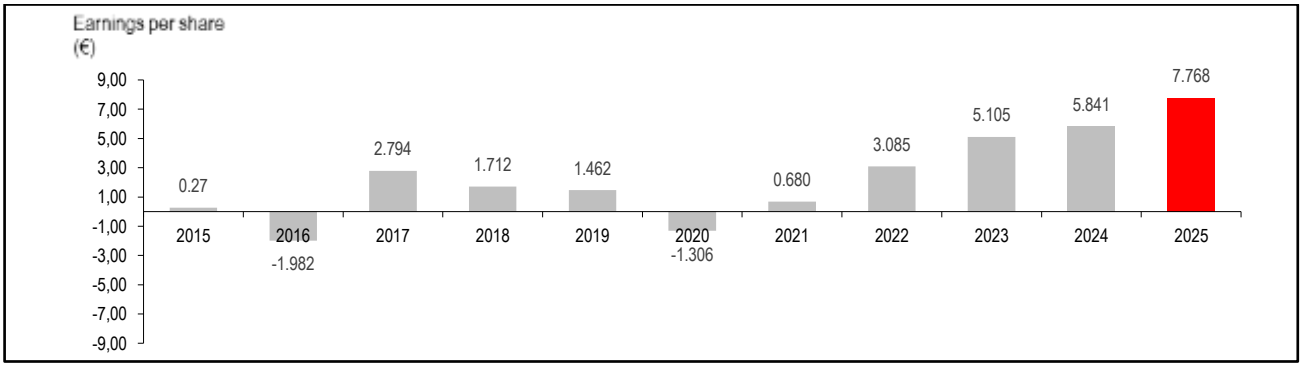
With reference to the consolidated profit as at 30 June 2025 to be recognised in the consolidated Own Funds, refer to the paragraph "Capital ratios" of this Consolidated interim report on operations, Group Results, Capital and value management.

Earnings ratios

	IAS/IFRS										
	H1 2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Shareholders' equity (€ million)	68,023	62,441	64,079	63,339	61,628	59,507	61,416	55,841	59,331	39,336	50,087
Net profit (loss) attributable to the Group (€ million)	6,115	9,719	9,507	6,458	1,540	(2,785)	3,373	3,892	5,473	(11,790)	1,694
Shareholders' equity per share (€)	43.67	40.25	37.42	32.73	27.87	26.60	27.50	25.04	26.65	6.36	8.39
Price/Book value	1.30	0.96	0.66	0.41	0.49	0.29	0.47	0.40	0.58	0.43	0.61
Earnings per share (€)	7.768	5.841	5.105	3.085	0.680	(1.306)	1.462	1.712	2.794	(1.982)	0.27
Payout ratio (%)	-	38.3	31.7	29.0	76.0	-	-	15.4	13.3	-	41.7
Dividend yield on average price per ordinary share (%)	-	6.83	8.81	8.90	5.33	1.39	-	1.84	2.03	-	2.04

Note:
The figures related to "Earnings per share" are annualised.

The amounts reported in the table are "historical figures" and they shall be read with reference to each single period.
The net profit for the period used to calculate EPS is reduced for the following amounts related to disbursements, charged to equity, made in connection with the usufruct contract signed with Mediobanca S.p.A. on UniCredit shares supporting the issuance of convertible securities denominated "Cashes": €100 million for 2015, €128 million for 2016, €32 million for 2017, €93 million for 2018, €124 million for 2019, €122 million for 2020, €30 million in 2021 relating to the last payment referred to 2019 results, €74 million in 2022, referred to 2021 results, €175 million for 2023, referred to 2022 results, €247 million for 2024 and €109 in the first half 2025.



The figure related to the Earnings per share of first half 2025 is annualised.

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Group results

Macroeconomic situation, banking and financial markets

International situation

The global economy experienced a slowdown in the first half 2025, largely due to heightened trade tensions and policy uncertainty. Uncertainty culminated in the aftermath of the announcement of near-universal tariffs by the US administration on 2 April, which brought the US effective tariff rate to levels not seen in a century. The growth slowdown has varied across countries, depending on exposures to US protectionist measures through trade and financial linkages as well as broader geopolitical relationships. Global inflation continued to fall in the period under consideration, driven by unwinding supply-side issues and restrictive monetary policies. Major central banks globally diverged in their monetary policy approaches, as the US Federal Reserve maintained its hawkish stance, keeping interest rates elevated due to concerns about inflation and tariffs, while the European Central Bank (ECB) and the Bank of Canada continued cutting rates.

The Chinese economy continued to navigate a complex set of external and internal challenges. Besides higher US tariffs dampening Chinese export growth, domestic demand remained weak. Consumer spending weakness had reflected negative wealth effects (falling house prices) and high precautionary savings due to job insecurity and demographic pressures. Driven by still-elevated developer debt, housing starts continued to decline further. The latest announcements of fiscal stimulus measures fell short of what is needed to fuel dissaving of households and rebalance China's growth model. Following a 90-day truce brokered in mid-May, when both the US and China agreed to reduce tariffs, the two trading giants have made progress in their trade negotiations, although specific details of the new framework are still limited.

In Japan, economic growth slowed appreciably in the first six months of the year compared to the second half 2024, with GDP recording a mild contraction in the first quarter 2025 for the first time in four quarters. This slowdown was attributed to weaker exports and stagnant personal consumption, while concerns about the impact of US tariffs and weakening global demand added to the economic headwinds. Softer growth and persistent inflationary pressures did not prevent the Japanese Central Bank from raising rates from 0.25% to 0.50% in January. The UK economy remained in a low gear in the first half 2025. While GDP growth picked up in first quarter 2025 to 0.7% qoq, this was largely due to frontloading of activity ahead of US tariff rises and an increase in national insurance on employers that took effect in April. Monthly GDP fell in April and May and the economy is on course for broadly flat growth in the second quarter 2025. Amid still high inflation, monetary policy remained tight, with the Bank of England cutting the policy rate only at a gradual, quarterly pace.

The eurozone economy showed signs of resilience in first semester 2025, with GDP firmly accelerating in the first quarter (by 0.6% qoq) driven by a frontloading of US imports in anticipation of a change in trade policy. This GDP acceleration was notably boosted by surging exports in countries like Ireland, Germany and Italy, while frontloading was muted in France and Spain. Frontloading effects have already been reversing since, leaving growth on a weaker footing. PMIs were largely unaffected by the volatility triggered by US tariffs. In fact, the manufacturing PMI trended slightly higher over the course of the first half 2025, while the services PMI stabilised or eased somewhat. Employment indicators broadly stabilised at levels consistent with moderate job shedding in industry and mildly positive growth in services. Overall, the labor market held up, despite all the uncertainty weighing on the outlook.

Eurozone headline inflation converged to the ECB's price goal of 2%. Disinflationary pressure has been reflecting weaker demand due to the impact of tighter monetary policy, easing energy inflation, repaired supply chains in global manufacturing and a moderation of demand-supply mismatches in contact-intensive sectors. Underlying inflation also eased, although stickiness in service-price inflation prevented a major decline: the core rate declined to 2.3% yoy in June (compared to 2.7% in December 2024). US tariffs weigh on eurozone economic activity and increase downside risks to the inflation outlook through a number of channels, which include euro appreciation, lower energy prices and a rising likelihood of a diversion of Chinese trade flows. With the pace of disinflation gaining traction, the ECB continued to cut its policy rate by additional 75bp by June, bringing it to 2%, 200bp below its peak for this cycle. Banks reduced their reliance on shorter-term standard refinancing operations with the Eurosystem, driven by the phasing out of Targeted Longer-Term Refinancing Operations (TLTROs), ample central bank reserves, and the relatively higher costs of these standard operations compared to alternative funding sources. The ECB's Governing Council decided to fully discontinue reinvestments under the Pandemic Emergency Purchase Program (PEPP) at the end of 2024. As a result, the PEPP portfolio has been shrinking at a "measured and predictable pace" as maturing securities are no longer replaced with new purchases.

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Group results

The US economy slowed in the first half 2025 after rapid growth of almost 3% annualised in the second half 2024. The slowdown in the first quarter 2025, when the economy contracted 0.5% qoq annualised, was largely due to a surge in imports ahead of new tariffs imposed by the Trump administration. Underlying GDP growth, as proxied by final sales to domestic purchasers (which excludes the effects of net exports and inventories on GDP) rose a decent 1.5% in the first quarter 2025, although still a marked slowdown from the second half 2024 and somewhat below trend (of around 2%). In the second quarter 2025, ongoing policy uncertainty weighed on consumption and investment. Despite heightened economic uncertainty, the labor market generally held up and layoffs remained low. Meanwhile, there was further progress on disinflation. Core PCE (Personal Consumption Expenditures) inflation, the Fed's preferred measure of inflation, fell to 2.7% yoy in May, down from 2.9% at the end of last year. Still, measures of short-term inflation expectations moved higher due to tariffs. After cutting the federal funds rate by 100bp last year to a target range of 4.25-4.50%, the Fed remained on hold in the first half 2025 as it sought greater clarity on changes to government policy and their effects on the economy.

Banking and financial markets

The recovery in lending in the eurozone continued in the first half of 2025. Lending to the private sector showed almost 3% growth yoy at the end of the first half 2025, up from 2% yoy in December 2024. The gradual reduction in interest rates supported demand for loans, especially for loans to households for house purchase. An improvement in consumer sentiment and housing prospects accelerated the recovery of mortgages, while the contribution of fixed investment to loan demand was still weak given the very high level of uncertainty as a result of lingering trade and geopolitical tensions.

The growth in loans to the private sector also recovered in the main reference countries of UniCredit group (Austria, Germany and Italy). This was visible in Italy, although loans to non-financial corporations still recorded a contraction, albeit at a slower pace than in the past: corporate lending growth stood at -1.0% yoy in May 2025 compared to around -2% yoy at the end of 2024. In Italy, the recourse to internal financing continued to moderate the recovery in firms' loan demand. Loans to households have been expanding at an improving rate in Italy, up about 1.5% yoy, after hitting a low of -1.4% yoy in the first quarter of 2024. In Germany, loans to the private sector still showed modest expansion, with the pace of growth of loans to non-financial corporations remaining moderate, offset by a gradual acceleration in lending to households, which rose by around 1.5% yoy at the end of the first semester 2025 compared to slightly less than 1.0% yoy in December 2024. In Austria, corporate loan growth strengthened further in the first half of this year, to a pace above 2% yoy, also thanks to ongoing higher financing needs for commercial real estate investment, while loans to households continued to recover, broadly stabilizing at the end of the first half 2025.

With respect to Bank funding at a system level, deposits from households and non-financial corporations in the euro area grew at a good pace, as the increase in overnight deposits accelerated during the first few months of the year, probably amid declining rates. The improvement was visible especially in Italy, given a recovery in households' real disposable income but a gradual increase in personal spending. In Germany, the stock of deposits from both households and non-financial corporations continued to grow at a decent pace, with German households keeping a persistently high level of savings rate, still closer to 20%.

Lower reference rates by the ECB continued to be transmitted to Bank interest rates in the three reference countries of UniCredit group. Interest rates applied to Bank loans to non-financial corporations moved closer to 3.8% in Germany and Italy, and slightly lower in Austria, to 3.7%. We are now far off the peaks hit at the end of 2023 following the ECB's hiking cycle. Interest rates applied to loans for house purchase also followed a downward trend, moving towards 3% in all reference countries of the Group. Given a more-gradual decline in the interest rates applied to Bank deposits (from lower levels), Bank spreads (i.e. the difference between the average interest rate applied to loans and the average rate applied to deposits) showed a broad stabilization/slight decline in the first half 2025 compared to the end of 2024.

The intensification of geopolitical tensions and the trade war led to a significant increase in uncertainty and market volatility in the first half 2025. After being supported during the first months of the Trump administration and benefitting from investment initiatives announced by the new German government, risky assets, particularly equities sold off globally, with US markets hit particularly hard following president Donald Trump's 2 April "Liberation Day" tariff announcement. The decision to suspend the implementation of tariffs for 90 days restored some calm in financial markets, with a reversal of the tightening of financial conditions since 2 April. Fixed-income assets also performed consistently. At the same time, the consequent weakening of the USD raised broader concerns related to its long-term safe-haven role. With the return of positive sentiment across global equity markets, the German and the Austrian equity indices recorded good gains and rose by about 20% compared to December 2024, while the Italian stock market increased by 16% year-to-date.

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Group results

CEE (Central and Eastern Europe) countries

Economic growth in CEE slowed in most countries in the first quarter 2025 on the backdrop of weak external demand from the main trading partners, persisting weakness in the European manufacturing sector, and uncertainty related to the US tariffs. These factors continued to weigh on growth also in the second quarter. In the first quarter 2025, in some countries, the impact of these factors was to some extent mitigated by frontloading of exports to the US ahead of the announcement of the US tariffs in April in the first quarter 2025, both directly and indirectly through the exports of the main trading partners of the region. This effect is likely to have faded away in the second quarter 2025.

There was differentiation across countries in terms of economic performance in the first quarter 2025. Croatia and Bulgaria experienced the highest GDP growth, around 3.0% yoy thanks to resilient consumption and investment and, for Croatia, a build-up in inventories. Czechia and Serbia registered a growth rate of 2.4% yoy and 2.0% yoy respectively, while growth was weaker in Hungary, Romania, Slovenia and Slovakia, and Bosnia and Herzegovina, with growth rates between -0.7% yoy and 1.7%, due to the combination of weakness of external demand and some domestic factors, for example weak investment in Hungary and the impact of fiscal consolidation in Slovakia.

In general, domestic demand, in particular private consumption, remained the main driver of growth in most countries during the period (albeit with growth slowing in some countries) driven by real wage growth which was supported by still tight labour markets, increases in minimum wages and public sector wages. Public investments supported growth in some countries, also thanks to EU funds absorption, while overall private investments remained weak reflecting the uncertainty about the global outlook, in particular about the potential impact on tariffs. The build-up in inventories supported growth in some countries, while the contribution of net exports was overall negative.

We expect growth in EU-CEE[1] aggregated to pick-up slightly, from 2.0% in 2024 to 2.2% in 2025. Growth will likely be mainly driven by domestic demand. Household consumption will remain the key driver of growth, as tight labour markets and, in some countries, minimum wage and public sector wages increase support real wage growth. The use of the EU's Recovery and Resilience Fund (RRF) should pick up in most countries, as the funds are only available until 2026. External demand will likely remain sluggish, as the positive spill-over effects of higher fiscal spending in Germany are unlikely to be visible before 2026. There is limited fiscal space to offset external weakness, as governments face fiscal consolidation needs due to the high fiscal deficits in the region.

The disinflation trend seen in 2023 and most of 2024 was interrupted in the first semester 2025 and inflation remained above the target range in most countries with independent monetary policy as of June. Czechia was the exception with inflation below 3.0% yoy in the first semester, therefore inside the target range. In Serbia inflation has been hovering around the upper bound of the target range, 4.5%, while in Hungary inflation jumped from 4.6% yoy in 5.5% yoy in January due to fuel, food and services prices, and slowed to 4.6%yoy by 25 June, supported by extended regulative price caps. In Romania, inflation increased from 5.1% yoy in January to 5.7% yoy, and therefore remained well above target. The differences in inflation developments across countries in the first half 2025 reflected in part country specific factors but common trend is sticky core inflation, in particular due to services prices.

After the reduction in interest rates in 2024, most central Banks kept their policy rate unchanged in the first half 2025, reflecting still high inflation in some countries and the uncertainty related to the US tariffs and their potential repercussions on market sentiment, commodity prices and other import prices. In Romania, the uncertainty about the outlook for fiscal policy also contributed to the cautious approach of the central Bank, which kept the interest rate at 6.50%. The central Bank of Czechia was the exception with a further reduction of the policy rate from 4.00% to 3.50%. Interest rates were kept at 6.50% in Hungary and 5.75% in Serbia.

Main results and performance for the period

Introduction

The results achieved in the first half of 2025 once again confirm the Group's ability to achieve high and sustainable profitability supported by resilient and quality revenues. The generation of new commission income is solid and reflects the Group's strategic directions, supported by new commercial initiatives as well as product factories, capable of leveraging the Group's economies of scale by building *best-in-class* products tailored to customer needs.

The strategy pursued by the Group envisages, on the one hand, the implementation of initiatives by customer segment and geography aimed at bringing out and accelerating the further potential for organic growth that is still untapped and, on the other hand, the strengthening of the ability to generate future revenues through specific external initiatives; go in this direction the internalization of *bancassurance,* the integration of Alpha Bank in Romania, the partnership with Alpha in Greece and the expansion of Aion-Vodeno aimed at supporting the *Group's top line growth* by increasing its quality.

1 Bulgaria, Croatia, Czechia, Hungary, Poland, Romania, Slovakia and Slovenia.

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Group results

Further potential could be generated through the stake acquired in Commerzbank, of which UniCredit is the largest investor.
The significant investments already made and those planned will strengthen the Group's structural advantages by ensuring further value creation in the long term. Selective high-quality revenue growth, combined with the Group's distinctive operational and capital efficiencies, will ensure high profitability and capital generation.

In the first half of 2025, the Group recorded a stated net profit of €6,115 million, compared to €5,236 million in the first half of 2024, up €878 million (16.8% at current exchange rates, 16.5% at constant exchange rates). The figure includes a positive result of €472 million attributable to Russia[2] which in first half 2024 had recorded a stated net profit of €329 million.

The Group's net profit[3] for the first half of the current year, as well as that for the corresponding period of 2024, is in line with the stated net profit, given the absence in the two periods of DTAs on losses carried forward deriving from the update of sustainability tests.

Revenue

In the first half of 2025, Group revenues amounted to €12,682 million, slightly down (0.2%) compared to first half of 2024 (i.e. down 0.3% at constant exchange rates) with the growth recorded in commissions and dividends offset by the lower year-on-year contribution of net interest income, profits on trading activities and other income and expenses.
The Group's net interest amounted to €6,934 million, down 2.9% (€204 million) compared to the first half of the previous year (2.9% at constant exchange rates); this trend mainly reflects the downward trend in market rates with the average 3-month Euribor in the first half of 2025 down 153 basis points compared to that of the first half of 2024. The selective activity of commercial development, the careful management of beta on deposits[4] as well as the reduction in the volumes of term deposit products characterised by higher interest rates have made it possible to mitigate the negative effect deriving from the trend in interest rates. In detail, the commercial initiatives implemented to improve the risk/return ratio of credit assets have made it possible to support the average rate on loans to customers by mitigating the effect of interest rates; the cost of deposits from customers has progressively decreased, albeit to a lesser extent than the rate on loans. Overall, the dynamics described above have also made it possible to contain the contraction of credit spreads.
Finally, the acquisition of Alpha Bank Romania S.A. in the fourth quarter of last year resulted in a positive contribution to net interest income in the first half of the year of €87million.

The Group's customer loans decreased by €0.8 billion, or 0.2% (i.e. a decrease of 0.1% at constant exchange rates), from €434.0 billion at 30 June 2024 to €433.2 billion at 30 June 2025. This trend is mainly explained by the repurchase agreements component, which decreased by €4.0 billion, while other customer loans increased by €3.2 billion, or 0.8% (0.8% at constant exchange rates), to €409.8 billion. In detail, loans in Italy decreased by 1.5% to €2.3 billion, mainly in the *Retail* and *Small and Medium Enterprises* segments. Germany recorded a negative change of €2.5 billion (equal to a decrease of 1.9%) explained by the *Large Corporate* segment while Austria recorded a contraction of €0.7 billion or 1.1% with the *Retail* segment leading the decline. In Central Eastern Europe, loans to customers increased by €9.6 billion compared to 30 June last year (14.3% at current exchange rates, corresponding to a growth of 14.3% at constant exchange rates); growth was mainly supported by the Czech Republic, which recorded an increase of €2.4 billion, or 10.4% (9.2% at constant exchange rates), Croatia (€1.2 billion), Bulgaria (€1.3 billion) and Romania, up €3.9 billion; the acquisition of Alpha Bank Romania S.A., which took place in the fourth quarter of last year, had an impact of €2.9 billion on Romania's data. It should also be noted that, following the acquisition and related consolidation in the first half of 2025 of 100% of the companies AION Bank S.A. and Vodeno Sp.zo.o., the Group Corporate Center division includes the customer loan portfolio of the two aforementioned companies as at 30 June 2025, which amounts to €624 million. Finally, Russia, with a loan portfolio of €1.0 billion as at 30 June 2025, recorded a year-on-year contraction of €1.5 billion which reflects the Group's strategies.

The Group's customer deposits stood at €494.3 billion as at 30 June 2025, down €5.2 billion compared to the first half of last year; excluding the repurchase agreements component, down by €6.1 billion, customer deposits grew by €0.9 billion (equal to an increase of 0.2% at current exchange rates and 0.3% a constants). In terms of geographies, Italy recorded a decrease of 3.2% or €6.0 billion compared to 30 June 2024; this change is explained by the *Small and Medium Enterprises segments,* some *Large Corporate* positions and the *Private* segment as a result of a greater diversification of savings with a rotation towards other forms of assets under custody. In Germany, the stock of deposits was almost unchanged on an annual basis with a decrease of 0.2% or €0.3 billion while Austria recorded a negative change of €0.7 billion (equal to a decrease of 1.1%); the countries of Central Eastern Europe recorded an increase of 11.1% or €9.1 billion (equivalent to an increase of 11.2% at constant exchange rates) mainly thanks to the positive contribution of the Czech Republic, up by €1.3 billion (up 5.2% at current exchange rates or 4.0% at constant exchange rates*)*, Bulgaria, up €1.5 billion (up 11.9% at current and constant exchange rates), and Serbia (up €0.3 billion equal to 7.8% at current exchange rates and 7.9% at constant exchange rates) and finally Romania up by €4.2 billion, of which €3.2 billion deriving from the acquisition of Alpha Bank Romania S.A.; AION Bank S.A. and Vodeno Sp.zo.o. impacted the Group's customer deposits as at 30 June 2025 with a portfolio of €1.6 billion. Finally, Russia recorded a decrease of 46.0%, equal to €2.9 billion at current exchange rates (45.7% measured at constant exchange rates).

2 Russia includes AO UniCredit Bank with other local legal entities and cross-border exposures accounted for in UniCredit S.p.A.
3 Group net profit (loss) net of DTAs on losses carried forward written up or cancelled resulting from the update of sustainability tests.
4 The Beta on deposits is the percentage of the short-term interbank rate returned to customers and is expressed as the ratio between the cost of deposits and the 3-month Euribor or equivalent market rate depending on the geographies.

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Group results

Dividends and other income on Group equity investments (which include the profits of companies valued at equity) as at 30 June 2025 amounted to €446 million, up €220 million or 97.1% (97.1% at constant exchange rates) compared to 30 June 2024. The year-on-year increase was affected, among other things, by dividends received on specific equity investments as well as the recognition of a portion of profit (€31 million) relating to UniCredit's direct 9.9% stake in Commerzbank, following the consolidation of the investment using the equity method.

The Group commissions in the first half of 2025 amounted to €4,426 million, up €153 million or up 3.6% (3.6% at constant exchange rates) compared to the same period of 2024; this performance benefited primarily from the greater commercial boost on investment products, in particular investment funds and *certificates* and the increase in hedging product fees, only partially offset by lower fees on payment services and systems.
In detail, commissions on investment services recorded sustained growth compared to the first half of 2024 of €111 million, up 8.8% (8.8% at constant exchange rates) driven by the excellent performance recorded in the placement of *certificates* supported by the new commercial strategies introduced as well as investment funds thanks to the positive commercial momentum on the funds managed by the Group and management fees.
Commissions on insurance products increased by 0.9%, or €4 million, compared to the first half of 2024, benefitting from the positive result of loan protection insurance.
The financing and advisory component decreased by €13 million, equal to a negative change of 1.4% compared to the first half of 2024 (1.4% at constant exchange rates); this deviation was driven by the negative performance recorded in Germany, mainly explained by lower credit demand, partially offset by growth in Italy, Austria and Central Eastern Europe.
Commissions on current accounts and payments recorded a total negative change of €38 million (2.9% compared to the same period of 2024, equal to a negative change of 2.9% at constant exchange rates); this dynamic was negatively impacted, among other things, by the revision of commissions on instant payments in Italy as well as the impacts of the revision of some commercial agreements.
Commissions on hedging products for customers amounted to €457 million, up €95 million year-on-year, up 26.1% at current exchange rates and 25.5% at constant exchange rates. This performance was positively affected by the results of Italy, Germany, Central Eastern Europe as well as foreign exchange activities in Russia. Overall, the Group continued to support its customers in protecting the results of their businesses.
Finally, commission expenses related to securitisation transactions (mainly in Italy) increased by €5 million compared to 30 June 2024, in line with the Group's strategic decisions.

The Group's trading profit as at 30 June 2025 was negative compared to the first half of the previous year, down by €156 million, down 15.8% at current exchange rates or 16.3% at constant exchange rates, going from €989 million in the first half of 2024 to €833 million in the current half-year. This trend was negatively impacted by changes in the *fair value* of hedging derivatives on Commerzbank booked to the Income statement; excluding these effects, profits on trading activities showed a positive year-on-year trend, driven by Italy, thanks to treasury activities, and Germany, supported by the good performance of customer activities.

Finally, in the first half of 2025, the Group's balance of other income and expenses was positive by €44 million, compared to the balance of €84 million in the same period of 2024. The figure for the first six months of 2024 included, among other things, the positive effects from new commercial agreements.

Revenue

(€ million)

	H1				
	2025	2024	% CHANGE	2025 Q2	% CHANGE ON Q1 2025
Net interest	6,934	7,138	- 2.9%	3,461	- 0.3%
Dividends	446	226	+ 97.1%	317	n.m.
Fees	4,426	4,273	+ 3.6%	2,120	- 8.1%
Net insurance result	-	-	n.m.	-	n.m.
Trading income	833	989	- 15.8%	192	- 70.0%
Other expenses/income	44	84	- 47.4%	38	n.m.
Revenue	**12,682**	**12,709**	**- 0.2%**	**6,127**	**- 6.5%**

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Group results

Operating costs

Group operating costs amounted to €4,636 million in the first six months of the year, marking an increase of 0.7% (0.7% at constant exchange rates), equal to €31 million compared to the first half of the previous year; this increase is entirely attributable to the consolidation of Alpha Bank Romania S.A. (€69 million in costs in the first half of the year), AION Bank S.A. and Vodeno Sp.zo.o. (for a total of €28 million in costs). Net of the new perimeters, the Group's costs decreased by 1.4%, confirming the Group's proven track record in pursuing operating efficiency. This result was achieved thanks to the constant discipline and rigor adopted in the management of expenses, the targeted cost reductions as well as the significant investments and integration costs previously recorded; all this has allowed the Group to mitigate the impact of inflation and wage increases mainly linked to collective agreements in the main countries in which the Group operates or is present.

HR costs in the six months of the current year amounted to €2,865 million, up €12 million, or 0.4%, compared to the first half of 2024, an increase of 0.4% at constant exchange rates. Net of the new perimeters (Alpha Bank Romania S.A., AION Bank S.A. and Vodeno Sp.zo.o.), personnel costs decreased by 1.2% equal to €35 million. This result was mainly achieved thanks to the positive effects generated by the continuing trend of staff reductions, which made it possible to offset the higher costs associated with wage increases. In detail, the number of Group employees recorded a decrease of 1.1% compared to 30 June 2024, equal to 744 units with average FTEs down by 876 units; the figure as at 30 June 2025 includes 1,534 FTEs related to Alpha Bank Romania S.A., 505 FTEs of AION Bank S.A. and Vodeno Sp.zo.o. and a further 246 FTEs relating to the consolidation as at 30 June of UniCredit Life Insurance S.p.A (former CNP UniCredit Vita S.p.A.) and UniCredit Vita Assicurazioni S.p.A (former UniCredit Allianz Vita S.p.A.) - these latter with no impact on personnel costs. Net of the new perimeters, FTEs recorded a decline of 4.4%.

NHR costs in the first half of 2025 amounted to €1,301 million, up 1.5% compared to the first six months of 2024 (€19 million) but down 1.4% (€18 million) net of new perimeters (Alpha Bank Romania S.A., AION Bank S.A. and Vodeno Sp.zo.o.); on the annual trend, the rationalization of buildings aimed at freeing up space, the initiatives aimed at reducing energy costs as well as the further actions to improve the structural efficiency of the cost base had a significant impact; the savings thus achieved more than offset the higher expenses on *Information & Technology* as well as the increase in marketing costs to support business activities.

Expense recoveries in the current half-year amounted to €43 million, down from €59 million in the first half of 2024 (equal to a decrease of 26.6%) mainly due to lower recoveries of administrative expenses incurred on behalf of customers and from third parties.

Finally, in the first six months of the current year, depreciation, amortization and write-downs amounted to €513 million, down €15 million, or 2.9%, compared to €529 million in the first half of 2024. It should be noted that these amounts are mostly made up of depreciation and amortization which, on an annual basis, were positively affected by the extension of the residual useful life of the equipment which occurred in the current year and the lower rental costs.

Operating costs

(€ million)

	H1		%	2025	% CHANGE
	2025	2024	CHANGE	Q2	ON Q1 2025
HR costs	(2,865)	(2,853)	+ 0.4%	(1,429)	- 0.5%
Non HR costs	(1,301)	(1,282)	+ 1.5%	(653)	+ 0.9%
Recovery of expenses	43	59	- 26.6%	22	+ 3.3%
Amortisations and depreciations	(513)	(529)	- 2.9%	(254)	- 1.7%
Operating costs	**(4,636)**	**(4,605)**	**+ 0.7%**	**(2,315)**	**- 0.3%**

The substantially stable trend in revenues (with a slight decrease of 0.2%) combined with moderately higher operating costs (0.7%) led to the Group's gross operating income of €8,046 million, down 0.7% compared to the first half of the previous year (0.8% at constant exchange rates). At the same time, the *Group's cost income ratio* remained stable overall at 36.6%, up 0.3 percentage points compared to 30 June 2024.

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Group results

Loan Loss Provisions (LLPs)

The Group provisions for loan losses amounted to €192 million as at 30 June 2025, compared to €118 million as at 30 June 2024. Excluding Russia segment, provisions amounted to €212 million, compared to €255 million recorded in the first semester of 2024.

The amount of provisions as at 30 June 2025 was determined by the combined effect of the following events: (i) write-downs related to flows to default of €564 million (ii) write-backs related to outflows from default to performing of €56 million (iii) write-backs related to other portfolio dynamics of €315 million, including provisions related to the update with the most recent macroeconomic projections of the IFRS9 scenarios, that have determined the recognition of write-downs for €30 million.
The Group cost of risk in the first semester of 2025 was 9 basis points, increasing compared to 5 basis points in the first semester of 2024. Excluding Russia segment, the cost of risk stood at 10 basis points, lower than 12 basis points in the first semester of 2024.
More specifically, the Italy division recorded a cost of risk of 26 basis points, slightly lower than 28 basis points in the first semester of 2024. Germany recorded a cost of risk of 12 basis points, lower than 21 basis points in the first semester of 2024. Austria recorded a negative cost of risk of -15 basis points, lower than -1 basis point in the first semester of 2024. Central Eastern Europe recorded a negative cost of risk of -11 basis points, higher than -37 basis points of first half 2024.

The Group's gross non-performing loans as at 30 June 2025 amounted to €11.7 billion, increasing compared to the amount as at 31 December 2024.
The ratio of gross non-performing loans to total loans moved from 2.61% in December 2024 to 2.64% in June 2025, due to the new inflows from the performing portfolio.
The Group's gross non-performing loan coverage ratio as at 30 June 2025 is equal to 45.4%, slightly reducing in comparison with the value as at 31 December 2024.
Gross bad loans as at 30 June 2025 amount at €3.3 billion, representing the 28% of total gross impaired loans, with a coverage ratio of 66.9%.

Loans to customers - Asset quality

(€ million)

	BAD EXPOSURES	UNLIKELY TO PAY	NON-PERFORMING PAST-DUE	TOTAL NON-PERFORMING	PERFORMING	TOTAL LOANS
As at 30.06.2025						
Gross exposure	3,323	7,666	702	**11,692**	430,414	**442,106**
as a percentage of total loans	*0.75%*	*1.73%*	*0.16%*	***2.64%***	*97.36%*	
Writedowns	2,224	2,851	236	**5,311**	3,642	**8,953**
as a percentage of gross value	*66.92%*	*37.18%*	*33.66%*	***45.42%***	*0.85%*	
Carrying value	1,099	4,816	466	**6,381**	426,772	**433,153**
as a percentage of total loans	*0.25%*	*1.11%*	*0.11%*	***1.47%***	*98.53%*	
As at 31.12.2024						
Gross exposure	3,077	7,275	806	**11,158**	416,387	**427,545**
as a percentage of total loans	*0.72%*	*1.70%*	*0.19%*	***2.61%***	*97.39%*	
Writedowns	2,133	2,724	262	**5,118**	4,049	**9,167**
as a percentage of gross value	*69.33%*	*37.44%*	*32.47%*	***45.87%***	*0.97%*	
Carrying value	944	4,552	544	**6,040**	412,339	**418,378**
as a percentage of total loans	*0.23%*	*1.09%*	*0.13%*	***1.44%***	*98.56%*	

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

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Group results

From Net operating profit (loss) to Profit (Loss) before tax

The gross operating profit recorded in the first half of 2025 (equal to €8,046 million) and the low level of provisions for loan losses (equal to €192 million corresponding to a cost of risk of 9 basis points) resulted in the achievement of a Group net operating profit of €7,854 million, down by €131 million compared to the first half of the previous year, equal to a decrease of 1.6% (i.e., 1.8% at constant exchange rates).

The Group's other charges and provisions amounted to -€442 million, down from -€582 million in the first six months of 2024.
The item includes net provisions for legal proceedings and estimated liabilities, of various kinds of, results in the first half of 2025 of -€215 million, compared to the figure of -€169 million in the first half of 2024. The same item also includes systemic charges, which amounted to -€227 million, improving by €185 million compared to -€412 million in the first half of 2024, mainly thanks to the termination of contribution to the Deposit Guarantee Scheme for Group Banks operating in Italy following the achievement of the *target level* at system level.

Group integration charges for the first six months of the year amounted to -€70 million, compared to -€54 million in the first half of 2024.

The Group's net investment income in the first half of 2025 amounted to €865 million, compared to -€23 million in the same period of the previous year. The result recorded in the first half of the current year includes a positive impact of €653 million deriving from the revaluation of the stakes already held in CNP UniCredit Vita (€170 million) and UniCredit Allianz Vita (€482 million) following the acquisition of control in the two companies in the second quarter of the year (UniCredit, as part of the process of internalization of the life bancassurance business in Italy, acquired the remaining 51% stake in CNP UniCredit Vita and 50% in UniCredit Allianz Vita, reaching a 100% stake in both companies and thus acquiring full control over both entities). Net investment income for the first half of 2025 also includes an additional €230 million relating to the recognition of a negative goodwill deriving from the acquisition of significant influence on Commerzbank with a consequent change in the accounting treatment of the direct investment from the *fair value* method to the equity method.

As a result of the items described above, the Group's pre-tax profit of €8,206 million was recorded in the first half of the current year, €880 million higher than the €7,327 million recorded in June last year, up 12.0% (11.8% at constant exchange rates).

Profit (loss) before tax by business segment

(€ million)

					PROFIT (LOSS) BEFORE TAX	
	REVENUE	OPERATING COSTS	LOAN LOSS PROVISIONS (LLPs)	NET OPERATING PROFIT	H1 2025	2024
Italy	5,723	(1,912)	(207)	3,604	4,184	3,387
Germany	2,908	(1,069)	(80)	1,760	1,734	1,553
Austria	1,334	(518)	44	860	830	820
Central Eastern Europe	2,339	(798)	39	1,580	1,433	1,478
Russia	664	(108)	19	575	599	423
Group Corporate Centre	(286)	(231)	(8)	(525)	(575)	(335)
Group Total	**12,682**	**(4,636)**	**(192)**	**7,854**	**8,206**	**7,327**

Group stated net profit (loss)

In the first half of 2025, the Group's income tax item amounted to -€2,058 million, improving by €18 million compared to -€2,075 million in the same half of 2024.

Profit after tax from discontinued operations in the current half-year amounted to €0 million, unchanged compared to the previous year.
Net income for the period amounted to €6,149 million, up €897 million from €5,251 million in first half 2024.
Minority interests, conventionally shown as negative, amounted to -€34 million compared to -€15 million in the first half of 2024. The higher amount is mainly attributable to UniCredit Bank S.A. and is a consequence of the increase in the minority stake for 9.90% as part of the price for the acquisition of Alpha Bank Romania S.A. by UniCredit S.p.A. in the fourth quarter of 2024.
The Purchase Price Allocation was €0 million in line with the first half of 2024.
The first six months of 2025 were not impacted by goodwill adjustments, in line with the first half of 2024.
As a result, in the first half of 2025 the Group's net profit was €6,115 million, up €878 million compared to €5,236 million in the first six months of 2024.

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Group results

Group stated net profit (loss)

(€ million)

	H1 2025	H1 2024	% CHANGE	2025 Q2	% CHANGE ON Q1 2025
Revenue	**12,682**	**12,709**	**- 0.2%**	**6,127**	**- 6.5%**
Operating costs	(4,636)	(4,605)	+ 0.7%	(2,315)	- 0.3%
GROSS OPERATING PROFIT (LOSS)	**8,046**	**8,104**	**- 0.7%**	**3,812**	**- 10.0%**
Loan loss provisions (LLPs)	(192)	(118)	+ 62.2%	(109)	+ 31.2%
NET OPERATING PROFIT (LOSS)	**7,854**	**7,985**	**- 1.6%**	**3,703**	**- 10.8%**
Other charges and provisions	(442)	(582)	- 24.0%	(235)	+ 13.2%
Integration costs	(70)	(54)	+ 31.1%	(40)	+ 31.5%
Net income from investments	865	(23)	n.m.	865	n.m.
PROFIT (LOSS) BEFORE TAX	**8,206**	**7,327**	**+ 12.0%**	**4,293**	**+ 9.7%**
Income taxes	(2,058)	(2,075)	- 0.9%	(934)	- 16.9%
Profit (loss) of discontinued operations	-	-	-	-	-
NET PROFIT (LOSS) FOR THE PERIOD	**6,149**	**5,251**	**+ 17.1%**	**3,359**	**+ 20.4%**
Minorities	(34)	(15)	n.m.	(15)	- 16.7%
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**6,115**	**5,236**	**+ 16.8%**	**3,344**	**+ 20.7%**
Purchase Price Allocation (PPA)	-	-	-	-	-
Goodwill impairment	-	-	-	-	-
GROUP STATED NET PROFIT (LOSS)	**6,115**	**5,236**	**+ 16.8%**	**3,344**	**+ 20.7%**

Capital and value management

Principles of value creation and capital allocation

To create value for the shareholders, the Group's strategic guidelines aim at optimising the composition of the business portfolio. This goal is pursued through a process of capital allocation to each business line in relation to its specific risk profile and ability to generate sustainable earnings measured as EVA (Economic Value Added), which is the main performance indicator linked to TSR (Total Shareholder Return). The capital allocated to business segments is quantified applying internal capitalisation targets to the Risk Weighted Exposure Amounts (RWEAs) plus the impact on regulatory deductions generated by business activities.

The development of Group operations with a view to value creation requires a process of allocating and managing capital governed by different phases in the process of planning and control, articulated as:

- formulation of the proposed risk propensity and capitalisation targets;
- analysis of the risks associated with the value drivers and resulting allocation of capital to the business lines;
- assignment of risk adjusted performance targets;
- analysis of the impact on the Group's value and of the creation of value for shareholders;
- drafting and proposal of the financial plan, capital plan and dividend policy.

The Group dynamically manages its capital base by monitoring regulatory capital ratios, anticipating the appropriate changes necessary to achieve its defined targets, and optimising the composition of its assets and equity. Planning and monitoring refer, on the one hand, to the total Own Funds (Common Equity Tier 1, Additional Tier 1 and Tier 2 Capital) and, on the other hand, to the Risk-Weighted Exposure Amounts (RWEAs). The RWEAs, for portfolios managed using the internal advanced models, do not only depend on the nominal value of the assets but also on the relevant credit parameters. Besides volume dynamics, it is also crucial to monitor and forecast the change in the asset quality of the portfolio in view of the macroeconomic scenario (the so-called pro-cyclical effect).
Following the financial crisis that unfolded in 2007-2008, the European Union implemented a substantial reform of the financial services regulatory framework to enhance the resilience of its financial institutions. This reform was largely based on international standards agreed in 2010 by the Basel Committee on Banking Supervision, known as the Basel III framework. Among its many measures, the reform package included the adoption of Regulation (EU) 575/2013 of the European Parliament and of the Council and Directive 2013/36/EU of the European Parliament and of the Council, which strengthened the prudential requirements for credit institutions and investment firms.
These rules have been modified by Regulation (EU) 876/2019 of the European Parliament and of the Council of 20 May 2019 (so-called CRR2), amending Regulation (EU) 575/2013 and by Directive 2019/878/EU of the European Parliament and of the Council of 20 May 2019 (so-called CRDV), amending Directive 2013/36/EU. Subsequently, the Regulation (EU) 873/2020, known as Quick-Fix, which was published on 26 June 2020 and came into force since 27 June 2020, anticipated some regulatory treatments, in response to the Covid-19 outbreak, subsequently become part of the Regulation (EU) 876/2019 (CRR2), applicable starting from 30 June 2021.

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Group results

On 19 June 2024 after extensive negotiations and the approvals of the Parliament and the Council of the European Union, the legal acts implementing the finalized Basel III rules in the EU have been published in the Official Journal and will enter into force 20 days later; they consist of:

- the Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor (so-called CRR3);
- the Directive (EU) 2024/1619 of the European Parliament and of the Council of 31 May 2024 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks (so-called CRD6).

The CRR3 introduces several changes to the calculation of capital requirements, concerning all the different risks and the so-called Output Floor. These changes implement the Basel Committee's finalized Basel III framework, initially published in December 2017. While the rules of CRR3 in general became applicable on January 2025, the European Commission has proposed to postpone to January 2027 the rules regarding market risk (Fundamental Review of the Trading Book - FRTB), that were already postponed to January 2026 to ensure consistency at global level.
The CRD6 contains a number of revised rules regarding supervisory powers, sanctions, third-country branches, and environmental, social and governance risks. EU member states shall transpose the requirements of CRD6 into national law, in time to be applicable by January 2026.

Capital ratios

The calculation of capital requirements is based on the regulatory framework known as "Basel 4", adopted as a result of the Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation - CRR) and subsequent updates, and in the Directive (EU) 2013/36 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (Capital Requirements Directive - CRD) and subsequent updates, also according to their adoption by Italian Laws.
Such regulation envisages the following breakdown of Own Funds:

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

Capital requirements, buffers and ratios for UniCredit group

The scheme below outlines UniCredit group capital requirements and buffers applicable as at 30 June 2025, and it also provides evidence about the "Total SREP Capital Requirement" (TSCR) and the "Overall Capital Requirement" (OCR) related to the outcome of the SREP process held in 2024 and applicable for 2025.

Capital requirements and buffers for UniCredit group

REQUIREMENT	CET1	T1	TOTAL CAPITAL
A) Pillar 1 requirements	**4.50%**	**6.00%**	**8.00%**
B) Pillar 2 requirements	**1.13%**	**1.50%**	**2.00%**
C) TSCR (A+B)	**5.63%**	**7.50%**	**10.00%**
D) Combined capital buffer requirement:	**4.84%**	**4.84%**	**4.84%**
of which:			
1. Capital Conservation Buffer (CCB)	*2.50%*	*2.50%*	*2.50%*
2. Other Systemically Important Institution buffer (O-SII)	*1.50%*	*1.50%*	*1.50%*
3. Institution-specific Countercyclical Capital buffer (CCyB)	*0.46%*	*0.46%*	*0.46%*
4. Systemic risk buffer for UniCredit (SyRB)	*0.37%*	*0.37%*	*0.37%*
E) OCR (C+D)	**10.46%**	**12.34%**	**14.84%**

The following table shows **UniCredit group transitional[5] capital ratios as at 30 June 2025** compared with previous periods.

Group transitional capital ratios

	30.06.2025						
DESCRIPTION	RATIO	*DELTA Q/Q*	*DELTA Y/Y*	31.03.2025	31.12.2024	30.09.2024	30.06.2024
CET1 Capital	16.02%	*-0.11%*	*-0.30%*	16.13%	15.96%	16.24%	16.32%
Tier 1 Capital	17.74%	*-0.46%*	*0.00%*	18.20%	17.75%	18.02%	17.74%
Total Capital	**20.36%**	***-0.36%***	***-0.56%***	**20.72%**	**20.41%**	**20.68%**	**20.92%**

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

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Group results

Transitional Capital ratios of UniCredit S.p.A.
The following table shows **the transitional[1] capital ratios of UniCredit S.p.A. as at 30 June 2025** compared with previous periods.

Transitional capital ratios of UniCredit S.p.A.

	30.06.2025						
DESCRIPTION	RATIO	*DELTA Q/Q*	*DELTA Y/Y*	31.03.2025	31.12.2024	30.09.2024	30.06.2024
CET1 Capital	22.44%	*-0.79%*	*-4.51%*	23.23%	24.66%	24.44%	26.94%
Tier 1 Capital	24.96%	*-1.32%*	*-4.44%*	26.29%	27.63%	27.32%	29.41%
Total Capital	**28.57%**	***-1.02%***	***-5.76%***	**29.59%**	**31.52%**	**31.11%**	**34.33%**

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

- The Group consolidated net profit as at 30 June 2025 is equal to €6,115 million;
- As at 30 June 2025, the amount of the Group consolidated net profit to be included in the Own Funds is equal to €882 million, in coherence with the approval of the UniCredit S.p.A. Board of Directors, for the purposes of calculating Own Funds, of a total deduction for dividend, distribution and foreseeable charges equal to €5,233 million, according to the following breakdown:
  (i) cash dividend for an amount of €2,616 million, equal to 50% of the first quarter 2025 Net Profit, in line with the 2025 Ordinary Distribution Policy. In this respect, Net Profit refers to stated (or accounting) consolidated net profit (€6,115 million) adjusted for impacts from DTAs from tax loss carry forward sustainability test (not present) and potentially adjusted for one-offs related to strategic items (€882 million);
  (ii) a deduction estimated for an amount of 2,616 million, related to the potential Share Buy Back (SBB) component.

Countercyclical Capital buffer (CCyB)

According to the CRD article 130, the Countercyclical Capital buffer (CCyB) shall be calculated on a quarterly basis. With reference to the second quarter 2025, UniCredit group countercyclical capital reserve is equal to 0.46%, unchanged compared with first quarter 2025.

Systemic Risk Buffer (SyRB)

As at 30 June 2025, UniCredit group Systemic Risk Buffer (SyRB) capital reserve is equal to 0.37%, in relation to the applicability of the following requirements at consolidated level:

- 0.02% of capital reserve - related to the SyRB of 1.00% defined by the German Federal Financial Supervisory Authority (BaFin) - to be applied on (i) IRB exposures secured by residential immovable property located in Germany, and (ii) Standard Approach based exposures fully and completely secured by residential immovable property (as referred to in article 125(2) of Regulation (EU) 575/2013 and subsequent amendments), located in Germany. Following the ESRB's Recommendation ESRB/2022/4, on 20 October 2022 Banca d'Italia reciprocated the German macroprudential measure asking for its applicability starting from the first quarter 2023;
- 0.35% of capital reserve - related to the SyRB of 1% defined by Banca d'Italia - to be calculated on all credit and counterparty risk weighted exposures to Italian residents.

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

With reference to 30 June 2025, UniCredit exceeds for an amount of €859 million, the threshold of 10% of the residual amount of CET1 items after applying the adjustments and deductions in CRR articles 32 to 36, related to significant investments in CET1 instruments issued by financial sector entities as defined in CRR article 48; while do not exceeds the threshold of 17.65% of the residual amount of Common Equity Tier 1 items after applying the adjustments and deductions in CRR articles 32 to 36 in full, related to significant investments in CET1 instruments issued by financial sector entities and deferred tax assets that rely on future profitability and arise from temporary differences as defined in CRR article 48.

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

As at 30 June 2025, the investment held by UniCredit in the quotes of Atlante Fund and Italian Recovery Fund (former Atlante Fund II), for approximately €192 million, is primarily referred to investments in securitisation notes related to non-performing loans: the regulatory treatment of the Fund's quotes recognised in the UniCredit financial statements foresees the calculation of RWEA on the basis of each underlying assets of CIUs, in accordance with CRR article 152(2) and (4b).
With reference to the residual commitments, for €8.5 million, the regulatory treatment foresees the application of a credit conversion factor equal to 100% ("full risk" according to the Annex I of the CRR) and for the calculation of the related risk-weighted exposures, it is applied the CRR article 152(9).

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Group results

Financial conglomerate

As at 30 June 2025 reporting date, the UniCredit group is exempted from the supplementary supervision, although it is recognised as a financial conglomerate by the Joint Committee (ref. communication JC 2024 103).

Common Equity Tier 1 Capital - CET1

Common Equity Tier 1 Capital mainly includes the following elements:

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

As at 30 June 2025, CET1 Capital includes ordinary shares issued by UniCredit S.p.A., equal to €20,830 million; such item does not include €609 million related to the ordinary shares underlying the Usufruct contract (Cashes) which are reclassified in Tier 2 Capital starting from 1 January 2022, following the end of the CRR1 grandfathering regime, being Tier 2 compliant according to CRR eligibility conditions currently in force.

Additional Tier 1 Capital - AT1

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

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Tier 2 Capital - T2

The T2 positive elements are represented by the following items: (I) capital instruments and subordinated loans where the conditions laid down in CRR article 63 are met; (II) the share premium accounts related to instruments referred to in point (I); (III) possible surplus of credit risk adjustments with reference to expected losses for positions evaluated according to IRB methods; (IV) minority interests for the computable amount not already recognised in the Tier 1 Capital and the T2 instruments issued by the subsidiaries for the computable amount as defined by the CRR.

Template EU CC1 - Composition of regulatory Own Funds

(€ million)

		a		b
	DESCRIPTION	AMOUNTS AS AT 30.06.2025	AMOUNTS AS AT 31.03.2025	SOURCE BASED ON REFERENCE NUMBERS/LETTERS OF THE BALANCE SHEET UNDER THE REGULATORY SCOPE OF CONSOLIDATION
Common Equity Tier 1 (CET1) capital: instruments and reserves				
1	Capital instruments and the related share premium accounts (A)	20,853	20,853	
	of which: Ordinary shares	*20,853*	*20,853*	
	of which: Instrument type 2	-	-	
	of which: Instrument type 3	-	-	
2	Retained earnings	31,978	31,978	
3	Accumulated other comprehensive income (and other reserves) (B)	3,481	(432)	
EU-3a	Funds for general banking risk	-	-	
4	Amount of qualifying items referred to in article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	-	
5	Minority interests (amount allowed in consolidated CET1)	162	163	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend (C)	882	-	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**57,356**	**52,562**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amount)	(395)	(413)	
8	Intangible assets (net of related tax liability) (negative amount)	(2,542)	(1,678)	
9	Not applicable			
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in article 38(3) CRR are met) (negative amount)	(3,194)	(3,394)	
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	320	351	
12	Negative amounts resulting from the calculation of expected loss amounts	-	-	
13	Any increase in equity that results from securitised assets (negative amount)	-	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	77	79	
15	Defined-benefit pension fund assets (negative amount)	(37)	(36)	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount) (D)	(3,621)	(21)	
17	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount) (E)	(859)	(63)	
20	Not applicable			
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	(160)	(141)	
EU-20b	*of which: qualifying holdings outside the financial sector (negative amount)*	-	-	
EU-20c	*of which: securitisation positions (negative amount)*	*(160)*	*(141)*	
EU-20d	*of which: free deliveries (negative amount)*	*(0)*	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38(3) CRR are met) (negative amount)	-	-	
22	Amount exceeding the 17.65% threshold (negative amount)	-	(159)	
23	*of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities*	-	*(104)*	
24	Not applicable			
25	*of which: deferred tax assets arising from temporary differences*	-	*(55)*	
EU-25a	Losses for the current financial year (negative amount)	-	-	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	-	
26	Not applicable			
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	-	
27a	Other regulatory adjustments (F)	(848)	(799)	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(11,259)**	**(6,274)**	
29	**Common Equity Tier 1 (CET1) capital**	**46,096**	**46,288**	

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Group results

continued: Template EU CC1 - Composition of regulatory Own Funds

(€ million)

	DESCRIPTION	a AMOUNTS AS AT 30.06.2025	a AMOUNTS AS AT 31.03.2025	b SOURCE BASED ON REFERENCE NUMBERS/LETTERS OF THE BALANCE SHEET UNDER THE REGULATORY SCOPE OF CONSOLIDATION
Additional Tier 1 (AT1) capital: instruments				
30	Capital instruments and the related share premium accounts	4,961	5,942	
31	*of which: classified as equity under applicable accounting standards (G)*	*4,961*	*5,942*	
32	*of which: classified as liabilities under applicable accounting standards*	-	-	
33	Amount of qualifying items referred to in article 484(4) CRR and the related share premium accounts subject to phase out from AT1	-	-	
EU-33a	Amount of qualifying items referred to in article 494a(1) CRR subject to phase out from AT1	-	-	
EU-33b	Amount of qualifying items referred to in article 494b(1) CRR subject to phase out from AT1	-	-	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	28	28	
35	*of which: instruments issued by subsidiaries subject to phase out*	-	-	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**4,990**	**5,971**	
Additional Tier 1 (AT1) capital: regulatory adjustments				
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	(30)	(21)	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-	
41	Not applicable			
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	-	
42a	Other regulatory adjustments to AT1 capital	-	-	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**(30)**	**(21)**	
44	**Additional Tier 1 (AT1) capital**	**4,960**	**5,950**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**51,056**	**52,238**	
Tier 2 (T2) capital: instruments				
46	Capital instruments and the related share premium accounts (H)	6,862	6,177	
47	Amount of qualifying items referred to in article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in article 486(4) CRR	-	-	
EU-47a	Amount of qualifying items referred to in article 494a(2) CRR subject to phase out from T2	-	-	
EU-47b	Amount of qualifying items referred to in article 494b(2) CRR subject to phase out from T2	-	-	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	48	409	
49	*of which: instruments issued by subsidiaries subject to phase out*	-	-	
50	Credit risk adjustments	765	754	
51	**Tier 2 (T2) capital before regulatory adjustments**	**7,676**	**7,339**	
Tier 2 (T2) capital: regulatory adjustments				
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	(53)	(53)	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	
54a	Not applicable			
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	(85)	(43)	
56	Not applicable			
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	-	
EU-56b	Other regulatory adjustments to T2 capital	-	-	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**(138)**	**(95)**	
58	**Tier 2 (T2) capital**	**7,538**	**7,244**	
59	**Total capital (TC = T1 + T2)**	**58,594**	**59,482**	
60	**Total Risk exposure amount**	**287,743**	**287,021**	

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Group results

continued: Template EU CC1 - Composition of regulatory Own Funds

(€ million)

	DESCRIPTION	a AMOUNTS AS AT 30.06.2025	AMOUNTS AS AT 31.03.2025	b SOURCE BASED ON REFERENCE NUMBERS/LETTERS OF THE BALANCE SHEET UNDER THE REGULATORY SCOPE OF CONSOLIDATION
Capital ratios and requirements including buffers				
61	Common Equity Tier 1 capital	16.02%	16.13%	
62	Tier 1 capital	17.74%	18.20%	
63	Total capital	20.36%	20.72%	
64	Institution CET1 overall capital requirements (I)	10.46%	10.32%	
65	*of which: capital conservation buffer requirement*	*2.50%*	*2.50%*	
66	*of which: countercyclical capital buffer requirement*	*0.46%*	*0.46%*	
67	*of which: systemic risk buffer requirement*	*0.37%*	*0.23%*	
EU-67a	*of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement*	*1.50%*	*1.50%*	
EU-67b	*of which: additional own funds requirements to address the risks other than the risk of excessive leverage*	*1.13%*	*1.13%*	
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements (J)**	**10.24%**	**10.50%**	
National minima (if different from Basel III)				
69	Not applicable			
70	Not applicable			
71	Not applicable			
Amounts below the thresholds for deduction (before risk weighting)				
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	3,879	3,209	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	4,750	4,604	
74	Not applicable			
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in article 38(3) CRR are met)	2,076	2,426	
Applicable caps on the inclusion of provisions in Tier 2				
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	-	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	-	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	1,861	2,255	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	765	754	
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2014 and 1 January 2022)				
80	Current cap on CET1 instruments subject to phase out arrangements	-	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-	

Note:
The template below is prepared according to Regulation (EU) 3172/2024. The column "b" is not filled as refers to cross reference to another template relevant only for Pillar 3 disclosure purpose.

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Group results

Notes to the template EU CC1 - Composition of regulatory Own Funds
Amounts included in the notes below refer to 30 June 2025 if not otherwise specified.

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

B.
The change compared to 31 March 2025 (positive for €3,913 million) mainly refers to: (i) creation of the unavailable reserve (equal to €3,574 million) for the execution of the Share Buy-Back Program; (ii) positive change (equal to €219 million) on reserve related to debt instruments at fair value.

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

D.
The change compared to 31 March 2025 (negative for €3,600 million) mainly refers to the deduction following the authorization received by the competent authority for the execution of the Share Buy-Back Program.

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

F.
The amount reported in this item (equal to €848 million) mainly includes:
- the additional deduction, equal to €547 million, due to article 3 of CRR in accordance with ECB guidance to Banks on non-performing loans;
- the prudential filter, negative for €66 million, on fair value gains and losses arising from the institution's own credit risk related to derivative liabilities.

G.
The change compared to 31 March 2025 (negative for €981 million) is mainly related to the execution, on 3 June 2025, of the authorization receive by the competent authority to early redeem the T2 instrument (ISIN XS1739839998).

H.
The change compared to 31 March 2024 (positive for €685 million) is mainly related to (i) the new issuance, on 24 June 2025, of the T2 instrument (ISIN IT0005656282); partially compensated by the decrease in computable amount related to (ii) accrued interests payment and (iii) USD depreciation.

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

J.
The amount reported in this item is calculated by subtracting from the Common Equity Tier 1 capital ratio at the date (i.e. item 61: 16.02%): (i) the minimum Common Equity Tier 1 requirement (equal to 4.5%); (ii) the Pillar 2 requirement on CET1 (equal to 1.13%) in coherence with SREP results of 2024 and with the application of article 104a.4 of CRD based on which the Pillar 2 requirement can be satisfied also through AT1 and T2 instruments (i.e. at least 75% through T1 and at least 56.25% through CET1); (iii) the shortfall on AT1 requirement covered trough the CET1 capital (equal to 0.15%).
The change compared to 31 March 2025 mainly depends on the following items: (i) decrease in Common Equity Tier 1 Capital for €192 million and (ii) increase in Risk Weighted Exposures Amounts for €721 million.

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Group results

Risk weighted exposure amounts

Template EU OV1 - Overview of total risk exposure amounts

(€ million)

		TOTAL RISK EXPOSURE AMOUNTS (TREA)		TOTAL OWN FUNDS REQUIREMENTS
		a	b	c
DESCRIPTION		30.06.2025	31.03.2025	30.06.2025
1	**Credit risk (excluding CCR)**	**214,335**	**213,886**	**17,147**
2	*Of which the standardised approach*	*86,371*	*90,951*	*6,910*
3	*Of which the foundation IRB (F-IRB) approach*	*43,531*	*42,141*	*3,482*
4	*Of which slotting approach*	*1,860*	*1,947*	*149*
EU 4a	*Of which equities under the simple risk weighted approach*	-	-	-
5	*Of which the advanced IRB (A-IRB) approach*	*72,849*	*72,781*	*5,828*
6	**Counterparty credit risk - CCR**	**7,049**	**6,621**	**564**
7	*Of which the standardised approach*	*1,222*	*1,093*	*98*
8	*Of which internal model method (IMM)*	*5,200*	*5,000*	*416*
EU 8a	*Of which exposures to a CCP*	*394*	*305*	*32*
9	*Of which other CCR*	*232*	*222*	*19*
10	**Credit valuation adjustments risk - CVA risk**	**1,074**	**910**	**86**
EU 10a	*Of which the standardised approach (SA)*	*895*	*740*	*72*
EU 10b	*Of which the basic approach (F-BA and R-BA)*	*178*	*170*	*14*
EU 10c	*Of which the simplified approach*	-	-	-
11	*Not applicable*			
12	*Not applicable*			
13	*Not applicable*			
14	*Not applicable*			
15	**Settlement risk**	**14**	**12**	**1**
16	**Securitisation exposures in the non-trading book (after the cap)**	**9,297**	**8,969**	**744**
17	*Of which SEC-IRBA approach*	*3,556*	*3,456*	*285*
18	*Of which SEC-ERBA (including IAA)*	*2,745*	*2,712*	*220*
19	*Of which SEC-SA approach*	*2,558*	*2,344*	*205*
EU 19a	*Of which 1250%/deduction*	-	-	-
	Of which Specific treatment for senior tranches of qualifying NPE securitisations	*437*	*457*	*35*
20	**Position, foreign exchange and commodities risks (Market risk)**	**8,650**	**9,319**	**692**
21	*Of which the Alternative standardised approach (A-SA)*	*15,476*	*16,314*	*1,238*
EU 21a	*Of which the Simplified standardised approach (S-SA)*	*5,726*	*6,073*	*458*
	Of which IMA	*2,923*	*3,246*	*234*
22	*Of which the Alternative Internal Models Approach (A-IMA)*	-	-	-
EU 22a	**Large exposures**	**-**	**-**	**-**
23	**Reclassifications between the trading and non-trading books**	**-**	**-**	**-**
24	**Operational risk**	**47,303**	**47,303**	**3,784**
EU 24a	**Exposure to crypto assets**	**22**	**-**	**2**
25	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	**17,077**	**20,788**	**1,366**
26	**Output floor applied (%)**	**50.00%**	**50.00%**	
27	**Floor adjustment (before application of transitional cap)**	**-**	**-**	
28	**Floor adjustment (after application of transitional cap)**	**-**	**-**	
29	**Total**	**287,743**	**287,021**	**23,019**

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Group results

Capital strengthening

With reference to the Additional Tier 1 instruments recognised in the “Equity Instruments” item of Shareholders' Equity (so-called “Non-Cumulative Temporary Write-Down Deeply Subordinated Fixed Rate Resettable Notes”) on 3 June 2025 UniCredit S.p.A. exercised its option to early redeem in whole the Additional Tier 1 instruments issued on 20 December 2017 for a total amount of €1 billion in accordance with the relevant terms and conditions of the securities. The notes called up have been redeemed at par, together with accrued and unpaid interests.
During the first half of 2025, UniCredit S.p.A. has issued Additional Tier 1 instruments, targeted to institutional investors, for a total amount of €1 billion.

For additional information concerning shares capital changes and dividends pay-out of the year, both cash and through share buy-back programs, refer to chapter “Group and UniCredit share historical data series” of this Consolidated interim report on operations.

Shareholders’ equity attributable to the Group

The Shareholders’ equity of the Group, including the net result of the period equal to +€6,115 million, amounts to €68,023 million as at 30 June 2025, compared to €62,441 million as at 31 December 2024.
The following table shows the main changes occurred in the first half of 2025.

Shareholders' equity attributable to the Group

(€ million)

Shareholders' equity as at 31 December 2024	**62,441**
Dividends and other allocations	(2,315)
Change in reserve related coupon on AT1 instruments	(153)
Charges related to transaction denominated "Cashes"	(109)
Change in the valuation reserve relating to the financial assets and liabilities at fair value	341
Change in the valuation reserve relating to exchange differences	703
Change in the valuation reserve relating to the actuarial gains/losses on defined benefit plans	215
Other changes	785
Net profit (loss) for the period	6,115
Shareholders' equity as at 30 June 2025	**68,023**

Notes:
The change in the valuation reserve relating to exchange differences is mainly due to the impact of Russian Ruble for +€699 million.
The increase in item "Other changes" includes:
(i) the variation in equity instruments due to new issue net of associated transaction cost for +€994 million and repayment for -€1,000 million (gross of transaction cost for €10 million);
(ii) +€1,131 million gross cumulated change in fair value of equity investment in Commerzbank AG reversed from Revaluation Reserve to Retained Earnings following the acquisition of significant influence.

For further information, refer to Statement of changes in the consolidated shareholders’ equity, Consolidated accounts.

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Group results

Contribution of the sector of activity to the results of the Group

For further information about the organisational structure, reference is made to Part L- Segment reporting, Explanatory notes.

Italy

Income statement, key ratios and indicators

(€ million)

ITALY	H1 2025	H1 2024	% CHANGE	2025 Q2	% CHANGE ON Q1 2025
Revenue	5,723	5,826	- 1.8%	2,762	- 6.7%
Operating costs	(1,912)	(1,955)	- 2.2%	(955)	- 0.2%
Loan loss provisions (LLPs)	(207)	(246)	- 16.1%	(104)	+ 0.8%
NET OPERATING PROFIT (LOSS)	3,604	3,624	- 0.5%	1,703	- 10.4%
PROFIT (LOSS) BEFORE TAX	4,184	3,387	+ 23.5%	2,312	+ 23.5%
Customers loans (net Repos and IC)	145,595	147,849	- 1.5%	145,595	+ 0.4%
Customers depos (net Repos and IC)	180,305	186,270	- 3.2%	180,305	+ 1.4%
Total RWEA Eop	106,591	102,854	+ 3.6%	106,591	+ 5.7%
EVA (€ million)	2,162	1,419	+ 52.3%	1,314	+ 55.1%
Absorbed Capital (€ million)	13,411	13,761	- 2.5%	13,587	+ 2.7%
ROAC	+ 43.6%	+ 32.2%	+ 11.4 p.p.	+ 50.1%	+ 13.2 p.p.
Cost/Income	33.4%	33.6%	- 0.2 p.p.	34.6%	2.2 p.p.
Cost of Risk	26 bps	28 bps	- 3 bps	26 bps	- 0 bps
Full Time Equivalent (eop)	26,323	27,034	- 2.6%	26,323	- 0.0%

Germany

Income statement, key ratios and indicators

(€ million)

GERMANY	H1 2025	H1 2024	% CHANGE	2025 Q2	% CHANGE ON Q1 2025
Revenue	2,908	2,819	+ 3.2%	1,422	- 4.3%
Operating costs	(1,069)	(1,091)	- 2.0%	(531)	- 1.1%
Loan loss provisions (LLPs)	(80)	(135)	- 40.9%	(44)	+ 25.6%
NET OPERATING PROFIT (LOSS)	1,760	1,594	+ 10.4%	846	- 7.4%
PROFIT (LOSS) BEFORE TAX	1,734	1,553	+ 11.7%	829	- 8.4%
Customers loans (net Repos and IC)	125,948	128,433	- 1.9%	125,948	+ 0.1%
Customers depos (net Repos and IC)	130,112	130,418	- 0.2%	130,112	- 1.7%
Total RWEA Eop	69,258	67,174	+ 3.1%	69,258	+ 0.4%
EVA (€ million)	636	520	+ 22.2%	274	- 24.4%
Absorbed Capital (€ million)	8,856	8,923	- 0.7%	8,988	+ 3.0%
ROAC	+ 24.1%	+ 21.2%	+ 2.8 p.p.	+ 21.9%	- 4.3 p.p.
Cost/Income	36.8%	38.7%	- 1.9 p.p.	37.4%	1.2 p.p.
Cost of Risk	12 bps	21 bps	- 8 bps	14 bps	3 bps
Full Time Equivalent (eop)	8,667	9,338	- 7.2%	8,667	- 2.0%

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Group results

Austria

Income statement, key ratios and indicators

(€ million)

AUSTRIA	H1 2025	H1 2024	% CHANGE	2025 Q2	% CHANGE ON Q1 2025
Revenue	1,334	1,346	- 0.9%	665	- 0.6%
Operating costs	(518)	(511)	+ 1.3%	(257)	- 1.8%
Loan loss provisions (LLPs)	44	4	n.m.	22	+ 3.4%
NET OPERATING PROFIT (LOSS)	860	839	+ 2.5%	431	+ 0.3%
PROFIT (LOSS) BEFORE TAX	830	820	+ 1.2%	432	+ 8.2%
Customers loans (net Repos and IC)	59,916	60,574	- 1.1%	59,916	+ 1.1%
Customers depos (net Repos and IC)	58,838	59,513	- 1.1%	58,838	+ 1.4%
Total RWEA Eop	39,225	37,413	+ 4.8%	39,225	- 2.9%
EVA (€ million)	355	383	- 7.3%	174	- 4.0%
Absorbed Capital (€ million)	5,124	4,832	+ 6.1%	5,130	+ 0.2%
ROAC	+ 24.1%	+ 25.9%	- 1.8 p.p.	+ 23.9%	- 0.5 p.p.
Cost/Income	38.8%	38.0%	0.8 p.p.	38.6%	- 0.5 p.p.
Cost of Risk	- 15 bps	- 1 bps	- 13 bps	- 15 bps	- 0 bps
Full Time Equivalent (eop)	4,448	4,562	- 2.5%	4,448	- 0.4%

Central Eastern Europe

Income statement, key ratios and indicators

(€ million)

CENTRAL EASTERN EUROPE	H1 2025	H1 2024	% CHANGE	2025 Q2	% CHANGE ON Q1 2025
Revenue	2,339	2,238	+ 4.5%	1,170	+ 0.2%
Operating costs	(798)	(710)	+ 12.4%	(398)	- 0.3%
Loan loss provisions (LLPs)	39	123	- 68.3%	18	- 10.9%
NET OPERATING PROFIT (LOSS)	1,580	1,651	- 4.3%	791	+ 0.1%
PROFIT (LOSS) BEFORE TAX	1,433	1,478	- 3.0%	791	+ 23.1%
Customers loans (net Repos and IC)	76,557	66,976	+ 14.3%	76,557	+ 4.3%
Customers depos (net Repos and IC)	91,050	81,939	+ 11.1%	91,050	+ 1.2%
Total RWEA Eop	55,649	51,543	+ 8.0%	55,649	+ 0.0%
EVA (€ million)	594	678	- 12.4%	345	+ 38.5%
Absorbed Capital (€ million)	7,001	6,582	+ 6.4%	7,061	+ 1.7%
ROAC	+ 29.1%	+ 32.7%	- 3.6 p.p.	+ 31.7%	+ 5.3 p.p.
Cost/Income	34.1%	31.7%	2.4 p.p.	34.0%	- 0.2 p.p.
Cost of Risk	- 11 bps	- 37 bps	27 bps	- 10 bps	2 bps
Full Time Equivalent (eop)	19,537	18,111	+ 7.9%	19,537	- 1.4%

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Group results

Russia

Income statement, key ratios and indicators

(€ million)

RUSSIA	H1 2025	H1 2024	% CHANGE	2025 Q2	% CHANGE ON Q1 2025
Revenue	664	580	+ 14.5%	298	- 18.5%
Operating costs	(108)	(113)	- 3.9%	(54)	- 0.3%
Loan loss provisions (LLPs)	19	136	- 85.8%	7	- 48.7%
NET OPERATING PROFIT (LOSS)	575	604	- 4.8%	251	- 22.8%
PROFIT (LOSS) BEFORE TAX	599	423	+ 41.6%	271	- 17.5%
Customers loans (net Repos and IC)	1,024	2,547	- 59.8%	1,024	- 16.8%
Customers depos (net Repos and IC)	3,376	6,255	- 46.0%	3,376	- 20.0%
Total RWEA Eop	11,444	14,396	- 20.5%	11,444	- 3.9%
EVA (€ million)	(67)	(53)	+ 27.9%	(117)	n.m.
Absorbed Capital (€ million)	1,498	1,817	- 17.6%	1,518	+ 2.7%
ROAC	+ 12.7%	+ 12.2%	+ 0.5 p.p.	- 9.0%	- 43.9 p.p.
Cost/Income	16.3%	19.4%	- 3.1 p.p.	18.1%	3.3 p.p.
Cost of Risk	- 332 bps	- 956 bps	624 bps	- 234 bps	190 bps
Full Time Equivalent (eop)	2,355	3,064	- 23.1%	2,355	- 6.4%

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Other information

Group activities development operations and other corporate transactions

Transactions and initiatives involving shareholdings

Acquisition of CNP UniCredit Vita S.p.A. and UniCredit Allianz Vita S.p.A. majority stakes

On 20 June 2025 UniCredit completed the acquisition of 51% of CNP UniCredit Vita S.p.A. and the 50% of UniCredit Allianz Vita S.p.A., acquiring full control of both companies which were renamed UniCredit Life Insurance S.p.A. and UniCredit Vita Assicurazioni S.p.A. respectively.

Investment in Commerzbank

As at 30 June 2025, UniCredit had an equity stake of around 9.9% and an overall position, including financial instruments, of around 29% in the share capital of Commerzbank AG (net of Commerzbank treasury shares). UniCredit received all the currently expected regulatory approvals, including European Central Bank (ECB), German Antitrust Authority (Bundeskartellamt) and Federal Reserve (FED), for acquiring a stake in Commerzbank in excess of 10% and up to 29.9%.
For further information refer to paragraph “Subsequent events” of this Consolidated interim report on operations.

Investment in Alpha Bank

On 28 May 2025, UniCredit entered into financial instruments with primary investment Banks relating to a circa 10% stake in Alpha Services and Holdings S.A., increasing its aggregate position to circa 20%.
Physical settlement under the new financial instruments may only occur after the required regulatory approvals have been obtained. The completion of the transaction is expected to occur within the end of 2025.

Completion of the acquisition of Aion Bank and Vodeno

On 6 March 2025 UniCredit, having received approvals from all the relevant authorities, completed the acquisition of the entire share capital of Aion Bank SA/NV and Vodeno Sp. z o.o. for an aggregate consideration equal to €376 million.
The transaction marks an acceleration of the Bank's activity in the digital banking space, standing as one of the first moves by a Bank to acquire full ownership of a new technology (without any dependencies from third-party providers), ensuring strong differentiation from pure technology providers, neobanks and incumbents undergoing digital transformation.
Through the combined capabilities of Aion Bank and Vodeno, UniCredit has access to an innovative, scalable, and flexible cloud-based platform, based on API connectivity and with smart contract technology built in, all of which can be integrated with the processes and procedures of a fully-fledged Bank. This is the foundation for a digital offering that combines the high-quality user experience of a neo-bank with the financial strength and regulatory oversight of a traditional player.
The initial pilots for the two companies consist, among others, of re-entering the Polish market, expanding in adjacent Western European countries, and offering Embedded Finance solutions.

Voluntary public exchange offer launched by UniCredit S.p.A. for all of the shares of Banco BPM S.p.A.

On 25 November 2024, UniCredit announced the decision to launch a voluntary public exchange offer in respect of all the ordinary shares of Banco BPM S.p.A. (”Banco BPM” and the “Offer”, respectively), in a notice issued pursuant to article 102 of the Legislative Decree 24 February 1998, No.58 and article 37 of CONSOB Regulation No.11971 of 14 May 1999 (the “Notice”).

Following approval of the offering document by Consob, the offer period started on 28 April 2025 and the Offer was initially expected to be completed by June 2025. On 21 May 2025 Consob notified a 30-day suspension of the Offer. The Offer therefore started again on 23 June 2025 and was expected to end on 23 July 2025. On 22 July 2025 Consob notified a further 30-day suspension period of the Offer and, on the same date, UniCredit announced the decision to withdraw its offer for BPM, as the condition relating to the golden power authorization was not satisfied.

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Other information

Other information on Group activities

FINO project

In relation to the FINO Project (started in 2016 and completed in 2018), as at 30 June 2025, following the redemptions made, the Notes (Asset Backed Securities) owned by UniCredit S.p.A. amount to €40 million (€31 million recorded under item "30. Financial assets at fair value through other comprehensive income" pertaining to the Senior securities and in part to the Mezzanine securities, and €9 million recorded under item "20. Financial assets at fair value through profit or loss c) other financial assets mandatorily at fair value" in connection with the remaining Mezzanine securities and all the Junior Notes).
During the first half 2025, the evaluation of the notes classified among other assets mandatorily at fair value led to a negative impact of €1.5 million while, for the Notes classified among financial assets at fair value through other comprehensive income, an impairment has been recognised for €1 million, both due to the change in estimation of expected cash flows of the underlying securitised loans.
The receivables related to the Deferred Subscription Price (DSP/Deferred Purchase Price-DPP), owed to UniCredit S.p.A. by third-party entities belonging to the relevant third-party investor's groups, and deriving from the securitisation transactions completed during 2017, have been fully reimbursed in 2020, according to the contractual provisions.

Prisma transaction

In relation to Prisma transaction, finalised in the fourth quarter 2019 and referring to the securitisation of a non-performing loan Residential Mortgage Portfolio of €4.1 billion gross book value originated by UniCredit S.p.A. and transferred to the securitisation vehicle Prisma SPV S.r.l., issuer of the Asset Backed Securities (named also ABS or Notes), it should be noted that as at 30 June 2025, following the redemptions made, the total amount of the Notes owned by UniCredit S.p.A. amount to €409 million (of which €409 million recorded under item "30. Financial assets at fair value through other comprehensive income" pertaining to the Senior securities and €0.1 million recorded under item "20. Financial assets at fair value through profit or loss c) other financial assets mandatorily at fair value" in connection with the Mezzanine and Junior Notes).
During the first half 2025, with reference to the notes recorded among the other financial assets mandatorily at fair value, no impairment has been recognised in the Income statement while, for the Notes classified among financial assets at fair value through other comprehensive income, no significant amount has been recognised in the Income statement.

Relais transaction

In relation to Relais transaction, realised in the fourth quarter 2020, and referring to the securitisation of a non-performing real estate lease portfolio of €1.6 billion claim originated by UniCredit Leasing S.p.A. (UCL) and transferred to the securitisation vehicle Relais SPV S.r.l., issuer of the Asset Backed Secured Notes (Senior, Mezzanine e Junior), it should be noted that, as at 30 June 2025, following the redemptions made, the notes amount to €204 million (Senior note for €193 million held by UniCredit S.p.A. and for €10 million held by UCL recognised in item "30. Financial asset at fair value through other comprehensive income", Mezzanine and Junior notes for €1 million held by UCL and recognised under item "20. Financial assets at fair value through profit or loss c) other financial assets mandatorily at fair value").
During the first half 2025, with reference to both the notes recorded among the Other financial assets mandatorily at fair value and the notes classified among Financial assets at fair value through other comprehensive income, no amount was recognised in the Income statement.

Olympia transaction

In relation to Olympia transaction, finalised in the fourth quarter 2021, and referring to the securitisation of a non-performing secured and unsecured loans, of €1.6 billion in terms of gross book value originated by UniCredit S.p.A. and transferred to the securitisation vehicle Olympia SPV S.r.l., issuer of the Asset Backed Securities (named also ABS or Notes), it should be noted that, as at 30 June 2025, following the redemptions made, the total amount of the Notes owned by UniCredit S.p.A. amount to €84 million (of which €83 million recorded under item "30. Financial assets at fair value through other comprehensive income" pertaining to the Senior securities and €1 million recorded under item "20. Financial assets at fair value through profit or loss c) other financial assets mandatorily at fair value" in connection with the Mezzanine and Junior Notes).
During the first half 2025, with reference both to the notes recorded among the Other financial assets mandatorily at fair value and the notes classified among Financial assets at fair value through other comprehensive, no material impacts have been recognised in the Income statement.

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Other information

Itaca transaction

In relation to Itaca transaction finalised in the second quarter 2022, and referring to the securitisation of a non-performing secured and unsecured loans of €0.9 billion in terms of gross book value originated by UniCredit S.p.A. and transferred to the securitisation vehicle Itaca SPV S.r.l., issuer of the Asset Backed Securities (named also ABS or Notes), it should be noted that, as at 30 June 2025, following the redemptions made, the total amount of the Notes owned by UniCredit S.p.A. amount to €14 million (of which €13 million recorded under item "30. Financial assets at fair value through other comprehensive income" pertaining to the Senior securities, and €1 million recorded under item "20. Financial assets at fair value through profit or loss c) other financial assets mandatorily at fair value" in connection with the Mezzanine and Junior Notes).
During the first half 2025, with reference to both the notes recorded among the Other financial assets mandatorily at fair value and the notes classified among Financial assets at fair value through other comprehensive, no material impacts have been recognised in the Income statement.
With reference to the regulatory treatment applied, following the notification to the European Central Bank, starting from 30 June 2022, UniCredit represents the related significant risk transfer when reporting the transaction above outlined.
On 10 June 2022, the Ministry of Economy and Finance granted the GACS guarantee on the Senior notes.

Altea transaction (Panthers project)

In relation to Altea transaction, finalised in the second quarter 2022 and referring to the securitisation of Unlikely to Pay secured and unsecured loan Portfolio of €2 billion gross book value originated by UniCredit S.p.A. and transferred to the securitisation vehicle Altea SPV S.r.l., issuer of the Asset Backed Securities (named also ABS or Note), it should be noted that, as at 30 June 2025, following the redemptions made, the total amount of the Notes owned by UniCredit S.p.A. amount to €214 million (of which Senior notes for €209 million recorded under item "40. Financial assets at amortised cost", Mezzanine and Junior notes for €5 million recorded under item "20. Financial assets at fair value through profit or loss c) other financial assets mandatorily at fair value").
During the first half 2025, with reference to both the notes recorded among the Financial assets at amortised cost and to the notes recorded in Other financial assets mandatorily at fair value, no material impacts was recognised in the Income statement.
With reference to the regulatory treatment applied, following the notification to the European Central Bank, starting from 30 June 2022, UniCredit represents the related significant risk transfer when reporting the transaction above outlined.

Early redemption of notes for €1,250 million

On 2 January 2025 UniCredit S.p.A. informed that, with reference to Fixed to Floating Rate Callable Non-Preferred Senior Notes for €1,250 million (ISIN XS2104967695), having received the Single Resolution Board authorisation, it would have exercised the option to early redeem in whole on 20 January 2025.
On the same date UniCredit S.p.A. also informed the early redemption of the Fixed to Floating Rate Callable Non-Preferred Senior Notes (ISIN XS2257999628) exercising the option in whole on 20 January 2025.

Issue of Senior Non-Preferred bonds for an amount of €2 billion

On 9 January 2025 UniCredit S.p.A. communicated the issue of a dual tranche Senior Non-Preferred bonds comprising of a €1 billion with 4.5 years maturity, callable after 3.5 years, and €1 billion with 8 years maturity, callable after 7 years, both targeted to institutional investors.

Equity stake in the share capital of Generali

On 2 February 2025 UniCredit S.p.A. informed to hold an equity stake of circa 4.1% in the share capital of Generali, acquired through market purchases over time. The stake is a pure financial investment of the Bank that significantly exceeds its return metrics and has a negligible impact on CET1. An additional percentage is held as part of ordinary services for clients and related hedge.

Issue of Additional Tier 1 notes for €1 billion

On 18 February 2025 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. Notes pay fixed rate coupons of 5.625% per annum up to June 2033 on a semi-annual basis; if not called, coupon will be reset every 5 years.

Standard & Poor's: rating and outlook improvement

On 18 April 2025 UniCredit informed that the rating agency Standard & Poor's upgraded UniCredit SpA Issuer Credit Rating (ICR) and Senior Preferred rating by one notch from "BBB" to "BBB+".
Standard & Poor's also improved the outlook to "Positive", reflecting the agency's view that the Bank is potentially eligible to be rated above the domestic sovereign.
Also Senior Non-Preferred and Tier 2 ratings have been upgraded by one notch, with Tier 2 receiving investment grade rating at "BBB-".
The Short-Term Issuer Credit Rating has been affirmed at "A-2".

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Other information

Early redemption of notes for €1 billion

On 23 April 2025, with reference to the Non-Cumulative Temporary Write-Down Deeply Subordinated Fixed Rate Resettable Notes (ISIN XS1739839998) issued on 20 December 2017 for €1 billion, in accordance with the relevant Terms and Conditions, UniCredit S.p.A. announced that, having received the Competent Authority authorisation, it would have exercised its option to early redeem in whole on 3 June 2025 (the First Call Date).
The early redemption of the notes was at par, together with accrued and unpaid interests. The interests ceased to accrue on the First Call Date.

MREL requirements set by Resolution Authorities

On 28 April 2025 it has been announced, following the communication received by the Single Resolution Board (SRB) and Banca d'Italia, the Minimum Requirements for Own Funds and Eligible Liabilities (MREL) to be applied to UniCredit S.p.A. on a consolidated basis.
With reference to year-end 2024, UniCredit was well above these requirements.

Share Buy-Back Programmes

On 9 May 2025 UniCredit S.p.A informed it has received ECB authorization for the execution of the second tranche of the 2024 share buy-back programme for a maximum of €3.6 billion.
For further information refer to paragraph “Group and UniCredit share historical data series” of this Consolidated interim report on operations.

Early redemption of notes for €1,250 million

On 22 May 2025, with reference to Fixed to Floating Rate Callable Senior Notes (ISIN XS2190134184) issued on 16 June 2020 for €1,250 million, in accordance with the relevant Terms and Conditions, UniCredit S.p.A. announced that, having received the Competent Authority authorisation, it would have exercised its option to early redeem in whole on 16 June 2025 (the First Call Date).
The early redemption of the notes was at par, together with accrued and unpaid interests. The interests ceased to accrue on the First Call Date.

Moody’s: outlook improvement and rating confirmation

On 28 May 2025 UniCredit informed that the rating agency Moody's improved the outlook of UniCredit S.p.A.'s senior preferred debt and long-term deposit ratings from “stable” to “positive”. The ratings have been affirmed at “Baa1”.

Issue of Senior Preferred bonds for €2 billion

On 3 June 2025 UniCredit S.p.A. issued dual tranche senior bonds comprising of a €1 billion with 6 years maturity, callable after 5 years, and of a €1 billion with 10 years maturity, targeted to institutional investors.

Issue of subordinated Tier 2 bond for €1 billion

On 17 June 2025 UniCredit S.p.A. issued a Tier 2 subordinated bond with a 12-year maturity, callable after 7 years, targeted at institutional investors for €1 billion.

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Other information

Organisational model

Significant organisational changes in the first half of the year

Organisational structure

During the first half of 2025 the organizational set up has been revised in line with the Group's strategy and business/operating model strengthening, e.g. by setting-up of Global Client Risk Management Operations function (within Group Chief Operating Office) transferring, from Operations Italy perimeter, the operations/administrative activities on securities, bonds, foreign exchange and deposits, OTC derivatives as well as the support for trade, post trade and middle office activities with reference to "Markets" and "Group Finance" perimeters, aiming at further strengthening the focus on operational/administrative activities dedicated to Group Client Risk Management, processes simplification and the updating of new products automation; by further streamlining the organizational set-up of the Central Europe & Eastern Europe Division and the role of steering and governance towards the CE&EE countries, leveraging even more on the support of Governance functions and Client Solutions' product lines; by reorganizing Group Legal function, in order to promote synergies between Corporate Affairs and Shareholding management activities, while strengthening and maintaining a focus on legal advice for M&A transactions as well as enhancing the support for business by providing legal advice through a flexible approach, based on product specialization, and centralizing the legal activities of Italian Legal Entities on the basis of specific agreements.

Conversion of deferred tax assets (DTAs) into tax credits

Referring to fiscal year 2024, UniCredit S.p.A., UniCredit Leasing S.p.A., UniCredit Factoring S.p.A. and UniCredit Bank GmbH registered a profit in their separate financial statements (respectively €8,106 million, €327 million, €75 million and €322 million), therefore, the conditions to carry out, in 2025, a new transformation of deferred tax assets, for IRES and IRAP, into tax credits were not met.

Certifications and other communications

With reference to the "Rules of Markets organised and managed by Borsa Italiana S.p.A." dated 3 October 2011 (Title 2.6 "Obligations of issuers", Section 2.6.2. "Disclosure requirements", paragraph 10), reference is made to paragraph "Certifications and other communications" of the 2024 Annual reports and accounts, Consolidated report and accounts 2024 of UniCredit group, Consolidated report on operations, Other information.

With reference to paragraph 8 of Art.5 - "Public information on transactions with related parties" of Consob Regulation containing provisions relating to transactions with related parties (adopted by Consob with Resolution No.17221 of 12 March 2010, as subsequently amended by Resolution No.17389 of 23 June 2010), it should be noted that:

a) according to the Global Policy "Transactions with related parties, associated persons and Corporate Officers ex Art.136 CBA" adopted by the Board of Directors of UniCredit S.p.A. on 12 December 2024, and published on the website www.unicreditgroup.eu, in the second half 2024 the Bank's Presidio Unico received no report of transaction of greater importance ended in the period;
b) in the first half of 2025, no transactions with related parties as defined by article 2427, paragraph 22-bis of the Civil Code were conducted, under different conditions from normal market conditions and materially affecting the Group's financial and economic situation;
c) in the first half of 2025, there were no changes or developments in the individual transactions with related parties already described in the latest annual report that had a material effect on the Group's financial position or results during the reference period.

For more information on related-party transactions refer to Part H - Related-party transactions, Explanatory notes.

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Subsequent events and outlook

Subsequent events[6]

On 7 July 2025 UniCredit announced that UniCredit Bulbank and PGGM enter a €2.1 billion risk sharing transaction referencing the Bank's corporate and SME loans portfolio. The transaction referred to as "Project ARTS Silver-2" represents the second deal of UniCredit Bulbank as issuer in the significant risk transfer (SRT) market, the largest executed in Bulgaria as of today, and one of the largest in CEE.

On 8 July 2025 UniCredit S.p.A. informed that, having received all necessary legal and regulatory approvals, it has converted circa 10% of its current synthetic position in Commerzbank, taking its physical share ownership and effective voting rights to around 20%.
For further information refer to paragraph “Investment in Commerzbank” in the chapter Group activities development operations and other corporate transactions, Transactions and initiatives involving shareholdings of this Consolidated interim report on operations.

On 17 July 2025 UniCredit S.p.A. informed that having received the Single Resolution Board authorisation, it will exercise its option to early redeem in whole the notes, for USD 1 billion, Fixed-to-Fixed Rate Non-Preferred Senior Callable due 2026 (Reg S Notes ISIN: XS2233264808 and Global Receipts ISINs: US904678AU32, US904678AV15) on 22 September 2025 (the Optional Redemption Date). The early redemption of the Notes will be at par, together with accrued and unpaid interest. Interest shall cease to accrue on the Optional Redemption Date.

6 Up to the date of approval by the Board of Directors' Meeting of 22 July 2025 which, on the same date, authorised the publication also in accordance with IAS10.

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Subsequent events and outlook

Outlook

Higher tariffs and policy uncertainty will weigh on global growth. Global GDP is forecasted to expand by 2.7% this year (2024: 3.2%) and by 2.9% in 2026. Risks remain skewed to the downside amid trade tensions and the uncertain evolution of the Israel-Iran and Russia-Ukraine conflicts. It is expected slower US GDP growth of 1.5% this year and 1.9% in 2026. However, it is not expected the US to slip into a recession due to a partial pivot by the US administration on tariffs, the calming of financial-market turmoil and expansionary fiscal policy that is mainly focused on reducing taxes. The Fed is expected to cut interest rates only once this year as inflation moves towards 4%. In China, besides higher US tariffs dampening export growth, domestic demand is likely to remain weak due to continuing woes in the country's real-estate market and still-high precautionary savings rates of households. Chinese GDP growth is expected to slow to 4.0% this year and to 3.8% in 2026.
In the eurozone, the frontloading of exports to the US fuelled economic activity in the first quarter, but this was only temporarily. The effects of this already started to reverse in the second quarter, leaving economic growth on weak footing. Still, on a positive note, fiscal policy is likely to turn expansionary, primarily because of the German fiscal "bazooka". GDP is expected to expand by 1.0% in 2025 and 2026. With regard to Italy, GDP-growth forecast is 0.5% in 2025 and 0.8% in 2026. Notwithstanding a slowdown in exports amid higher tariffs, private-consumption growth is likely to accelerate this year amid a still-resilient labour market. Moreover, it is expected that the pass-through of lower European Central Bank (ECB) rates to firms' borrowing costs to support fixed investment, together with higher spending of EU funds (related to the National Recovery and Resilience Plan).
The ECB delivered a further 25 bp rate cut on 5 June and signalled that the current monetary-easing cycle is ending. The expectation is that the deposit rate will bottom out at 1.75%, with a final cut likely to be delivered in September.

The geographical diversification, a well-balanced and stable customer base, the constant attention paid to the customer as well as the structural initiatives implemented and the investments made in recent years will allow the Group to pursue its objectives of targeted, resilient and quality growth even in a macroeconomic context characterised by uncertainty. The ability to adapt and flexibility in a changing external environment will allow the Group to face challenges and possible future risks. More specifically, the new strategic and commercial initiatives differentiated by customer segment and geographical area as well as the ability of the Group's product factories to develop *best-in-class* products that meet customer needs supporting the generation of revenues with low capital absorption, will allow the Group to unleash further growth potential. All this will ensure the creation of long-term value for customers, shareholders, employees as well as for all the communities in which the Group operates.

Milan, 22 July 2025

THE BOARD OF DIRECTORS

CHAIRMAN
PIETRO CARLO PADOAN

CEO
ANDREA ORCEL

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Consolidated accounts

Consolidated balance sheet

(€ million)

	AMOUNTS AS AT	
ASSETS	**30.06.2025**	**31.12.2024**
10. Cash and cash balances	41,804	41,442
20. Financial assets at fair value through profit or loss:	96,368	61,677
a) financial assets held for trading	60,371	55,083
b) financial assets designated at fair value	273	247
c) other financial assets mandatorily at fair value	35,724	6,347
30. Financial assets at fair value through other comprehensive income	88,098	78,019
40. Financial assets at amortised cost:	592,701	563,166
a) loans and advances to banks	74,431	66,540
b) loans and advances to customers	518,270	496,626
50. Hedging derivatives	843	1,351
60. Changes in fair value of portfolio hedged items (+/-)	(2,555)	(1,702)
70. Equity investments	6,366	4,393
80. Insurance assets	165	-
a) insurance contracts issued that are assets	28	-
b) reinsurance contracts held that are assets	137	-
90. Property, plant and equipment	8,824	8,794
100. Intangible assets	3,271	2,229
of which: goodwill	*1,091*	*38*
110. Tax assets:	9,914	10,273
a) current	1,577	685
b) deferred	8,337	9,588
120. Non-current assets and disposal groups classified as held for sale	949	394
130. Other assets	13,580	13,968
Total assets	**860,328**	**784,004**

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Consolidated accounts

(€ million)

	AMOUNTS AS AT	
LIABILITIES AND SHAREHOLDERS' EQUITY	**30.06.2025**	**31.12.2024**
10. Financial liabilities at amortised cost:	677,572	659,598
a) deposits from banks	85,873	67,919
b) deposits from customers	495,684	500,970
c) debt securities in issue	96,015	90,709
20. Financial liabilities held for trading	34,426	31,349
30. Financial liabilities designated at fair value	22,273	13,746
40. Hedging derivatives	806	1,112
50. Value adjustment of hedged financial liabilities (+/-)	(8,607)	(9,247)
60. Tax liabilities:	2,413	1,708
a) current	1,869	1,456
b) deferred	544	252
70. Liabilities associated with assets classified as held for sale	373	-
80. Other liabilities	19,532	14,687
90. Provision for employee severance pay	269	294
100. Provisions for risks and charges:	6,588	7,916
a) commitments and guarantees given	965	1,043
b) post-retirement benefit obligations	2,861	3,193
c) other provisions for risks and charges	2,762	3,680
110. Insurance liabilities	36,265	-
a) insurance contracts issued that are liabilities	36,261	-
b) reinsurance contracts held that are liabilities	4	-
120. Valuation reserves	(4,237)	(5,422)
130. Redeemable shares	-	-
140. Equity instruments	4,962	4,958
150. Reserves	39,706	33,235
155. Advanced dividends (-)	-	(1,440)
160. Share premium	23	23
170. Share capital	21,454	21,368
180. Treasury shares (-)	-	-
190. Minority shareholders' equity (+/-)	395	400
200. Profit (Loss) for the period (+/-)	6,115	9,719
Total liabilities and shareholders' equity	**860,328**	**784,004**

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Consolidated accounts

Consolidated income statement

(€ million)

ITEMS	AS AT 30.06.2025	30.06.2024
10. Interest income and similar revenues	13,825	17,979
of which: interest income calculated with the effective interest method	*12,302*	*14,352*
20. Interest expenses and similar charges	(6,810)	(10,665)
30. Net interest margin	**7,015**	**7,314**
40. Fees and commissions income	4,660	4,530
50. Fees and commissions expenses	(952)	(840)
60. Net fees and commissions	**3,708**	**3,690**
70. Dividend income and similar revenues	549	341
80. Net gains (losses) on trading	1,019	1,347
90. Net gains (losses) on hedge accounting	(64)	(146)
100. Gains (Losses) on disposal and repurchase of:	234	69
a) financial assets at amortised cost	109	7
b) financial assets at fair value through other comprehensive income	110	64
c) financial liabilities	15	(2)
110. Net gains (losses) on other financial assets/liabilities at fair value through profit or loss:	(122)	(115)
a) financial assets/liabilities designated at fair value	(331)	(149)
b) other financial assets mandatorily at fair value	209	34
120. Operating income	**12,339**	**12,500**
130. Net losses/recoveries on credit impairment relating to:	(216)	(277)
a) financial assets at amortised cost	(212)	(269)
b) financial assets at fair value through other comprehensive income	(4)	(8)
140. Gains/Losses from contractual changes with no cancellations	1	(2)
150. Net profit from financial activities	**12,124**	**12,221**
160. Insurance service result	-	-
a) insurance revenues from insurance contracts issued	-	-
b) insurance service costs from insurance contracts issued	-	-
c) insurance revenues from reinsurance contracts held	-	-
d) insurance service costs from reinsurance contracts held	-	-
170. Insurance finance net revenues/costs	-	-
a) insurance finance net revenues/costs arising from insurance contracts issued	-	-
b) insurance finance net revenues/costs arising from reinsurance contracts held	-	-
180. Net profit from financial and insurance activities	**12,124**	**12,221**
190. Administrative expenses:	(4,796)	(4,905)
a) staff costs	(2,945)	(2,949)
b) other administrative expenses	(1,851)	(1,956)
200. Net provisions for risks and charges:	(146)	54
a) commitments and financial guarantees given	75	197
b) other net provisions	(221)	(143)
210. Net value adjustments/write-backs on property, plant and equipment	(279)	(332)
220. Net value adjustments/write-backs on intangible assets	(297)	(272)
230. Other operating expenses/income	486	387
240. Operating costs	**(5,032)**	**(5,068)**
250. Gains (Losses) of equity investments	1,123	184
260. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value	(8)	(13)
270. Goodwill impairment	-	-
280. Gains (Losses) on disposals on investments	(1)	2
290. Profit (Loss) before tax from continuing operations	**8,206**	**7,326**
300. Tax expenses (income) for the period from continuing operations	(2,057)	(2,075)
310. Profit (Loss) after tax from continuing operations	**6,149**	**5,251**
320. Profit (Loss) after tax from discontinued operations	-	-
330. Profit (Loss) for the period	**6,149**	**5,251**
340. Minority profit (loss) for the period	(34)	(15)
350. Parent Company's profit (loss) for the period	**6,115**	**5,236**

Earnings per share (€)	3.884	3.058
Diluted earnings per share (€)	3.854	3.028

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Consolidated accounts

Consolidated statement of total comprehensive income

(€ million)

ITEMS	AS AT 30.06.2025	AS AT 30.06.2024
10. Profit (Loss) for the period	**6,149**	**5,251**
Other comprehensive income after tax not reclassified to profit or loss	**356**	**(6)**
20. Equity instruments designated at fair value through other comprehensive income	111	36
30. Financial liabilities designated at fair value through profit or loss (own creditworthiness changes)	15	(9)
40. Hedge accounting of equity instruments designated at fair value through other comprehensive income	-	-
50. Property, plant and equipment	8	(13)
60. Intangible assets	-	-
70. Defined-benefit plans	216	(24)
80. Non-current assets and disposal groups classified as held for sale	(5)	(3)
90. Portion of valuation reserves from investments valued at equity method	11	7
100. Insurance finance revenue or costs arising from insurance contracts issued	-	-
Other comprehensive income after tax reclassified to profit or loss	**827**	**37**
110. Foreign investments hedging	(33)	1
120. Foreign exchange differences	698	158
130. Cash flow hedging	(64)	19
140. Hedging instruments (non-designated items)	-	-
150. Financial assets (different from equity instruments) at fair value through other comprehensive income	216	(176)
160. Non-current assets and disposal groups classified as held for sale	-	-
170. Part of valuation reserves from investments valued at equity method	10	35
180. Insurance finance revenue or costs arising from insurance contracts issued	-	-
190. Insurance finance revenue or costs arising from reinsurance contracts held	-	-
200. Total other comprehensive income after tax	**1,183**	**31**
210. Other comprehensive income (Item 10+200)	**7,332**	**5,282**
220. Minority consolidated other comprehensive income	(30)	(15)
230. Parent Company's consolidated other comprehensive income	**7,302**	**5,267**

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Consolidated accounts

Statement of changes in the consolidated shareholders' equity as at 30 June 2025

(€ million)

	BALANCE AS AT 31.12.2024	CHANGE IN OPENING BALANCE	BALANCE AS AT 01.01.2025	PREVIOUS YEAR PROFIT (LOSS) ALLOCATION		CHANGES IN THE PERIOD										TOTAL SHAREHOLDERS' EQUITY AS AT 30.06.2025	GROUP SHAREHOLDERS' EQUITY AS AT 30.06.2025	MINORITY SHAREHOLDERS' EQUITY AS AT 30.06.2025
							SHAREHOLDERS' EQUITY TRANSACTIONS								OTHER COMPREHENSIVE INCOME FIRST HALF 2025			
				RESERVES	DIVIDENDS AND OTHER ALLOCATIONS	CHANGES IN RESERVES	ISSUE OF NEW SHARES	PURCHASE OF TREASURY SHARES	ADVANCED DIVIDENDS	DIVIDENDS EXTRAORDINARY DISTRIBUTION	CHANGE IN EQUITY INSTRUMENTS	TREASURY SHARES DERIVATIVES	STOCK OPTIONS	CHANGES IN EQUITY INVESTMENTS				
Share capital:	21,476	-	21,476	-	-	(2)	86	-	-	-	-	-	-	-	-	21,560	21,454	106
- ordinary shares	*21,476*	-	*21,476*	-	-	*(2)*	*86*	-	-	-	-	-	-	-	-	*21,560*	*21,454*	*106*
- other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium	66	-	66	-	-	1	-	-	-	-	-	-	-	-	-	67	23	44
Reserves:	33,454	-	33,454	5,985	-	543	(86)	-	-	-	-	-	50	-	-	39,946	39,706	240
- from profits	*26,888*	-	*26,888*	*5,985*	-	*(3,460)*	*(86)*	-	-	-	-	-	-	-	-	*29,327*	*29,212*	*115*
- other	*6,566*	-	*6,566*	-	-	*4,003*	-	-	-	-	-	-	*50*	-	-	*10,619*	*10,494*	*125*
Valuation reserves	(5,447)	-	(5,447)	-	-	(2)	-	-	-	-	-	-	-	-	1,183	(4,266)	(4,237)	(29)
Equity instruments	4,958	-	4,958	-	-	-	-	-	-	-	4	-	-	-	-	4,962	4,962	-
Advanced dividends	(1,440)	-	(1,440)	-	1,440	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (Loss) for the period	9,774	-	9,774	(5,985)	(3,789)	-	-	-	-	-	-	-	-	-	6,149	6,149	6,115	34
Total shareholders' equity	**62,841**	**-**	**62,841**	**-**	**(2,349)**	**540**	**-**	**-**	**-**	**-**	**4**	**-**	**50**	**-**	**7,332**	**68,418**	**68,023**	**395**
Group shareholders' equity	62,441	-	62,441	-	(2,315)	541	-	-	-	-	4	-	50	-	7,302	68,023		
Minority shareholders' equity	400	-	400	-	(34)	(1)	-	-	-	-	-	-	-	-	30	395		

The amounts disclosed in column "Stock Options" represent the effects of the delivery of shares connected with Group Executive Incentive Plans.

The cumulated change of valuation reserves, for +€1.181 million, mainly stems from:

- +€697 million in exchange differences, mainly related to effect of Russian Ruble for +€699 million;
- +€344 million in financial assets and liabilities at fair value includes the combined effect of change in fair value and transfers to other net equity items of specific equity investments;
- +€215 million in defined-benefit plans related to pensions and other post-retirement benefits obligations and provision for employees severance pay.

The change in Group share capital refers to the increase for +€86 million following the resolution of the Board of Directors of 10 February 2025 of UniCredit S.p.A. 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 UniCredit S.p.A. of 27 March 2025, the following events occurred:
(i) allocation of the net profit of the year 2024 as follows: (a) to cover the advanced dividend for the amount of €1,440 million; (b) to distribution of dividends and other allocations of €2,315 million; (c) to "Reserves from profits" and in particular to Reserve for social, charity and cultural initiatives for €5 million, Reserve for the issue of the shares connected to the medium-term incentive plan for Group personnel for €90 million and Statutory reserve for €4,256 million;
(ii) coverage of the negative reserves for the total amount of €699 million by use of Statutory reserve: (a) for €194 million to cover the reserve related to the payment of AT1 coupons; (b) for €258 million to cover the difference, related to an Additional Tier 1 instrument in US dollars, between the early repayment value and the book value at the historical exchange rate and (c) for €247 million to cover the reserve emerged from the cash-out related to the usufruct contract connected to the "Cashes" financial instruments;
(iii) establishment of the specific unavailable reserve for €3,574 million for the execution of second tranche of the 2024 Buy-Back Program, with withdrawal from the Statutory reserve.

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The change in the item “Reserves other” includes also the payment of coupons on AT1 equity instruments for -€153 million and the allocation to reserves of the cash-out related to the usufruct contract connected to the “Cashes” financial instruments for -€109 million.

The change in the item “Equity instruments” for +€4 million refers to:
(i) issuing of an Additional Tier 1 instruments for +€994 million, net of the related transaction costs;
(ii) early redemption of the Additional Tier 1 instrument for -€990 million, net of the related transaction costs.

For further details about the Shareholders’ equity changes see Part B - Liabilities, Section 13 of the Explanatory notes.

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

(€ million)

	BALANCE AS AT 31.12.2023	CHANGE IN OPENING BALANCE	BALANCE AS AT 01.01.2024	PREVIOUS YEAR PROFIT (LOSS) ALLOCATION		CHANGES IN THE PERIOD										TOTAL SHAREHOLDERS' EQUITY AS AT 30.06.2024	GROUP SHAREHOLDERS' EQUITY AS AT 30.06.2024	MINORITY SHAREHOLDERS' EQUITY AS AT 30.06.2024
							SHAREHOLDERS' EQUITY TRANSACTIONS											
				RESERVES	DIVIDENDS AND OTHER ALLOCATIONS	CHANGES IN RESERVES	ISSUE OF NEW SHARES	PURCHASE OF TREASURY SHARES	ADVANCED DIVIDENDS	DIVIDENDS EXTRAORDINARY DISTRIBUTION	CHANGE IN EQUITY INSTRUMENTS	TREASURY SHARES DERIVATIVES	STOCK OPTIONS	CHANGES IN EQUITY INVESTMENTS	OTHER COMPREHENSIVE INCOME FIRST HALF 2024			
Share capital:	21,331	-	21,331	-	-	-	90	-	-	-	-	-	-	-	-	21,421	21,368	53
- ordinary shares	*21,331*	-	*21,331*	-	-	-	*90*	-	-	-	-	-	-	-	-	*21,421*	*21,368*	*53*
- other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium	50	-	50	-	-	-	-	-	-	-	-	-	-	-	-	50	23	27
Reserves:	35,124	-	35,124	6,469	-	(4,921)	(90)	-	-	-	-	-	32	-	-	36,614	36,546	68
- from profits	*25,399*	-	*25,399*	*6,469*	-	*(3,289)*	*(90)*	-	-	-	-	-	-	-	-	*28,489*	*28,546*	*(57)*
- other	*9,725*	-	*9,725*	-	-	*(1,632)*	-	-	-	-	-	-	*32*	-	-	*8,125*	*8,000*	*125*
Valuation reserves	(4,932)	-	(4,932)	-	-	-	-	-	-	-	-	-	-	-	31	(4,901)	(4,896)	(5)
Equity instruments	4,863	-	4,863	-	-	-	-	-	-	-	(898)	-	-	-	-	3,965	3,965	-
Advanced dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	(1,727)	-	(1,727)	-	-	-	4,398	(2,900)	-	-	-	-	-	-	-	(229)	(229)	-
Profit (Loss) for the period	9,534	-	9,534	(6,469)	(3,065)	-	-	-	-	-	-	-	-	-	5,251	5,251	5,236	15
Total shareholders' equity	**64,243**	**-**	**64,243**	**-**	**(3,065)**	**(4,921)**	**4,398**	**(2,900)**	**-**	**-**	**(898)**	**-**	**32**	**-**	**5,282**	**62,171**	**62,013**	**158**
Group shareholders' equity	64,079	-	64,079	-	(3,044)	(4,921)	4,398	(2,900)	-	-	(898)	-	32	-	5,267	62,013		
Minority shareholders' equity	164	-	164	-	(21)	-	-	-	-	-	-	-	-	-	15	158		

The amounts disclosed in column "Stock Options" represented the effects of the delivery of shares connected with Group Executive Incentive Plans.
The cumulated change of valuation reserves, for +€31 million, mainly stemmed from:

- +€157 million in exchange differences, mainly related to effect of Russian Ruble for +€236 million, Czech Crown for -€44 million and Hungarian Forint for -€40 million;
- +€42 million in investments valued at net equity;
- +€29 million in non-current assets and disposal groups classified as held for sale;
- -€149 million in financial assets and liabilities at fair value;
- -€44 million in property, plant and equipment related to the properties used in business, ruled by IAS16 "Property, plant and equipment".

The change in Group share capital referred to the increase for +€90 million following the resolution of the Board of Directors of 4 February 2024 of UniCredit S.p.A. 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 UniCredit S.p.A. of 12 April 2024, the following events occurred:
(i) allocation of the net profit of the year 2023 to "Reserves from profits" and in particular to: (a) a specific reserve for tax on Banks' extra-profits for €1,125 million[7]; (b) Reserve for social, charity and cultural initiatives for €5 million; (c) Reserve for the issue of the shares connected to the medium-term incentive plan for Group personnel for €100 million and (d) Statutory reserve for €6,989 million;
(ii) coverage of the negative reserves for a total amount of €445 million by use of: (a) the Reserve from business combinations (IFRS3) for €270 million to cover the reserve related to the payment of AT1 coupons and the Reserve deriving from payments related to the "Equity Settled Share Based Payments" settled in cash; (b) the Statutory reserve for €175 million to cover the reserve emerged from the cash-out related to the usufruct contract connected to the "Cashes" financial instruments;

7 For further details reference is made to paragraph "Windfall tax Italy", Notes to the consolidated accounts, Part A - Accounting policies, Section 5 - Other matters of the Consolidated financial statements as at 31 December 2023.

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(iii) establishment of the specific unavailable reserve for €3,085 million for the execution of the “Second and Third Tranche of Share buy-back Programme 2023”, with withdrawal from the Statutory reserve.

The change in the item “Reserves other” included also the payment of coupons on AT1 equity instruments for -€110 million and the allocation to reserves of the cash-out related to the usufruct contract connected to the “Cashes” financial instruments for -€126 million.

The change in the period in the item “Equity instruments” referred to early redemption of the Additional Tier 1 instruments (ISIN XS1046224884) for -€898 million, net of the related placement costs and exchange differences, in accordance with the relevant terms and conditions of the securities.

Moreover, the positive change in the item "Treasury shares" for +€1,498 million referred for:
(i) -€2,900 million to the purchase of ordinary shares, under execution of “First, Second and Third Tranche of the buy-back Programme 2023”; the “First Tranche” was completed on 7 March 2024, the “Second Tranche” was completed on 20 June 2024, while the “Third Tranche” had started on 24 June 2024 and was in progress;
(ii) +€4,398 million to the cancellation of the treasury shares purchased in execution of the buy-back Programme 2022 (on 16 January 2024) and the Second and Third Tranche of the Buy-Back Programme 2023 (on 26 March 2024 and 26 June 2024 respectively), by use of the established unavailable reserve (amount conventionally disclosed in the column “Issue of new shares”).

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Consolidated cash flow statement (indirect method)

(€ million)

	AS AT	
	30.06.2025	30.06.2024
A. OPERATING ACTIVITIES		
1. Operations	**9,376**	**11,428**
- profit (loss) for the period (+/-)	6,149	5,251
- gains/losses on financial assets held for trading and on other financial assets/liabilities at fair value through profit or loss (-/+)	390	1,519
- gains (losses) on hedge accounting (-/+)	64	146
- net impairment losses/writebacks on impairment for credit risk (+/-)	1,450	1,679
- net value adjustments/write-backs on property, plant and equipment and intangible assets (+/-)	584	617
- net provisions for risks and charges and other expenses/income (+/-)	(750)	(250)
- net revenues/costs arising from insurance contracts issued and reinsurance contracts held	-	-
- unpaid duties, taxes and tax credits (+/-)	1,294	1,877
- impairment/write-backs after tax on discontinued operations (+/-)	-	-
- other adjustments (+/-)	195	589
2. Liquidity generated/absorbed by financial assets	**(25,431)**	**(31,098)**
- financial assets held for trading	(4,035)	(394)
- financial assets designated at fair value	(35)	(34)
- other financial assets mandatorily at fair value	(91)	(167)
- financial assets at fair value through other comprehensive income	3,491	(7,732)
- financial assets at amortised cost	(29,383)	(22,448)
- other assets	4,622	(323)
3. Liquidity generated/absorbed by financial liabilities	**19,124**	**16,810**
- financial liabilities at amortised cost	15,013	17,470
- financial liabilities held for trading	1,328	(542)
- financial liabilities designated at fair value	1,470	1,306
- other liabilities	1,313	(1,424)
4. Liquidity generated/absorbed by Insurance contracts issued and by reinsurance contracts held	**-**	**-**
- insurance contracts issued that are liabilities/assets (+/-)	-	-
- reinsurance contracts held that are assets/liabilities (+/-)	-	-
Net liquidity generated/absorbed by operating activities	**3,069**	**(2,860)**
B. INVESTMENT ACTIVITIES		
1. Liquidity generated by	**410**	**269**
- sales of equity investments	10	5
- collected dividends on equity investments	263	157
- sales of property, plant and equipment	134	107
- sales of intangible assets	1	-
- sales of subsidiaries and business units	2	-
2. Liquidity absorbed by	**(982)**	**(1,082)**
- purchases of equity investments	-	(1)
- purchases of property, plant and equipment	(260)	(897)
- purchases of intangible assets	(223)	(184)
- purchases of subsidiaries and business units	(499)	-
Net liquidity generated/absorbed by investment activities	**(572)**	**(813)**
C. FUNDING ACTIVITIES		
- issue/purchase of treasury shares	-	(2,900)
- issue/purchase of equity instruments	(5)	(1,156)
- dividend distribution and other	(2,569)	(3,343)
- sale/purchase of minority control	(2)	-
Net liquidity generated/absorbed by funding activities	**(2,576)**	**(7,399)**
NET LIQUIDITY GENERATED/ABSORBED IN THE PERIOD	**(79)**	**(11,072)**

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

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Reconciliation

(€ million)

ITEMS	AS AT 30.06.2025	AS AT 30.06.2024
Cash and cash balances at the beginning of the period	**41,442**	**61,000**
Net liquidity generated/absorbed in the period	(79)	(11,072)
Cash and cash balances: foreign exchange effect	441	101
Cash and cash balances at the end of the period	**41,804**	**50,029**

The purchase of Aion Bank S.A. and Vodeno Sp.zo.o generated liquidity for €588 million while the purchase of UniCredit Vita Assicurazioni S.p.A. and of UniCredit Life Insurance S.p.A. absorbed liquidity for €1,087 million, these amounts are given by the difference between the portion of the price paid in cash and the cash and cash balances owned by the companies at acquisition date.

With reference to the disclosure required by par. 44 B of IAS7, it is noted that the changes in liabilities deriving from financing activities amount to €29,578 million and comprise (i) €17.811 million in liquidity generated, (ii) €105 million in fair value changes and (iii) €11,662 million in other changes mainly driven by first consolidation of subsidiaries.

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Part A - Accounting policies

A.1 - General

Section 1 - Statement of compliance with IFRS

The contents of this Condensed interim consolidated financial statements are in line with IAS34 on interim reporting. In accordance with paragraph 10 of mentioned IAS34, the Group has opted to provide condensed first half Consolidated accounts.
In detail, with regard to the initial recognition, measurement and derecognition of assets and liabilities and the recognition of costs and revenues the rules set out in international accounting standards were applied including the interpretation documents issued by the SIC and the IFRIC, and endorsed by the European Commission up to 30 June 2025, pursuant to Regulation (EU) 1606/2002 which was incorporated into Italy's legislation through the Legislative Decree 38 dated 28 February 2005 and as required by article 154-ter 3 of the Single Finance Act (Consolidated Law on Finance (TUF), Legislative Decree No.58 dated 2/24/1998).

They are an integral part of the Consolidated first half financial report as required by article 154-ter, paragraph 2, of the Consolidated Law on Finance.
As required by article 154-ter 2 Consolidated Law on Finance, this Consolidated first half financial report includes the Condensed interim consolidated financial statements, the Consolidated interim report on operations and the Certification required by article154-bis 5 Consolidated Law on Finance.

The Condensed interim consolidated financial statements are subject to review engagement by KPMG S.p.A. as per the resolution passed by the Shareholders' Meeting on 9 April 2020.

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Part A - Accounting policies

Section 2 - General preparation criteria

As mentioned above, these Condensed interim consolidated financial statements of UniCredit group as at 30 June 2025 have been prepared 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 (OIC - the Italian Standard Setter) 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, 25 October 2023 and 24 October 2024; and to Consob "Call for attention" dated 18 March 2022, 19 May 2022 and 20 December 2024.

These Condensed interim consolidated financial statements comprise the Balance sheet, the Income statement, the Statement of comprehensive income, the Statement of changes in shareholders' equity, the Cash flow statement (compiled using the indirect method), the Explanatory notes and Annexes.
The schemes of the Condensed interim consolidated financial statements as at 30 June 2025 are coherent with the Banca d'Italia templates as prescribed by the Circular 262 of 22 December 2005 of Banca d'Italia (and subsequent amendments) as well as 14 March 2023, communication on impacts of Covid-19 and measures to support the economy. They also present comparative figures, as at 31 December 2024 for the Balance sheet, and as at 30 June 2024 for the Income statement, the Statement of comprehensive income, the Statement of changes in shareholders' equity and the Cash flow statement.
Figures in the Consolidated accounts and Explanatory notes are reported in millions of euros, unless otherwise specified.

Risks and uncertainty relating 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.
In particular, estimated figures have been used for the recognition and measurement of some of the main items in the Condensed interim consolidated financial statements as at 30 June 2025, as required by the accounting policies, statements and regulations described above.

As at 30 June 2025, 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 2025[8], Euro area economic growth is clouded by trade tensions and global uncertainty. For 2025, these effects are seen to be partly compensated by stronger than expected economic activity in the first quarter, which likely reflects in part the frontloading of exports in anticipation of higher tariffs. In the medium-term, economic activity is seen to be supported by the recently announced new tax measures.
The baseline assumes that US tariffs on EU goods will remain in place over the entire projection horizon. Together with the elevated trade policy uncertainty and the recent appreciation of Euro, the higher tariffs will weigh on Euro area exports and investment, and - to a lesser extent - on consumption. By contrast, new government spending on infrastructure and defense, mainly in Germany, should bolster Euro area domestic demand from 2026. Overall, conditions remain in place for euro area GDP growth to strengthen over the projection horizon.
While headline inflation, as measured by the Harmonised Index of Consumer Prices (HICP), is likely to stay below 2% in the near term, it is expected to return to target in the medium term.

8 ECB staff macroeconomic projections for the euro area, June 2025.

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Part A - Accounting policies

Inflation is projected to decline in the course of 2025 and reach 1.4% in the first quarter 2026, before returning to 2.0% in 2027. The decline in headline inflation over 2025 is seen to be driven in part by negative energy inflation following the recent decline in oil prices and wholesale natural gas prices.
It is worth to note that in its report, ECB staff also developed two alternative scenarios to illustrate the risks relating to US tariff policies and the current high uncertainty surrounding the euro area economic outlook:

- mild scenario, envisaging the removal of bilateral tariffs between the United States and the EU (i.e. “zero-for-zero” tariffs) and a rapid reduction in trade policy uncertainty to pre-2018 levels; growth would be 0.3-0.4% stronger in 2025-26 than in the baseline, while inflation would be marginally higher in 2026-2027;
- severe scenario, with a further increase in US tariffs across the board and symmetric retaliation by the EU, leading to persistently higher trade policy uncertainty.

In the context of persisting uncertainty, UniCredit group has defined different macro-economic scenarios, to be used for the purposes of the evaluation processes of first half 2025 Condensed interim Consolidated financial statements.
In particular, in addition to the "Base" scenario, which reflects the expectations considered most likely concerning macro-economic trends, an Alternative and a Positive Scenario have been outlined, reflecting respectively a downward and an upward forecast of the macroeconomic parameters and consequently in the expected profitability of the business.
Such updated scenarios were applied for the valuation of credit exposures and deferred tax assets (for the latter the Positive scenario was not considered).

Macroeconomic scenarios

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

- Base scenario: it is the main reference scenario, which embeds the following assumptions: (i) moderate GDP growth in 2025 characterized by higher trade tariffs and subsequent uncertainty that would negatively impact on demand and investments; some improvements/moderate acceleration are expected from 2026 and subsequently as the drag from tariffs fades and the fiscal impulse gains traction (improving internal demand); (ii) inflation declining in 2025 and stabilizing in 2026-2027; (iii) ECB monetary policy consistent with inflation normalization; ECB Deposit Facility Rate equal to 300 bps at year-end 2024, and assumed at 1.75% for Year-end 2025; (iv) 3M Euribor assumed to decrease in 2025, landing to 179 bps at year-end 2025 and remaining broadly stable in 2026; (v) Russia Sovereign Rating at CCC.
  Compared to fourth quarter 2024, it assumes a lower GDP growth in Italy, that is particularly exposed to higher trade tariffs and increasing uncertainty, which are likely to dampen investment and consumer spending decisions, lower growth in Germany in 2025 (due to trade tariffs) but higher in 2026 and mainly in 2027 thanks to the boost from the fiscal stimulus (defence and infrastructure spending, approved by the German Parliament in March 2025). In Austria, 2025 GDP is impacted by trade tariffs, as well as by the need of extra fiscal tightening due to higher Budget deficits. For Central and Eastern Europe (excluding Austria and Russia), the Real GDP is expected to increase by 1.9% in 2025 and to approx. 2.5%/2.7% in the following 2 years. For Russia, minor growth is assumed in 2025 (after two strong years), improving trend in 2026-2027.
  With reference to FX rates, the Base scenario assumes Russian Ruble depreciation over time from current levels to 144 in 2027 end of period, reflecting decreasing energy prices and gas export.
  Average Inflation (excluding Russia) will decrease in 2025, remaining close to 2% in 2025-2027; still above 2% in CEE Region.
  Potential pressure is assumed on BTP-Bund spread (135 bps at year-end 2025, 160 bps at year-end 2026-27), to factor-in volatility and uncertainties on Italian Sovereign debt and macro developments.
- Alternative/Recession scenario: this scenario embeds stressed macro-economic conditions, consistent with an intensification of trade tensions as bilateral negotiations between the US and its main trading partners, aimed at avoiding “reciprocal” tariffs, fail and rising geopolitical tensions in the Middle East and Ukraine, both impacting on supply chains. Activity starts contracting in 2025 with deepen recession in most of UniCredit countries of presence in 2026. Weaker demand resulting in lower inflation versus Base. The Central Banks respond to the shocks cutting rates more aggressively than in Base.
  For Italy, Germany and Austria, the GDP would contract in 2025-2026 with an improving trend from 2027 (supply chains back to a normalization). For Central and Eastern Europe (excluding Austria and Russia), and for Russia, the growth shock is assumed to be about -5 pp (cumulated in 2025-2027).
  With reference to the inflation, the expected inflation is lower than base scenario; disinflation forces prevail overall as weaker activity dampens price pressure over the medium term.
  BTP credit spread is expected to experience a higher pressure compared to the Base scenario (160 bps year-end 2025, 215 bps year-end 2026 and year-end 2027), reflecting deteriorated economic conditions.
  Central Banks cut interest rates more aggressively than in the baseline scenario (3M Euribor equal to 91 bps at year-end 2025 and remaining below 1% in subsequent years).
- Positive scenario: this scenario embeds an upward forecast of the parameters and the expected profitability of the business; in detail, it assumes a de-escalation of geopolitical tensions and US trade policies less restrictive than expected. This supports supply chain efficiency, reinforcing supply-side dynamics, stronger demand and relatively stable inflation leading to a stronger consumer spending and better economic growth.

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Part A - Accounting policies

On the other side, favourable risk repricing and higher demand accelerate investment activity.
For Italy and Germany, GDP increases constantly through the 3-year forecast period by 4.2% and 5.5% respectively on cumulative basis. For Central and Eastern Europe (excluding Austria and Russia), GDP is expected to rise by 9.2% (cumulated in 2025-27). For Russia, GDP would increase, by 8.4% (2025-27), at a low pace compared to the CE&EE area.
For Austria the GDP is expected to rise by 4.4% (cumulated in 2025-27).
With reference to the inflation, higher inflation is expected compared to the Base scenario, due to the better economic growth leading to a higher demand.
BTP credit spread is expected to experience a lower pressure compared to the Base scenario, reflecting improved economic conditions.
The base scenario is consistent with the effects of the "*12 days war*" between Israel and Iran, with US involvement, that started on 13 June 2025 and for which a cease-fire was agreed on 24 June 2025. Indeed, short-lived market turbulence appeared to have minor macroeconomic consequences. No major implications for the oil market are expected, inflation expectations are unlikely to be derailed, and both the FED and the ECB remain on track to cut rates once again this year. Some temporary volatility is to be expected, but the overall picture should be one of resilient stock prices and broadly stable government bond yields. The dollar is also unlikely to be meaningfully affected according to the current assumptions[9].

INTEREST RATES, INFLATION AND YIELD ENVIRONMENT		2024 Actual	2025	2026	2027
Base scenario	Euribor 3M (Eop, bps)	271	179	181	202
	-	116	135	160	160
	Real GDP growth y/y, %				
	Italy	0.5	0.5	0.8	0.9
	Germany	(0.2)	0.1	1.3	1.8
	Austria	(1.2)	(0.2)	1.1	1.5
	CEE (excl. Russia)	1.5	1.9	2.5	2.7
	Russia	4.3	1.7	2.2	2.0
	Inflation avg, %				
	Italy	1.0	1.8	1.7	1.8
	Germany	2.3	1.7	1.7	2.0
	Austria	2.9	2.5	1.9	2.0
	CEE (excl. Russia)	3.6	3.8	3.2	2.9
	Russia	8.4	9.5	5.4	4.0
Alternative/Recession scenario	Euribor 3M (Eop, bps)	271	91	77	90
	-	116	160	215	215
	Real GDP growth y/y, %				
	Italy	0.5	(0.5)	(2.4)	(0.3)
	Germany	(0.2)	(1.0)	(2.0)	0.4
	Austria	(1.2)	(1.4)	(1.9)	-
	CEE (excl. Russia)	1.5	0.8	(0.2)	1.5
	Russia	4.3	0.8	(0.3)	0.6
	Inflation avg, %				
	Italy	1.0	1.4	1.2	1.5
	Germany	2.3	1.4	1.1	1.7
	Austria	2.9	2.2	1.3	1.7
	CEE (excl. Russia)	3.6	3.6	2.8	2.7
	Russia	8.4	9.3	5.0	3.9
Positive scenario	Euribor 3M (Eop, bps)	271	179	181	202
	-	116	125	150	150
	Real GDP growth y/y, %				
	Italy	0.5	1.2	1.7	1.3
	Germany	(0.2)	0.7	2.4	2.4
	Austria	(1.2)	0.2	2.1	2.1
	CEE (excl. Russia)	1.5	2.4	3.5	3.2
	Russia	4.3	2.4	3.4	2.6
	Inflation avg, %				
	Italy	1.0	1.9	1.8	1.9
	Germany	2.3	1.8	1.8	2.1
	Austria	2.9	2.6	2.0	2.1
	CEE (excl. Russia)	3.6	3.9	3.3	3.0
	Russia	8.4	9.8	5.7	4.1

9 Source: "Iran-Israel war: four questions, two scenarios" issued on 13 June 2025 by the investments institute by UniCredit.

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Part A - Accounting policies

Main items subject to valuation uncertainties

Deferred tax assets
With reference to deferred tax assets, for the purposes of Condensed interim consolidated financial statements as at 30 June 2025, the following analyses were performed regarding the Italian Tax Perimeter (which accounts for the significant majority of the DTAs): (i) analysis of the evolution of the macroeconomic scenarios highlighted above compared to the scenario underlying the valuation process at 31 December 2024; (ii) comparison between the actual profit before taxes and the budget underlying the test executed in December 2024; (iii) confirmation of the validity of the additional methodological assumptions (reference tax legislation, perimeter of companies); and (iv) update of the volatility parameter underlying the model and of reversal of non-convertible DTAs used in the valuation process. Following such assessment, the DTA sustainability test has been executed leading to confirm both the stock of existing DTAs TLCF, as well as sustainability of temporary differences.

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.

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 2025 reporting date, the fair value has been determined through external appraisals, following the Group 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 2025, 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.

Measurement of Credit Exposures
With reference to the credit exposures as at 30 June 2025, 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 Base scenario was set at 60%, the Adverse/Recession scenario at 35% and the Positive scenario at 5%. For further information about the valuation of the credit exposures, reference is made to “Section 2.1 Credit risk”, Explanatory notes, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidation perimeter.

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 parameters (Probability of Default, Loss Given Default and Exposure at Default) which, in accordance with IFRS9, incorporate, among the other factors, forward looking information and the expected evolution of the macro-economic scenario.
Therefore, also in this case, the measurement is affected by the mentioned degree of uncertainty on the evolution of the geopolitical tension 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 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.

Russia
UniCredit group is exposed to Russia through (i) its investments in AO UniCredit Bank, its subsidiaries OOO UniCredit Garant, OOO UniCredit Leasing, and (ii) exposures toward Russian Counterparties held by non-Russian subsidiaries.

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Part A - Accounting policies

Geopolitical tensions have been arising from the conflict between Russia and Ukraine, leading to sanctions and countersanctions among the parties; the Russian administration also took actions towards western investors, in terms of, e.g.,: (i) temporary management by Russian entities of subsidiaries of western investors; (ii) lack of procedures for capital repatriation from Russia; (iii) limitations to the ability for Russian subsidiaries to distribute dividends towards western investors; (iv) ruling of Russian Courts which considered local subsidiaries of western investors jointly and severally liable in legal cases.
The evolution of such geopolitical tensions may affect, also significantly, the value of these assets and liabilities possibly determining the need to recognise additional losses.

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 2025 and in coherence with the previous years, the Group is applying an OTC foreign exchange rate provided by Electronic Broking Service (EBS[10]). 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.

Other measurement
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 2025, they might be subject to changes not foreseeable at the moment, as a result of the evolution in the parameters used for the evaluation.

Furthermore, the following factors, in addition to those illustrated above, might influence the future results of the Group and cause outcomes materially different from those deriving from the valuations: (i) general economic and industrial conditions of the regions in which the Group operates or holds significant investments; (ii) exposure to various market risks (e.g. foreign exchange risk); (iii) political instability in the areas in which the Group operates or holds significant investments; (iv) legislative, regulatory and tax changes, including regulatory capital and liquidity requirements, and increased regulation in response to the financial crisis; (v) adverse change in climate which may affect the value of the assets held and/or the ability of customers to serve their debts[11]. Other unknown and unforeseeable factors could determine material deviations between actual and expected results.

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 the first half 2025, the geopolitical tensions between Russian Federation and Ukraine and in the middle East persisted and uncertainty about Trade policies following the announcements on Trade Tariffs by US Administration.
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 Group will be able to operate profitably in the foreseeable future; as a result, in accordance with the provisions of IAS1, the Condensed interim consolidated financial statements as at 30 June 2025 was 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 2025, in terms of actual figures: Common Equity Tier 1 Ratio equal to 16.02% and MREL Ratio equal to 32.15% in terms of RWEA and 10.32% in terms of Leverage Exposure which are in excess of the minimum requirements (CET1 Ratio: excess of 541 basis points; MREL Ratio: excess of 513 basis points in terms of RWEA and 434 basis points in terms of Leverage Exposure).

The measurement criteria adopted are therefore consistent with this 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.

10 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).
11 For additional information about climate risk and how the Group affects it refer to Part E - Information on risks and related hedging policies - Climate-related and environmental risks.

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Part A - Accounting policies

Section 3 - Consolidation scope and methods

The consolidation criteria and principles used to prepare the Consolidated first half financial report as at 30 June 2025 are described below.

Consolidated accounts

For the preparation of the Consolidated first half financial report as at 30 June 2025 the following sources have been used:

- the parent company UniCredit S.p.A. first half accounts as at 30 June 2025;
- the first half accounts as at 30 June 2025 of the other fully consolidated subsidiaries, or associates accounted for through the equity method[12], duly reclassified and adjusted to take account of consolidation needs and, where necessary, to align them to the Group accounting principles.

Amounts in foreign currencies are converted at closing exchange rates in the Balance sheet, whereas the average exchange rate for the year is used for the Income statement.
The accounts and explanatory notes of the main fully consolidated subsidiaries prepared under IAS/IFRS for the Consolidated financial report purposes are subject to limited review by leading audit companies.

Subsidiaries

Entities, including structured entities, over which the Group has direct or indirect control, are considered subsidiaries.

Control over an entity entails:

- the existence of power over the relevant activities;
- the exposure to the variability of returns;
- the ability to use the power exercised in order to influence the returns to which the Group is exposed.

In order to verify the existence of control, the Group considers the following factors:

- the purpose and design of the investee, in order to identify which are the entity's objectives, the activities that determine its returns and how these activities are governed;
- the power, in order to understand whether the Group has contractual rights that attribute the ability to govern the relevant activities; to this end only substantial rights that provide practical ability to govern are considered;
- the exposure held in relation to the investee, in order to assess whether the Group has relations with the investee, the returns of which are subject to changes depending on the investee's performance;
- the existence of potential "*principal - agent*" relationships.

If the relevant activities are governed through voting rights, the existence of control is verified considering the voting rights held, including the potential ones, and the existence of any shareholders' or other agreements which attribute the right to control the majority of the voting rights, to appoint the majority of the governing body or in any case the power to determine the entity's financial and operating policies.

Subsidiaries may also include any "structured entity" in which the voting rights are not significant for establishing control, including special purpose entities and investment funds.

In the case of structured entities, the existence of control is ascertained considering both the contractual rights that enable governance of the relevant activities of the entity (or those that contribute most to the results) and the Group's exposure to the variability of returns deriving from these activities.

The carrying amount of an equity interest in a fully consolidated entity held by the Parent Company or another Group company is eliminated against the recognition of the assets and liabilities of the investee as an offsetting entry to the corresponding portion of net equity of the subsidiary attributable to the Group.

Intragroup balances, the off-Balance sheet transactions, the income and expenses, and the gain/losses between consolidated companies are eliminated in full, according to the method of consolidation adopted.

A subsidiary's income and expenses are included in the consolidation from the date the Parent acquires the control. On disposal of a subsidiary, its income and expenses are consolidated up to the date of the disposal, i.e., until the Parent ceases to control the subsidiary. The difference between the consideration received for the subsidiary and the carrying amount of its net assets at the same date is recognised: (i) in the Income statement under item "280. Gains (Losses) on disposal of investments" in case the disposal determines the loss of control; (ii) in the net equity if the sale does not entail loss of control.

12 In limited circumstances accounts dated three months prior to the 30 June 2025 have been used if more updated accounts were not available.

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Part A - Accounting policies

The portion attributable to non-controlling interests is presented in the Balance sheet under item “190. Minorities shareholders’ equity”, separately from the liabilities and net equity attributable to the Group. In the Income statement, the portion attributable to minorities is also presented separately under item “340. Minority profit (loss) of the year”.
With respect to companies included in the consolidation scope for the first time, the fair value of the consideration paid to obtain control of this equity interest is measured at the acquisition date.

Joint arrangements

A joint arrangement is a contractual agreement under the terms of which two or more counterparties arrange to jointly control an entity.
Joint control is the contractually agreed sharing of control of an arrangement, which exists only when the decisions about the relevant activities require the unanimous consent of the parties sharing control.
According to the standard IFRS11 - Joint Arrangements, such agreements must be classified as *Joint Operations* or *Joint Ventures* according to the contractual rights and obligations held by the Group.
A *Joint Operation* is a joint arrangement in which the parties have rights on the assets and obligations with respect to the liabilities of the arrangement.
A *Joint Venture* is a joint arrangement in which the parties have rights on the net assets of the arrangement.
The Group has assessed the nature of the joint arrangements and has determined that its jointly controlled equity investments are of the *Joint Venture* type. These equity investments are recognised using the equity method.
Carrying amount of the *Joint Ventures* is tested in accordance with IAS36 as a single asset, by comparing it with the corresponding recoverable amount (i.e., higher of value in use (VIU) and fair value (FV) less cost to sell).

Associates

An associate is an entity over which the investor has significant influence and which are not subsidiaries or joint ventures. Significant influence is presumed when the investor:

- holds, directly or indirectly, at least 20%[13] of the share capital of another entity, or
- is able, also through shareholders' agreements, to exercise significant influence through:
  - representation on the governing body of the company;
  - participation in the policy-making process, including participation in decisions about dividends or other distributions;
  - the existence of significant transactions;
  - interchange of managerial personnel;
  - provision of key technical information.

It is to be pointed out that only companies which are governed through voting rights can be classified as subject to significant influence.
Investments in associates are recognised using the equity method. Carrying amount of Associates is tested in accordance with IAS36 as a single asset, by comparing it with the corresponding recoverable amount (i.e., higher of VIU and FV less cost to sell).

Equity method

The carrying value of companies measured using the equity method include the goodwill (less any impairment loss) paid to purchase them. The investor’s share of the profit and loss of the investee after the date of acquisition is recognised in the Income statement under item “250. Gains (Losses) of equity investments”. Any dividends distributed reduce the carrying amount of the equity investment.

If the investor’s share of an investee’s losses is equal to or greater than its carrying amount, no further losses are recognised, unless the investor has incurred specific obligations or made payments on behalf of the associate.
Gains and losses on transactions with associates or joint arrangements are eliminated according to the percentage interest in the said company.
Any changes in the revaluation reserves of associates or joint arrangements, which are recorded as a contra item to changes in value of the phenomena relevant to this purpose, are reported separately in the Statement of other comprehensive income.
The following table shows the companies included in the scope of consolidation.

13 10% for listed companies.

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Part A - Accounting policies

Investments in subsidiaries and valued at equity

	COMPANY NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	COUNTRY	TYPE OF RELATIONSHIP (1)	BUSINESS SECTOR (5)	OWNERSHIP RELATIONSHIP HELD BY	OWNERSHIP RELATIONSHIP HOLDING %	VOTING RIGHTS % (2)
	A. LINE BY LINE METHOD								
1	**UNICREDIT SPA** Issued Capital EUR 21,453,835,025	**MILAN**	**MILAN**	**ITALY**			**HOLDING**		
2	AION BANK S.A. Issued Capital EUR 183,541,357	BRUXELLES	BRUXELLES	BELGIUM	1	2	UNICREDIT SPA	100.00	
3	ALLEGRO LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
4	ALMS LEASING GMBH. Issued Capital EUR 36,000	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
5	ALPHA BANK ROMANIA S.A. Issued Capital RON 983,145,034	BUCHAREST	BUCHAREST	ROMANIA	1	2	UNICREDIT SPA	90.10	
6	ALPHA RENT DOO BEOGRAD Issued Capital RSD 3,285,948,900	BELGRADE	BELGRADE	SERBIA	1	38	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
7	ANTARES IMMOBILIEN LEASING GESELLSCHAFT M.B.H. IN LIQU. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
8	AO UNICREDIT BANK(4) Issued Capital RUB 41,787,805,174	MOSCOW	MOSCOW	RUSSIA	1	2	UNICREDIT SPA	100.00	
9	ARABELLA FINANCE DAC	DUBLIN	DUBLIN	IRELAND	4	4	UNICREDIT BANK GMBH	...	(3)
10	ARGENTAURUS IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH Issued Capital EUR 511,300	MUNICH	MUNICH	GERMANY	1	38	HVB PROJEKT GMBH	100.00	
11	ARNO GRUNDSTUECKSVERWALTUNGS GESELLSCHAFT M.B.H. Issued Capital EUR 36,337	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	
12	ARTS CONSUMER 2023 SRL (CARTOLARIZZAZIONE: CONSUMER 2023)	VERONA	VERONA	ITALY	4	3	UNICREDIT SPA	...	(3)
13	ARTS CONSUMER SRL (CARTOLARIZZAZIONE: CONSUMER IV)	VERONA	VERONA	ITALY	4	3	UNICREDIT SPA	...	(3)
14	BA CA SECUND LEASING GMBH Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
15	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H. Issued Capital EUR 363,364	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H.	100.00	
16	BA GEBAEUDEVERMIETUNGSGMBH Issued Capital EUR 36,336	VIENNA	VIENNA	AUSTRIA	1	2	UNICREDIT BANK AUSTRIA AG	89.00	
							PAYTRIA UNTERNEHMENSBETEILIGUNGEN GMBH	1.00	
							BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	10.00	
17	BA-CA ANDANTE LEASING GMBH Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
18	BA-CA LEASING DREI GARAGEN GMBH Issued Capital EUR 35,000	VIENNA	VIENNA	AUSTRIA	1	4	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
19	BA-CA LEASING MAR IMMOBILIEN LEASING GMBH Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
20	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H. Issued Capital EUR 127,177	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT BANK AUSTRIA AG	100.00	
21	BA-CA PRESTO LEASING GMBH Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
22	BA/CA-LEASING BETEILIGUNGEN GMBH Issued Capital EUR 454,000	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	

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Part A - Accounting policies

	COMPANY NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	COUNTRY	TYPE OF RELATIONSHIP (1)	BUSINESS SECTOR (5)	OWNERSHIP RELATIONSHIP HELD BY	OWNERSHIP RELATIONSHIP HOLDING %	VOTING RIGHTS % (2)
23	BACA HYDRA LEASING GMBH	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
	Issued Capital EUR 36,500						UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
24	BACA KOMMUNALLEASING GMBH	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
	Issued Capital EUR 36,500								
25	BACA LEASING UND BETEILIGUNGSMANAGEMENT GMBH	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
	Issued Capital EUR 18,287						CALG IMMOBILIEN LEASING GMBH	98.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
26	BAL HESTIA IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
	Issued Capital EUR 36,500						UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
27	BAL HORUS IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	AUSTRIA	1	4	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	
	Issued Capital EUR 36,500						UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
28	BAL HYPNOS IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
	Issued Capital EUR 36,500						CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	
29	BAL OSIRIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
	Issued Capital EUR 36,500						UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
30	BANK AUSTRIA CREDITANSTALT LEASING IMMOBILIENANLAGEN GMBH	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
	Issued Capital EUR 36,500						GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	
31	BANK AUSTRIA LEASING ARGO IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
	Issued Capital EUR 36,500						WOEM GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	99.80	
32	BANK AUSTRIA LEASING IKARUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
	Issued Capital EUR 36,500						UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
33	BANK AUSTRIA LEASING MEDEA IMMOBILIEN LEASING GMBH IN LIQU.	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
	Issued Capital EUR 36,500						UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
34	BANK AUSTRIA REAL INVEST IMMOBILIEN-KAPITALANLAGE GMBH	VIENNA	VIENNA	AUSTRIA	1	4	BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH	100.00	
	Issued Capital EUR 5,000,000								
35	BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT BANK AUSTRIA AG	94.95	
	Issued Capital EUR 10,900,500								
36	BANK AUSTRIA WOHNBAUBANK AG	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT BANK AUSTRIA AG	100.00	
	Issued Capital EUR 18,765,944								
37	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
	Issued Capital EUR 36,500								
38	BREWO GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT PEGASUS LEASING GMBH	100.00	
	Issued Capital EUR 36,337								
39	CA-ZETA REAL ESTATE DEVELOPMENT LIMITED LIABILITY COMPANY	BUDAPEST	BUDAPEST	HUNGARY	1	38	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
	Issued Capital HUF 3,000,000								
40	CABET-HOLDING GMBH	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT BANK AUSTRIA AG	100.00	
	Issued Capital EUR 290,909								
41	CABO BETEILIGUNGSGESELLSCHAFT M.B.H.	VIENNA	VIENNA	AUSTRIA	1	4	CABET-HOLDING GMBH	100.00	
	Issued Capital EUR 35,000								
42	CALG 307 MOBILIEN LEASING GMBH	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H.	100.00	
	Issued Capital EUR 36,500								
43	CALG 443 GRUNDSTUECKVERWALTUNG GMBH	VIENNA	VIENNA	AUSTRIA	1	4	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	98.80	
	Issued Capital EUR 36,336						UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							CALG IMMOBILIEN LEASING GMBH	1.00	

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44	CALG 445 GRUNDSTUECKVERWALTUNG GMBH	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.40	
	Issued Capital EUR 18,168						CALG IMMOBILIEN LEASING GMBH	99.60	
45	CALG ANLAGEN LEASING GMBH	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
	Issued Capital EUR 36,500						UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
46	CALG ANLAGEN LEASING GMBH, WIEN & CO. GRUNDSTUECKSVERMIETUNG UND - VERWALTUNG KG Issued Capital EUR 2,326,378	MUNICH	MUNICH	GERMANY	1	4	CALG ANLAGEN LEASING GMBH	99.90	
47	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
	Issued Capital EUR 36,336						CALG ANLAGEN LEASING GMBH	99.80	
48	CALG GAMMA GRUNDSTUECKVERWALTUNG GMBH	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
	Issued Capital EUR 36,337						CALG IMMOBILIEN LEASING GMBH	99.80	
49	CALG GRUNDSTUECKVERWALTUNG GMBH	VIENNA	VIENNA	AUSTRIA	1	4	CALG IMMOBILIEN LEASING GMBH	74.80	
	Issued Capital EUR 36,500						UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
50	CALG IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
	Issued Capital EUR 254,355						CALG ANLAGEN LEASING GMBH	99.80	
51	CALG MINAL GRUNDSTUECKVERWALTUNG GMBH	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
	Issued Capital EUR 18,286						CALG ANLAGEN LEASING GMBH	99.80	
52	CAPITAL MORTGAGE SRL (CARTOLARIZZAZIONE: CAPITAL MORTGAGE 2007 - 1)	VERONA	VERONA	ITALY	4	3	UNICREDIT SPA	...	(3)
53	CARD COMPLETE SERVICE BANK AG * Issued Capital EUR 6,000,000	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT BANK AUSTRIA AG	50.10	
54	CASTELLANI LEASING GMBH	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H.	90.00	
	Issued Capital EUR 1,800,000						UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	10.00	
55	CHARADE LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	AUSTRIA	1	4	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	
	Issued Capital EUR 36,500						UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
56	CHEFREN LEASING GMBH Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
57	CIVITAS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
	Issued Capital EUR 36,500						UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
58	COIMA LAMPUGNANO REGENERATION FUND	MILAN	MILAN	ITALY	4	3	UNICREDIT SPA	...	(3)
59	COMMUNA - LEASING GRUNDSTUECKSVERWALTUNGSGESELLSCHAFT M.B.H.	VIENNA	VIENNA	AUSTRIA	1	4	REAL-LEASE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	99.80	
	Issued Capital EUR 36,337						UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
60	CONTRA LEASING-GESELLSCHAFT M.B.H.	VIENNA	VIENNA	AUSTRIA	1	4	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	
	Issued Capital EUR 36,500						JAUSERN-LEASING GESELLSCHAFT M.B.H.	25.00	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
61	CORDUSIO SOCIETA' FIDUCIARIA PER AZIONI Issued Capital EUR 520,000	MILAN	MILAN	ITALY	1	3	UNICREDIT SPA	100.00	
62	DLV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	90.00	
	Issued Capital EUR 36,500						UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	10.00	
63	DUODEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
	Issued Capital EUR 36,500						UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
64	EBS FINANCE S.R.L. Issued Capital EUR 10,000	MILAN	MILAN	ITALY	1	3	UNICREDIT SPA	100.00	

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65	EBS FINANCE S.R.L. (PATR.SEPARATO)	MILAN	MILAN	ITALY	4	3	UNICREDIT SPA	...	(3)
66	ELEKTRA PURCHASE NO. 28 DAC	DUBLIN	DUBLIN	IRELAND	4	4	UNICREDIT BANK GMBH	...	(3)
67	ELEKTRA PURCHASE NO. 31 DAC	DUBLIN	DUBLIN	IRELAND	4	4	UNICREDIT BANK GMBH	...	(3)
68	ELEKTRA PURCHASE NO. 32 S.A. - COMPARTMENT 1	LUXEMBOURG	LUXEMBOURG	LUXEMBOURG	4	4	UNICREDIT BANK GMBH	...	(3)
69	ELEKTRA PURCHASE NO. 33 DAC	DUBLIN	DUBLIN	IRELAND	4	4	UNICREDIT BANK GMBH	...	(3)
70	ELEKTRA PURCHASE NO. 350 DAC	DUBLIN	DUBLIN	IRELAND	4	4	UNICREDIT BANK GMBH	...	(3)
71	ELEKTRA PURCHASE NO. 36 DAC	DUBLIN	DUBLIN	IRELAND	4	4	UNICREDIT BANK GMBH	...	(3)
72	ELEKTRA PURCHASE NO. 37 DAC	DUBLIN	DUBLIN	IRELAND	4	4	UNICREDIT BANK GMBH	...	(3)
73	ELEKTRA PURCHASE NO. 38 DAC	DUBLIN	DUBLIN	IRELAND	4	4	UNICREDIT BANK GMBH	...	(3)
74	ELEKTRA PURCHASE NO. 43 DAC	DUBLIN	DUBLIN	IRELAND	4	4	UNICREDIT BANK GMBH	...	(3)
75	ELEKTRA PURCHASE NO. 46 DAC	DUBLIN	DUBLIN	IRELAND	4	4	UNICREDIT BANK GMBH	...	(3)
76	ELEKTRA PURCHASE NO. 54 DAC	DUBLIN	DUBLIN	IRELAND	4	4	UNICREDIT BANK GMBH	...	(3)
77	ELEKTRA PURCHASE NO. 56 DAC	DUBLIN	DUBLIN	IRELAND	4	4	UNICREDIT BANK GMBH	...	(3)
78	ELEKTRA PURCHASE NO. 69 DAC	DUBLIN	DUBLIN	IRELAND	4	4	UNICREDIT BANK GMBH	...	(3)
79	ELEKTRA PURCHASE NO. 71 DAC	DUBLIN	DUBLIN	IRELAND	4	4	UNICREDIT BANK GMBH	...	(3)
80	ELEKTRA PURCHASE NO. 74 DAC	DUBLIN	DUBLIN	IRELAND	4	4	UNICREDIT BANK GMBH	...	(3)
81	ELEKTRA PURCHASE NO. 79 DAC	DUBLIN	DUBLIN	IRELAND	4	4	UNICREDIT BANK GMBH	...	(3)
82	ELEKTRA PURCHASE NO. 82 DAC	DUBLIN	DUBLIN	IRELAND	4	4	UNICREDIT BANK GMBH	...	(3)
83	ELEKTRA PURCHASE NO. 83 DAC	DUBLIN	DUBLIN	IRELAND	4	4	UNICREDIT BANK GMBH	...	(3)
84	EUROLEASE ANUBIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	99.80 0.20	
85	EUROLEASE ISIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	99.80 0.20	
86	EUROLEASE MARDUK IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	99.80 0.20	
87	EUROLEASE RA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	99.80 0.20	
88	EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,336	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	99.80 0.20	
89	EUROPA INGATLANBEFEKTETESI ALAP (EUROPE REAL-ESTATE INVESTMENT FUND)	BUDAPEST	BUDAPEST	HUNGARY	4	4	UNICREDIT BANK HUNGARY ZRT.	...	(3)
90	FACTORBANK AKTIENGESELLSCHAFT Issued Capital EUR 3,000,000	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT BANK AUSTRIA AG	100.00	
91	FINN ARSENAL LEASING GMBH Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG UNICREDIT LEASING (AUSTRIA) GMBH	99.60 0.20 0.20	
92	FOLIA LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,336	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	0.20 99.80	
93	FONDO AURORA	MILAN	MILAN	ITALY	4	3	UNICREDIT SPA	...	(3)
94	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H. Issued Capital EUR 27,434	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG CALG IMMOBILIEN LEASING GMBH	0.20 99.80	
95	GEBAEUDELEASING GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH UNICREDIT LEASING (AUSTRIA) GMBH UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	98.80 1.00 0.20	

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96	GEMEINDELEASING GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H. Issued Capital EUR 18,333	VIENNA	VIENNA	AUSTRIA	1	4	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	37.30	
							UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							CALG IMMOBILIEN LEASING GMBH	37.50	
97	GEMMA VERWALTUNGSGESELLSCHAFT MBH & CO. VERMIETUNGS KG Issued Capital EUR 74,248,181	PULLACH	PULLACH	GERMANY	1	4	HVB PROJEKT GMBH	98.69	
98	GRUNDSTUECKSVERWALTUNG LINZ-MITTE GMBH Issued Capital EUR 35,000	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
99	H.F.S. LEASINGFONDS DEUTSCHLAND 7 GMBH & CO. KG Issued Capital EUR 85,430,630	MUNICH	MUNICH	GERMANY	1	4	HVB IMMOBILIEN AG	99.43	
100	H.F.S. LEASINGFONDS GMBH Issued Capital EUR 26,000	GRUENWALD	GRUENWALD	GERMANY	1	38	WEALTHCAP INVESTMENT SERVICES GMBH	100.00	
101	H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 10 KG	EBERSBERG	EBERSBERG	GERMANY	4	38	WEALTH MANAGEMENT CAPITAL HOLDING GMBH	...	(3)
102	H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 11 KG	EBERSBERG	EBERSBERG	GERMANY	4	38	WEALTH MANAGEMENT CAPITAL HOLDING GMBH	...	(3)
103	H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 12 KG	EBERSBERG	EBERSBERG	GERMANY	4	38	WEALTH MANAGEMENT CAPITAL HOLDING GMBH	...	(3)
104	H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 8 KG	EBERSBERG	EBERSBERG	GERMANY	4	38	WEALTH MANAGEMENT CAPITAL HOLDING GMBH	...	(3)
105	H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 9 KG	EBERSBERG	EBERSBERG	GERMANY	4	38	WEALTH MANAGEMENT CAPITAL HOLDING GMBH	...	(3)
106	HVB IMMOBILIEN AG Issued Capital EUR 520,000	MUNICH	MUNICH	GERMANY	1	4	UNICREDIT BANK GMBH	100.00	
107	HVB PROJEKT GMBH Issued Capital EUR 25,633,778	MUNICH	MUNICH	GERMANY	1	2	UNICREDIT BANK GMBH	10.00	
							HVB IMMOBILIEN AG	90.00	
108	HVB TECTA GMBH Issued Capital EUR 1,534,000	MUNICH	MUNICH	GERMANY	1	36	HVB IMMOBILIEN AG	94.00	
							UNICREDIT BANK GMBH	6.00	
109	HVB VERWA 4 GMBH Issued Capital EUR 26,000	MUNICH	MUNICH	GERMANY	1	4	UNICREDIT BANK GMBH	100.00	
110	HVB VERWA 4.4 GMBH Issued Capital EUR 25,000	MUNICH	MUNICH	GERMANY	1	4	HVB VERWA 4 GMBH	100.00	
111	ICE CREEK POOL NO. 5 DAC	DUBLIN	DUBLIN	IRELAND	4	4	UNICREDIT BANK GMBH	...	(3)
112	ICE CREEK POOL NO.1 DAC	DUBLIN	DUBLIN	IRELAND	4	4	UNICREDIT BANK GMBH	...	(3)
113	IDEA FIMIT SGR FONDO SIGMA IMMOBILIARE	ROME	ROME	ITALY	4	3	UNICREDIT SPA	...	(3)
114	INTRO LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,336	VIENNA	VIENNA	AUSTRIA	1	4	PROJEKT-LEASE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	100.00	
115	ISB UNIVERSALE BAU GMBH IN LIQUIDATION Issued Capital EUR 6,288,890	BERLIN	BERLIN	GERMANY	1	38	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
116	JAUSERN-LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,336	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
117	KAISERWASSER BAU- UND ERRICHTUNGS GMBH UND CO OG Issued Capital EUR 36,336	VIENNA	VIENNA	AUSTRIA	1	38	UNICREDIT BANK AUSTRIA AG	99.80	100.00
118	KUTRA GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued Capital EUR 36,337	VIENNA	VIENNA	AUSTRIA	1	4	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
119	LAGEV IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
120	LARGO LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	VAPE COMMUNA LEASINGGESELLSCHAFT M.B.H.	98.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							UNICREDIT LEASING (AUSTRIA) GMBH	1.00	

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121	LEASFINANZ ALPHA ASSETVERMIETUNG GMBH Issued Capital EUR 35,000	VIENNA	VIENNA	AUSTRIA	1	38	LEASFINANZ GMBH	100.00	
122	LEASFINANZ GMBH Issued Capital EUR 218,019	VIENNA	VIENNA	AUSTRIA	1	4	BACA LEASING UND BETEILIGUNGSMANAGEMENT GMBH	100.00	
123	LEGATO LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	
							UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
124	LELEV IMMOBILIEN LEASING GESELLSCHAFT M.B.H. IN LIQU. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
125	LIPARK LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	
							UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
126	LIVA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
127	M. A. V. 7., BANK AUSTRIA LEASING BAUTRAEGER GMBH & CO.OG. Issued Capital EUR 3,707	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	1.97	
							UNICREDIT LUNA LEASING GMBH	98.04	
128	MBC IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
129	MENUETT GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued Capital EUR 36,337	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
130	MOMENTUM ALLWEATHER STRATEGIES - LONG TERM STRATEG	HAMILTON	HAMILTON	BERMUDA	4	4	UNICREDIT SPA	...	(3)
131	MOMENTUM LONG TERM VALUE FUND	HAMILTON	HAMILTON	BERMUDA	4	4	UNICREDIT SPA	...	(3)
132	MONNET 8-10 S.A R.L. * Issued Capital EUR 60,000,000	LUXEMBOURG	LUXEMBOURG	LUXEMBOURG	1	2	UNICREDIT BANK GMBH	100.00	
133	NAGE LOKALVERMIETUNGSGESELLSCHAFT M.B.H. IN LIQU. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	
134	NUOVA COMPAGNIA DI PARTECIPAZIONI-SOCIETA' A RESPONSABILITA' LIMITATA Issued Capital EUR 200,000	ROME	ROME	ITALY	1	37	UNICREDIT SPA	100.00	
135	OCT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
136	OLG HANDELS- UND BETEILIGUNGSVERWALTUNGSGESELLSCHAFT M.B.H. Issued Capital EUR 36,336	VIENNA	VIENNA	AUSTRIA	1	4	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	100.00	
137	OMNIA GRUNDSTUCKS-GMBH & CO. OBJEKT HAIDENAUPLATZ KG Issued Capital EUR 26,000	MUNICH	MUNICH	GERMANY	1	38	UNICREDIT BANK GMBH	6.00	
							HVB IMMOBILIEN AG	94.00	
138	OOO UNICREDIT GARANT(4) Issued Capital RUB 106,998,000	MOSCOW	MOSCOW	RUSSIA	1	2	OOO UNICREDIT LEASING	100.00	
139	OOO UNICREDIT LEASING(4) Issued Capital RUB 149,160,248	MOSCOW	MOSCOW	RUSSIA	1	4	AO UNICREDIT BANK	100.00	
140	ORBIT PERFORMANCE STRATEGIES - ORBIT US CLASSE I U	HAMILTON	HAMILTON	BERMUDA	4	4	UNICREDIT SPA	...	(3)
141	OTHMARSCHEN PARK HAMBURG GMBH & CO. GEWERBEPARK KG Issued Capital EUR 51,129	MUNICH	MUNICH	GERMANY	1	38	T & P FRANKFURT DEVELOPMENT B.V.	30.00	
							T & P VASTGOED STUTTGART B.V.	60.00	
							HVB PROJEKT GMBH	10.00	
142	PADEL FINANCE 01 DAC	DUBLIN	DUBLIN	IRELAND	4	4	UNICREDIT BANK GMBH	...	(3)
143	PAI (BERMUDA) LIMITED Issued Capital USD 12,000	HAMILTON	HAMILTON	BERMUDA	1	4	UNICREDIT SPA	100.00	

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							HELD BY	HOLDING %	
144	PAI MANAGEMENT LTD Issued Capital EUR 1,032,000	DUBLIN	DUBLIN	IRELAND	1	4	UNICREDIT SPA	100.00	
145	PALAIS ROTHSCHILD VERMIETUNGS GMBH & CO OG Issued Capital EUR 2,180,185	VIENNA	VIENNA	AUSTRIA	1	2	SCHOELLERBANK AKTIENGESELLSCHAFT	100.00	
146	PAYTRIA UNTERNEHMENSBETEILIGUNGEN GMBH Issued Capital EUR 36,336	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT BANK AUSTRIA AG	100.00	
147	PENSIONSKASSE DER HYPO VEREINSBANK VVAG	MUNICH	MUNICH	GERMANY	4	38	UNICREDIT BANK GMBH	...	(3)
148	PIANA LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
149	PIRTA VERWALTUNGS GMBH Issued Capital EUR 2,067,138	VIENNA	VIENNA	AUSTRIA	1	38	UNICREDIT SPA	100.00	
150	POLLUX IMMOBILIEN GMBH Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	2	UNICREDIT BANK AUSTRIA AG	99.80	
							PAYTRIA UNTERNEHMENSBETEILIGUNGEN GMBH	0.20	
151	POSATO LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	
152	PROJEKT-LEASE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	ARNO GRUNDSTUECKSVERWALTUNGS GESELLSCHAFT M.B.H.	74.80	
							UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
153	QUADEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
154	QUART Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							CALG ANLAGEN LEASING GMBH	99.80	
155	QUINT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
156	RANA-LIEGENSCHAFTSVERWERTUNG GMBH Issued Capital EUR 72,700	VIENNA	VIENNA	AUSTRIA	1	38	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	99.90	
157	REAL INVEST EUROPE DER BANK AUSTRIA REAL INVEST IMMOBILIEN- KAPI	VIENNA	VIENNA	AUSTRIA	4	4	UNICREDIT BANK AUSTRIA AG	...	(3)
158	REAL-LEASE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	
159	REAL-RENT LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 73,000	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
160	REDEUS FUND	MILAN	MILAN	ITALY	4	3	UNICREDIT SPA	...	(3)
161	ROSENKAVALIER 2008 GMBH	FRANKFURT	FRANKFURT	GERMANY	4	4	UNICREDIT BANK GMBH	...	(3)
162	ROSENKAVALIER 2015 UG	FRANKFURT	FRANKFURT	GERMANY	4	4	UNICREDIT BANK GMBH	...	(3)
163	ROSENKAVALIER 2020 UG	FRANKFURT	FRANKFURT	GERMANY	4	4	UNICREDIT BANK GMBH	...	(3)
164	ROSENKAVALIER 2022 UG	FRANKFURT	FRANKFURT	GERMANY	4	4	UNICREDIT BANK GMBH	...	(3)
165	SCHOELLERBANK AKTIENGESELLSCHAFT Issued Capital EUR 20,000,000	VIENNA	VIENNA	AUSTRIA	1	2	PAYTRIA UNTERNEHMENSBETEILIGUNGEN GMBH	0.01	
							UNICREDIT BANK AUSTRIA AG	99.99	
166	SCHOELLERBANK INVEST AG Issued Capital EUR 2,543,549	SALZBURG	SALZBURG	AUSTRIA	1	4	SCHOELLERBANK AKTIENGESELLSCHAFT	100.00	
167	SECA-LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
							CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	74.80	

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168	SEDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. IN LIQU. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	
169	SEXT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
170	SIGMA LEASING GMBH Issued Capital EUR 18,286	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	0.40	
							CALG ANLAGEN LEASING GMBH	99.40	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
171	SPECTRUM GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued Capital EUR 36,336	VIENNA	VIENNA	AUSTRIA	1	4	WOEM GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	100.00	
172	STEWE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued Capital EUR 36,337	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	75.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							PROJEKT-LEASE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	24.00	
173	STRUCTURED INVEST SOCIETE ANONYME Issued Capital EUR 125,500	LUXEMBOURG	LUXEMBOURG	LUXEMBOURG	1	4	UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA	100.00	
174	T & P FRANKFURT DEVELOPMENT B.V. Issued Capital EUR 4,938,271	AMSTERDAM	AMSTERDAM	NETHERLANDS	1	38	HVB PROJEKT GMBH	100.00	
175	T & P VASTGOED STUTTGART B.V. Issued Capital EUR 10,769,773	AMSTERDAM	AMSTERDAM	NETHERLANDS	1	38	HVB PROJEKT GMBH	87.50	
176	TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG Issued Capital EUR 920,400	MUNICH	MUNICH	GERMANY	1	38	HVB TECTA GMBH	75.00	
177	TERZ Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
178	UCLA AM WINTERHAFEN 11 IMMOBILIENLEASING GMBH & CO OG Issued Capital EUR 0	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT PEGASUS LEASING GMBH	50.00	
							UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H.	50.00	
179	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG Issued Capital EUR 10,000	VIENNA	VIENNA	AUSTRIA	1	4	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	90.00	
							BA-CA ANDANTE LEASING GMBH	10.00	
180	UCTAM RU LIMITED LIABILITY COMPANY(4) Issued Capital RUB 4,000,000	MOSCOW	MOSCOW	RUSSIA	1	38	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
181	UFFICIUM IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,337	VIENNA	VIENNA	AUSTRIA	1	4	KUTRA GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	5.00	
							UNICREDIT LEASING (AUSTRIA) GMBH	95.00	
182	UNICOM IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
183	UNICREDIT ACHTERHAUS LEASING GMBH Issued Capital EUR 35,000	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	10.00	
							UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H.	90.00	
184	UNICREDIT AURORA LEASING GMBH Issued Capital EUR 219,000	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
185	UNICREDIT BANK A.D. BANJA LUKA Issued Capital BAM 97,055,000	BANJA LUKA	BANJA LUKA	BOSNIA AND HERZEGOVINA	1	2	UNICREDIT SPA	99.64	
186	UNICREDIT BANK AUSTRIA AG Issued Capital EUR 1,681,033,521	VIENNA	VIENNA	AUSTRIA	1	2	UNICREDIT SPA	100.00	
187	UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S. Issued Capital CZK 8,754,617,898	PRAGUE	PRAGUE	CZECH REPUBLIC	1	2	UNICREDIT SPA	100.00	
188	UNICREDIT BANK D.D. Issued Capital BAM 119,195,000	MOSTAR	MOSTAR	BOSNIA AND HERZEGOVINA	1	2	ZAGREBACKA BANKA D.D.	99.30	99.31

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189	UNICREDIT BANK GMBH Issued Capital EUR 2,407,151,016	MUNICH	MUNICH	GERMANY	1	2	UNICREDIT SPA	100.00	
190	UNICREDIT BANK HUNGARY ZRT. Issued Capital HUF 24,118,220,000	BUDAPEST	BUDAPEST	HUNGARY	1	2	UNICREDIT SPA	100.00	
191	UNICREDIT BANK S.A. Issued Capital RON 1,177,748,253	BUCHAREST	BUCHAREST	ROMANIA	1	2	UNICREDIT SPA	88.79	
192	UNICREDIT BANK SERBIA JSC Issued Capital RSD 23,607,620,000	BELGRADE	BELGRADE	SERBIA	1	2	UNICREDIT SPA	100.00	
193	UNICREDIT BANKA SLOVENIJA D.D. Issued Capital EUR 20,383,698	LJUBLJANA	LJUBLJANA	SLOVENIA	1	2	UNICREDIT SPA	100.00	
194	UNICREDIT BPC MORTAGE SRL (COVERED BONDS)	VERONA	VERONA	ITALY	4	3	UNICREDIT SPA	...	(3)
195	UNICREDIT BPC MORTGAGE S.R.L. Issued Capital EUR 12,000	VERONA	VERONA	ITALY	1	3	UNICREDIT SPA	60.00	
196	UNICREDIT BROKER S.R.O. Issued Capital EUR 8,266	BRATISLAVA	BRATISLAVA	SLOVAKIA	1	36	UNICREDIT LEASING SLOVAKIA A.S.	100.00	
197	UNICREDIT BULBANK AD Issued Capital BGN 285,776,674	SOFIA	SOFIA	BULGARIA	1	2	UNICREDIT SPA	99.45	
198	UNICREDIT CAPITAL MARKETS LLC Issued Capital USD 100,100	NEW YORK	NEW YORK	U.S.A.	1	4	UNICREDIT U.S. FINANCE LLC	100.00	
199	UNICREDIT CENTER AM KAISERWASSER GMBH Issued Capital EUR 35,000	VIENNA	VIENNA	AUSTRIA	1	38	UNICREDIT BANK AUSTRIA AG	100.00	
200	UNICREDIT CONSUMER FINANCING EAD Issued Capital BGN 2,800,000	SOFIA	SOFIA	BULGARIA	1	4	UNICREDIT BULBANK AD	100.00	
201	UNICREDIT CONSUMER FINANCING IFN S.A.	BUCHAREST	BUCHAREST	ROMANIA	1	4	UNICREDIT SPA	49.90	
							UNICREDIT BANK S.A.	50.10	
202	UNICREDIT DIRECT SERVICES GMBH Issued Capital EUR 767,000	MUNICH	MUNICH	GERMANY	1	2	UNICREDIT BANK GMBH	100.00	
203	UNICREDIT FACTORING CZECH REPUBLIC AND SLOVAKIA, A.S. Issued Capital CZK 222,600,000	PRAGUE	PRAGUE	CZECH REPUBLIC	1	4	UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.	100.00	
204	UNICREDIT FACTORING SPA Issued Capital EUR 414,348,000	MILAN	MILAN	ITALY	1	3	UNICREDIT SPA	100.00	
205	UNICREDIT FLEET MANAGEMENT EOOD Issued Capital BGN 100,000	SOFIA	SOFIA	BULGARIA	1	2	UNICREDIT BULBANK AD	100.00	
206	UNICREDIT FLEET MANAGEMENT S.R.O. Issued Capital EUR 6,639	BRATISLAVA	BRATISLAVA	SLOVAKIA	1	38	UNICREDIT LEASING SLOVAKIA A.S.	100.00	
207	UNICREDIT FLEET MANAGEMENT S.R.O. Issued Capital CZK 5,000,000	PRAGUE	PRAGUE	CZECH REPUBLIC	1	38	UNICREDIT LEASING CZ, A.S.	100.00	
208	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
	Issued Capital EUR 57,000						EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	99.80	
209	UNICREDIT GUSTRA LEASING GMBH	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT PEGASUS LEASING GMBH	90.00	
	Issued Capital EUR 35,000						UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	10.00	
210	UNICREDIT HAMRED LEASING GMBH	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT PEGASUS LEASING GMBH	90.00	
	Issued Capital EUR 35,000						UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	10.00	
211	UNICREDIT INSURANCE BROKER EOOD Issued Capital BGN 5,000	SOFIA	SOFIA	BULGARIA	1	36	UNICREDIT LEASING EAD	100.00	
212	UNICREDIT INSURANCE BROKER GMBH Issued Capital EUR 156,905	VIENNA	VIENNA	AUSTRIA	1	36	PIRTA VERWALTUNGS GMBH	100.00	

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213	UNICREDIT INSURANCE BROKER SRL Issued Capital RON 150,000	BUCHAREST	BUCHAREST	ROMANIA	1	36	UNICREDIT LEASING CORPORATION IFN S.A.	100.00	
214	UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA Issued Capital EUR 13,406,600	LUXEMBOURG	LUXEMBOURG	LUXEMBOURG	1	2	UNICREDIT SPA	100.00	
215	UNICREDIT JELZALOGBANK ZRT. Issued Capital HUF 3,000,000,000	BUDAPEST	BUDAPEST	HUNGARY	1	2	UNICREDIT BANK HUNGARY ZRT.	100.00	
216	UNICREDIT KFZ LEASING GMBH Issued Capital EUR 648,000	VIENNA	VIENNA	AUSTRIA	1	4	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	100.00	
217	UNICREDIT LEASED ASSET MANAGEMENT SPA Issued Capital EUR 1,000,000	MILAN	MILAN	ITALY	1	1	UNICREDIT LEASING SPA	100.00	
218	UNICREDIT LEASING (AUSTRIA) GMBH Issued Capital EUR 17,296,134	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT BANK AUSTRIA AG	89.98	
							PAYTRIA UNTERNEHMENSBETEILIGUNGEN GMBH	0.02	
							BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	10.00	
219	UNICREDIT LEASING ALPHA ASSETVERMIETUNG GMBH Issued Capital EUR 35,000	VIENNA	VIENNA	AUSTRIA	1	38	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	100.00	
220	UNICREDIT LEASING CORPORATION IFN S.A. Issued Capital RON 90,989,013	BUCHAREST	BUCHAREST	ROMANIA	1	4	UNICREDIT CONSUMER FINANCING IFN S.A.	0.05	
							UNICREDIT BANK S.A.	99.96	
221	UNICREDIT LEASING CROATIA D.O.O. ZA LEASING Issued Capital EUR 3,810,000	ZAGREB	ZAGREB	CROATIA	1	4	ZAGREBACKA BANKA D.D.	100.00	
222	UNICREDIT LEASING CZ, A.S. Issued Capital CZK 981,452,000	PRAGUE	PRAGUE	CZECH REPUBLIC	1	4	UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.	100.00	
223	UNICREDIT LEASING EAD Issued Capital BGN 2,605,000	SOFIA	SOFIA	BULGARIA	1	4	UNICREDIT BULBANK AD	100.00	
224	UNICREDIT LEASING FLEET MANAGEMENT S.R.L. Issued Capital RON 680,000	BUCHAREST	BUCHAREST	ROMANIA	1	38	PIRTA VERWALTUNGS GMBH	90.02	
							UNICREDIT LEASING CORPORATION IFN S.A.	9.99	
225	UNICREDIT LEASING HUNGARY ZRT Issued Capital HUF 50,000,000	BUDAPEST	BUDAPEST	HUNGARY	1	4	UNICREDIT BANK HUNGARY ZRT.	100.00	
226	UNICREDIT LEASING SLOVAKIA A.S. Issued Capital EUR 26,560,000	BRATISLAVA	BRATISLAVA	SLOVAKIA	1	4	UNICREDIT LEASING CZ, A.S.	100.00	
227	UNICREDIT LEASING SPA Issued Capital EUR 1,106,877,000	MILAN	MILAN	ITALY	1	3	UNICREDIT SPA	100.00	
228	UNICREDIT LEASING SRBIJA D.O.O. BEOGRAD Issued Capital RSD 1,078,133,000	BELGRADE	BELGRADE	SERBIA	1	4	UNICREDIT BANK SERBIA JSC	100.00	
229	UNICREDIT LEASING TECHNIKUM GMBH Issued Capital EUR 35,000	VIENNA	VIENNA	AUSTRIA	1	4	LEASFINANZ GMBH	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
230	UNICREDIT LIFE INSURANCE S.P.A. Issued Capital EUR 381,698,529	MILAN	MILAN	ITALY	1	31	UNICREDIT SPA	100.00	
231	UNICREDIT LUNA LEASING GMBH Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
232	UNICREDIT MOBILIEN UND KFZ LEASING GMBH Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	98.80	
							UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
233	UNICREDIT OBG S.R.L. Issued Capital EUR 10,000	VERONA	VERONA	ITALY	1	3	UNICREDIT SPA	60.00	
234	UNICREDIT OBG SRL (COVERED BONDS)	VERONA	VERONA	ITALY	4	3	UNICREDIT SPA	...	(3)
235	UNICREDIT OK1 LEASING GMBH Issued Capital EUR 35,000	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H.	90.00	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	10.00	

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Part A - Accounting policies

	COMPANY NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	COUNTRY	TYPE OF RELATIONSHIP (1)	BUSINESS SECTOR (5)	OWNERSHIP RELATIONSHIP HELD BY	OWNERSHIP RELATIONSHIP HOLDING %	VOTING RIGHTS % (2)
236	UNICREDIT PEGASUS LEASING GMBH	VIENNA	VIENNA	AUSTRIA	1	4	CALG IMMOBILIEN LEASING GMBH	74.80	
	Issued Capital EUR 36,500						UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
237	UNICREDIT POJISTOVACI MAKLERSKA SPOL.S R.O. Issued Capital CZK 510,000	PRAGUE	PRAGUE	CZECH REPUBLIC	1	36	UNICREDIT LEASING CZ, A.S.	100.00	
238	UNICREDIT POLARIS LEASING GMBH	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
	Issued Capital EUR 36,500						UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
239	UNICREDIT RE SERVICES S.P.A. Issued Capital EUR 500,000	MILAN	MILAN	ITALY	1	37	UNICREDIT SPA	100.00	
240	UNICREDIT SERVICES GMBH I.L. (IN LIQUIDATION) Issued Capital EUR 1,200,000	VIENNA	VIENNA	AUSTRIA	1	2	UNICREDIT SPA	100.00	
241	UNICREDIT STERNECK LEASING GMBH	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT PEGASUS LEASING GMBH	90.00	
	Issued Capital EUR 35,000						UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	10.00	
242	UNICREDIT TECHRENT LEASING GMBH	VIENNA	VIENNA	AUSTRIA	1	4	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.00	
	Issued Capital EUR 36,336						UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
243	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH Issued Capital EUR 750,000	VIENNA	VIENNA	AUSTRIA	1	38	UNICREDIT SPA	100.00	
244	UNICREDIT U.S. FINANCE LLC	WILMINGTON	WILMINGTON	U.S.A.	1	4	UNICREDIT BANK GMBH	100.00	
	Issued Capital USD 130								
245	UNICREDIT VITA ASSICURAZIONI S.P.A.	MILAN	MILAN	ITALY	1	31	UNICREDIT SPA	100.00	
	Issued Capital EUR 112,200,000								
246	UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H.	VIENNA	VIENNA	AUSTRIA	1	4	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.80	
	Issued Capital EUR 36,500						UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
247	UNIVERSALE INTERNATIONAL REALITAETEN GMBH Issued Capital EUR 32,715,000	VIENNA	VIENNA	AUSTRIA	1	38	UNICREDIT BANK AUSTRIA AG	100.00	
248	VAPE COMMUNA LEASINGGESELLSCHAFT M.B.H.	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
	Issued Capital EUR 36,500						BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	
							UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
249	VERMIETUNGSGESELLSCHAFT MBH & CO OBJEKT MOC KG Issued Capital EUR 48,728,161	MUNICH	MUNICH	GERMANY	1	38	HVB IMMOBILIEN AG	89.45	89.40
250	VISCONTI SRL	MILAN	MILAN	ITALY	1	37	UNICREDIT SPA	76.00	
	Issued Capital EUR 2,649,992								
251	VODENO SP.ZO.O.	WARSAW	WARSAW	POLAND	1	2	UNICREDIT SPA	100.00	
	Issued Capital PLN 695,642,840								
252	WEALTH MANAGEMENT CAPITAL HOLDING GMBH Issued Capital EUR 26,000	MUNICH	MUNICH	GERMANY	1	4	UNICREDIT BANK GMBH	100.00	
253	WEALTHCAP ENTITY SERVICE GMBH	MUNICH	MUNICH	GERMANY	1	38	WEALTHCAP REAL ESTATE MANAGEMENT GMBH	100.00	
	Issued Capital EUR 25,000								
254	WEALTHCAP EQUITY GMBH	MUNICH	MUNICH	GERMANY	1	4	WEALTHCAP INITIATOREN GMBH	100.00	
	Issued Capital EUR 500,000								
255	WEALTHCAP EQUITY MANAGEMENT GMBH	MUNICH	MUNICH	GERMANY	1	36	WEALTHCAP EQUITY GMBH	100.00	
	Issued Capital EUR 25,000								
256	WEALTHCAP FONDS GMBH	MUNICH	MUNICH	GERMANY	1	4	WEALTHCAP INITIATOREN GMBH	100.00	
	Issued Capital EUR 512,000								
257	WEALTHCAP IMMOBILIEN 1 GMBH & CO. KG	MUNICH	MUNICH	GERMANY	1	36	WEALTHCAP REAL ESTATE MANAGEMENT GMBH	100.00	50.00
	Issued Capital EUR 5,000								

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258	WEALTHCAP IMMOBILIEN 2 GMBH & CO. KG	MUNICH	MUNICH	GERMANY	1	36	WEALTHCAP REAL ESTATE MANAGEMENT GMBH	94.34	50.00
	Issued Capital EUR 10,600						WEALTHCAP VORRATS-2 GMBH	5.66	50.00
259	WEALTHCAP IMMOBILIENANKAUF KOMPLEMENTAER GMBH Issued Capital EUR 25,000	MUNICH	MUNICH	GERMANY	1	38	WEALTHCAP ENTITY SERVICE GMBH	100.00	
260	WEALTHCAP IMMOBILIENFONDS DEUTSCHLAND 36 KOMPLEMENTAR GMBH Issued Capital EUR 25,565	MUNICH	MUNICH	GERMANY	1	2	H.F.S. LEASINGFONDS GMBH	100.00	
261	WEALTHCAP IMMOBILIENFONDS DEUTSCHLAND 38 KOMPLEMENTAR GMBH Issued Capital EUR 25,000	MUNICH	MUNICH	GERMANY	1	2	WEALTHCAP ENTITY SERVICE GMBH	100.00	
262	WEALTHCAP INITIATOREN GMBH Issued Capital EUR 1,533,876	MUNICH	MUNICH	GERMANY	1	4	WEALTH MANAGEMENT CAPITAL HOLDING GMBH	100.00	
263	WEALTHCAP INVESTMENT SERVICES GMBH	MUNICH	MUNICH	GERMANY	1	4	UNICREDIT BANK GMBH	10.00	
	Issued Capital EUR 4,000,000						WEALTH MANAGEMENT CAPITAL HOLDING GMBH	90.00	
264	WEALTHCAP INVESTORENBETREUUNG GMBH Issued Capital EUR 60,000	MUNICH	MUNICH	GERMANY	1	4	WEALTHCAP INVESTMENT SERVICES GMBH	100.00	
265	WEALTHCAP KAPITALVERWALTUNGSGESELLSCHAFT MBH Issued Capital EUR 125,000	GRUENWALD	GRUENWALD	GERMANY	1	4	WEALTH MANAGEMENT CAPITAL HOLDING GMBH	100.00	
266	WEALTHCAP LEASING GMBH Issued Capital EUR 25,000	GRUENWALD	GRUENWALD	GERMANY	1	4	WEALTH MANAGEMENT CAPITAL HOLDING GMBH	100.00	
267	WEALTHCAP MANAGEMENT SERVICES GMBH Issued Capital EUR 50,000	MUNICH	MUNICH	GERMANY	1	4	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
268	WEALTHCAP OBJEKT-VORRAT 35 GMBH & CO. KG	MUNICH	MUNICH	GERMANY	1	36	WEALTHCAP IMMOBILIEN 2 GMBH & CO. KG	10.10	25.00
	Issued Capital EUR 10,000						WEALTHCAP IMMOBILIEN 1 GMBH & CO. KG	10.10	25.00
							WEALTHCAP KAPITALVERWALTUNGSGESELLSCHAFT MBH	79.80	25.00
269	WEALTHCAP OBJEKT-VORRAT 37 GMBH & CO. KG	MUNICH	MUNICH	GERMANY	1	36	WEALTHCAP IMMOBILIEN 2 GMBH & CO. KG	10.10	25.00
	Issued Capital EUR 10,000						WEALTHCAP KAPITALVERWALTUNGSGESELLSCHAFT MBH	79.80	25.00
							WEALTHCAP IMMOBILIEN 1 GMBH & CO. KG	10.10	25.00
270	WEALTHCAP PEIA KOMPLEMENTAR GMBH Issued Capital EUR 26,000	GRUENWALD	GRUENWALD	GERMANY	1	38	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
271	WEALTHCAP PEIA MANAGEMENT GMBH	MUNICH	MUNICH	GERMANY	1	4	UNICREDIT BANK GMBH	6.00	
	Issued Capital EUR 1,023,000						WEALTH MANAGEMENT CAPITAL HOLDING GMBH	94.00	
272	WEALTHCAP REAL ESTATE MANAGEMENT GMBH Issued Capital EUR 60,000	MUNICH	MUNICH	GERMANY	1	4	WEALTHCAP INVESTMENT SERVICES GMBH	100.00	
273	WEALTHCAP SPEZIAL- AIF-SV BUERO 8	GRUENWALD	GRUENWALD	GERMANY	4	4	WEALTH MANAGEMENT CAPITAL HOLDING GMBH	...	(3)
274	WEALTHCAP VORRATS-2 GMBH Issued Capital EUR 25,000	MUNICH	MUNICH	GERMANY	1	36	WEALTHCAP FONDS GMBH	100.00	
275	WEICKER S.A R.L. * Issued Capital EUR 20,658,840	LUXEMBOURG	LUXEMBOURG	LUXEMBOURG	1	38	UNICREDIT BANK GMBH	100.00	
276	WOEM GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
	Issued Capital EUR 36,336						UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
277	Z LEASING ALFA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
	Issued Capital EUR 36,500						UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
278	Z LEASING ARKTUR IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
	Issued Capital EUR 36,500						UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
279	Z LEASING AURIGA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
	Issued Capital EUR 36,500						UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	

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280	Z LEASING DORADO IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							CALG GRUNDSTUECKVERWALTUNG GMBH	99.80	
281	Z LEASING DRACO IMMOBILIEN LEASING GESELLSCHAFT M.B.H. IN LIQU. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	
282	Z LEASING GAMA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
283	Z LEASING GEMINI IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
284	Z LEASING HEBE IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	GEBAEUDELEASING GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
285	Z LEASING HERCULES IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
286	Z LEASING IPSILON IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	
287	Z LEASING ITA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
288	Z LEASING JANUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. IN LIQU. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
289	Z LEASING KALLISTO IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
290	Z LEASING KAPA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	
291	Z LEASING LYRA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
292	Z LEASING NEREIDE IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
293	Z LEASING OMEGA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
							CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	
294	Z LEASING PERSEUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H.	90.00	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	10.00	
295	Z LEASING VENUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EUR 36,500	VIENNA	VIENNA	AUSTRIA	1	4	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
							UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
296	ZAGREBACKA BANKA D.D. Issued Capital EUR 850,068,233	ZAGREB	ZAGREB	CROATIA	1	2	UNICREDIT SPA	96.19	
297	ZAPADNI TRGOVACKI CENTAR D.O.O. Issued Capital EUR 2,655	RIJEKA	RIJEKA	CROATIA	1	38	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
298	ZB EPLUS	ZAGREB	ZAGREB	CROATIA	4	4	ZAGREBACKA BANKA D.D.	...	(3)

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Part A - Accounting policies

	COMPANY NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	COUNTRY	TYPE OF RELATIONSHIP (1)	NATURE OF RELATIONSHIP (6)	BUSINESS SECTOR (5)	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % (2)
								HELD BY	HOLDING %	
	VALUED AT EQUITY METHOD **A.2 INVESTMENTS IN JOINT VENTURES**									
1	FIDES LEASING GMBH Issued Capital EUR 36,000	VIENNA	VIENNA	AUSTRIA	7	2	36	CALG ANLAGEN LEASING GMBH	50.00	
2	PALATIN GRUNDSTUECKVERWALTUNGS GESELLSCHAFT M.B.H. IN LIQU. Issued Capital EUR 36,336	ST.POELTEN	ST.POELTEN	AUSTRIA	7	2	36	UNICREDIT LEASING (AUSTRIA) GMBH	50.00	
	A.3 COMPANIES UNDER SIGNIFICANT INFLUENCE									
3	ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJE OBVEZNIM I DOBROVOLJNIM MIROVINSKIM FONDOVIMA Issued Capital EUR 13,935,895	ZAGREB	ZAGREB	CROATIA	8	2	36	ZAGREBACKA BANKA D.D.	49.00	
4	ASSET BANCARI II Issued Capital EUR 22,770,803	MILAN	MILAN	ITALY	8	2	35	UNICREDIT SPA	21.55	
5	BKS BANK AG Issued Capital EUR 91,612,000	KLAGENFURT	KLAGENFURT	AUSTRIA	8	1	34	UNICREDIT BANK AUSTRIA AG	6.63	
								CABO BETEILIGUNGSGESELLSCHAFT M.B.H.	23.15	
6	BTV VIER LAENDER BANK AG Issued Capital EUR 74,250,000	INNSBRUCK	INNSBRUCK	AUSTRIA	8	1	34	UNICREDIT BANK AUSTRIA AG	9.85	
								CABO BETEILIGUNGSGESELLSCHAFT M.B.H.	37.53	
7	CAMFIN S.P.A. Issued Capital EUR 110,000,000	MILAN	MILAN	ITALY	8	5	37	UNICREDIT SPA	8.53	15.82
8	CASH SERVICE COMPANY AD Issued Capital BGN 12,500,000	SOFIA	SOFIA	BULGARIA	8	5	38	UNICREDIT BULBANK AD	25.00	
9	CBD INTERNATIONAL SP.ZO.O. Issued Capital PLN 100,500	WARSAW	WARSAW	POLAND	8	5	38	ISB UNIVERSALE BAU GMBH IN LIQUIDATION	49.75	
10	COMMERZBANK AG(7) Issued Capital EUR 1,127,000,000	FRANKFURT	FRANKFURT	GERMANY	8	1	34	UNICREDIT SPA	9.89	25.64(8)
11	COMPAGNIA AEREA ITALIANA S.P.A. Issued Capital EUR 352,940	ROME	ROME	ITALY	8	5	37	UNICREDIT SPA	36.59	
12	COMTRADE GROUP GMBH Issued Capital EUR 4,522,000	ZUG	ZUG	SWITZERLAND	8	5	38	UNICREDIT BANK GMBH	21.05	
13	DA VINCI S.R.L. Issued Capital EUR 100,000	ROME	ROME	ITALY	8	5	37	IDEA FIMIT SGR FONDO SIGMA IMMOBILIARE	37.50	
14	NOTARTREUHANDBANK AG Issued Capital EUR 8,030,000	VIENNA	VIENNA	AUSTRIA	8	2	36	UNICREDIT BANK AUSTRIA AG	25.00	
15	OBERBANK AG Issued Capital EUR 105,839,000	LINZ	LINZ	AUSTRIA	8	1	34	UNICREDIT BANK AUSTRIA AG	3.41	
								CABO BETEILIGUNGSGESELLSCHAFT M.B.H.	23.76	
16	OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT Issued Capital EUR 130,000,000	VIENNA	VIENNA	AUSTRIA	8	1	34	SCHOELLERBANK AKTIENGESELLSCHAFT	8.26	
								UNICREDIT BANK AUSTRIA AG	16.14	
								CABET-HOLDING GMBH	24.75	
17	OESTERREICHISCHE WERTPAPIERDATEN SERVICE GMBH Issued Capital EUR 100,000	VIENNA	VIENNA	AUSTRIA	8	5	38	UNICREDIT BANK AUSTRIA AG	29.30	
18	PSA PAYMENT SERVICES AUSTRIA GMBH Issued Capital EUR 285,000	VIENNA	VIENNA	AUSTRIA	8	2	36	UNICREDIT BANK AUSTRIA AG	24.00	
19	RCI FINANCIAL SERVICES S.R.O. Issued Capital CZK 70,000,000	PRAGUE	PRAGUE	CZECH REPUBLIC	8	2	36	UNICREDIT LEASING CZ, A.S.	50.00	49.86
20	RISANAMENTO SPA * Issued Capital EUR 107,689,512	MILAN	MILAN	ITALY	8	5	37	UNICREDIT SPA	3.86	

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								HELD BY	HOLDING %	
21	UNICREDIT ALLIANZ ASSICURAZIONI S.P.A. Issued Capital EUR 52,000,000	MILAN	MILAN	ITALY	8	4	31	UNICREDIT SPA	50.00	
22	WKBG WIENER KREDITBUERGSCHAFTS- UND BETEILIGUNGSBANK AG Issued Capital EUR 9,205,109	VIENNA	VIENNA	AUSTRIA	8	2	36	UNICREDIT BANK AUSTRIA AG	21.54	

Notes to the table showing the investments in subsidiaries and valued at equity:
*Company classified in the Financial Statements as "non-current assets and disposal groups classified as held for sale" according to IFRS5 and therefore valued at minor between fair value net of cost to sell and booking value. The latter is determined by interrupting the valuation at Equity starting from the date of IFRS5 classification.
(1) Type of relationship:
1= majority of voting rights at ordinary shareholders' meeting;
2= dominant influence at ordinary shareholders' meeting;
3= agreements with other shareholders;
4= other types of control;
5= centralised management pursuant to paragraph 1 of Art.39 of "Legislative decree 136/2015";
6= centralised management pursuant to paragraph 2 of Art.39 of "Legislative decree 136/2015";
7= joint control;
8= associated companies.
(2) Voting rights available in general meeting. Voting rights are disclosed only if different from the percentage of ownership.
(3) Companies consolidated line by line under IFRS10 as a result of the simultaneous availability of power to govern the relevant activities and exposures to variability of related returns.
(4) It should be noted that as at 30 June 2025 the voting rights that can be exercised directly or indirectly relating to subsidiaries based in Russia, or companies subject to significant influence by them, are enforceable and there are no indications that lead to reconsider the effectiveness of the shareholding relationship with these companies on the same date.
(5) Business sector:
1= Banking Group: resident banks and ancillary companies;
2= Banking Group: non resident banks and ancillary companies;
3= Banking Group: resident financial companies;
4= Banking Group: non resident financial companies;
31= Other companies included in the consolidation scope: resident insurance companies;
32= Other companies included in the consolidation scope: non resident insurance companies;
33= Other companies included in the consolidation scope: resident banks;
34= Other companies included in the consolidation scope: non resident banks;
35= Other companies included in the consolidation scope: resident financial companies;
36= Other companies included in the consolidation scope: non resident financial companies;
37= Other companies included in the consolidation scope: resident non financial companies;
38= Other companies included in the consolidation scope: non resident non financial companies.
(6) Nature of relationship:
1= Banks;
2= Financial entities;
3= Ancillary banking entities services;
4= Insurance enterprises;
5= Non-financial enterprises;
6= Other equity investments
(7) Percentages calculated considering the number of Commerzbank's shares outstanding after completion of share buyback programme 2025/I (n. 1,127,496,195). For further information on the acquisition of the significant influence over Commerzbank AG, refer to "Part A - Other matters".
(8) It should be noted that as at 30 June 2025 the total voting rights equal to 25.64% is due to: (i) voting rights that can be directly exercised by UniCredit equal to 9.89%; and (ii) voting rights coming from the Total Return Swap (TRS) derivatives, currently convertible into shares, equal to 15.75%.

Changes in the scope of consolidation

Companies consolidated line by line, including the Parent Company and those ones classified as non-current assets and asset disposal groups, decreased by 14 entities compared with 31 December 2024 (6 inclusions and 20 exclusions as a result of disposals/liquidations, changes of the consolidation method and mergers), from 312 as at 31 December 2024 to 298 as at 30 June 2025.

Companies consolidated at equity, including those ones classified as non-current assets and asset disposal groups, decreased from 24 as at December 2024 to 22 as at 30 June 2025 due to change in consolidation method.

With reference to 30 June 2025, it can be noted that 137 controlled entities (of which 20 belonging to the banking group) were not consolidated, of which 135 for materiality threshold and/or liquidation procedures, while the remaining 2 companies relate to one restructuring procedure whose risks are measured coherently as part of the credit exposures. Based on available information, it is believed that their consolidation would not have impacted significantly the Group net equity.

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Part A - Accounting policies

Wholly-owned subsidiaries

The following table shows the changes in equity investments in wholly-owned subsidiaries.

Equity investments in wholly-owned subsidiaries (consolidated line by line): annual changes

	NUMBER OF COMPANIES
A. Opening balance (from previous year)	**312**
B. Increased by	**6**
B.1 Newly established companies	1
B.2 Change of the consolidation method	3
B.3 Entities consolidated for the first time in the year	2
C. Reduced by	**20**
C.1 Disposal/Liquidation	2
C.2 Change of the consolidation method	12
C.3 Absorption by other Group entities	6
D. Closing balance	**298**

The tables below analyse the increases and decreases occurred during the first half of the year by company.

Increases

Newly established companies

COMPANY NAME	MAIN OFFICE
ELEKTRA PURCHASE NO. 83 DAC	DUBLIN

Change of the consolidation method

COMPANY NAME	MAIN OFFICE
COIMA LAMPUGNANO REGENERATION FUND	MILAN
UNICREDIT LIFE INSURANCE S.P.A.	MILAN
UNICREDIT VITA ASSICURAZIONI S.P.A	MILAN

Entities consolidated for the first time in the year

COMPANY NAME	MAIN OFFICE
AION BANK S.A.	BRUXELLES
VODENO SP.ZO.O.	WARSAW

Reductions

Disposal/Liquidation

COMPANY NAME	MAIN OFFICE
BAHBETA INGATLANHASZNOSITO KFT.	BUDAPEST
F-E MORTGAGES SRL (CARTOLARIZZAZIONE: F-E MORTGAGES 2005)	VERONA

Change of the consolidation method

COMPANY NAME	MAIN OFFICE
V.M.G. VERMIETUNGSGESELLSCHAFT MBH	MUNICH
ROLIN GRUNDSTUCKSPLANUNGS- UND - VERWALTUNGSGESELLSCHAFT MBH	MUNICH
WEALTHCAP INVESTMENTS INC.	WILMINGTON
H.F.S. IMMOBILIENFONDS GMBH	MUNICH
BF NINE HOLDING GMBH	VIENNA
DIRANA LIEGENSCHAFTSVERWERTUNGSGESELLSCHAFT M.B.H.	VIENNA

COMPANY NAME	MAIN OFFICE
UNICREDIT LEASING INSURANCE SERVICES S.R.O.	BRATISLAVA
EUROPA BEFEKTETESI ALAPKEZELOE ZRT (EUROPA INVESTMENT FUND MANAGEMENT LTD.)	BUDAPEST
WEALTHCAP OBJEKT STUTTGART III GMBH & CO. KG	MUNICH
WEALTHCAP IMMOBILIEN 43 KOMPLEMENTAER GMBH	MUNICH
CA-LEASING OVUS S.R.O.	PRAGUE
ALLIB LEASING S.R.O.	PRAGUE

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Part A - Accounting policies

Absorption by other Group entities

COMPANY NAME OF THE MERGED ENTITY	MAIN OFFICE
COMPAGNIA FONDIARIA ROMANA - SOCIETA' A RESPONSABILITA' LIMITATA	ROME
UNICREDIT LEASING GMBH	HAMBURG
UNICREDIT LEASING FINANCE GMBH	HAMBURG
CALG ALPHA GRUNDSTUECKVERWALTUNG GMBH	VIENNA
PELOPS LEASING GESELLSCHAFT M.B.H.	VIENNA
BAL LETO IMMOBILIEN LEASING GMBH	VIENNA

COMPANY NAME OF THE TAKING IN ENTITY	MAIN OFFICE
NUOVA COMPAGNIA DI PARTECIPAZIONI- SOCIETA' A RESPONSABILITA' LIMITATA	ROME
UNICREDIT LEASING FINANCE GMBH	HAMBURG
UNICREDIT BANK GMBH	MUNICH
CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	VIENNA
EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA
UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	VIENNA

Entities line by line which changed the company name during the year

COMPANY NAME	MAIN OFFICE
NUOVA COMPAGNIA DI PARTECIPAZIONI- SOCIETA' A RESPONSABILITA' LIMITATA (former NUOVA COMPAGNIA DI PARTECIPAZIONI SPA)	ROME
NAGE LOKALVERMIETUNGSGESELLSCHAFT M.B.H. IN LIQU. (former NAGE LOKALVERMIETUNGSGESELLSCHAFT M.B.H.)	VIENNA
UNICREDIT VITA ASSICURAZIONI S.P.A (former UNICREDIT ALLIANZ VITA S.P.A.)	MILAN

COMPANY NAME	MAIN OFFICE
LELEV IMMOBILIEN LEASING GESELLSCHAFT M.B.H. IN LIQU. (former LELEV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.)	VIENNA
Z LEASING JANUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. IN LIQU. (former Z LEASING JANUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.)	VIENNA
UNICREDIT LIFE INSURANCE S.P.A (former CNP UNICREDIT VITA S.P.A.)	MILAN

Equity investments in joint ventures and in companies under significant influence (consolidated at net equity): annual changes

	NUMBER OF COMPANIES
A. Opening balance (from previous year)	**24**
B. Increased by	**1**
B.1 Newly established companies	-
B.2 Change of the consolidation method	-
B.3 Entities consolidated for the first time in the year	1
C. Reduced by	**3**
C.1 Disposal/Liquidation	-
C.2 Change of the consolidation method	3
C.3 Absorption by other entities	-
C.4 Other changes	-
D. Closing balance	**22**

Increases

Entities consolidated for the first time in the year

COMPANY NAME	MAIN OFFICE
COMMERZBANK AG	FRANKFURT

Reductions

Change of the consolidation method

COMPANY NAME	MAIN OFFICE
UNI GEBAEUDEMANAGEMENT GMBH	LINZ
UNICREDIT LIFE INSURANCE S.P.A	MILAN

COMPANY NAME	MAIN OFFICE
UNICREDIT VITA ASSICURAZIONI S.P.A	MILAN

As at 30 June 2025, 6 equity investments (all held either directly or through consolidated subsidiaries) in associates were carried at cost.

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Part A - Accounting policies

Section 4 - Events subsequent to the reference date

No material events have occurred after 30 June 2025 that would make necessary to change any of the information provided in the "Condensed interim consolidated financial statements" as at the same date.

Section 5 - Other matters

In 2025 the amendments to IAS21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (EU Regulation 2024/2862) came into force. The entry into force of this amendment has not determined substantial effects on the amounts recognised in Balance sheet or Income statement.

As at 30 June 2025, the amendments to the "Classification and Measurement of Financial Instruments - Amendments to IFRS9 and IFRS7 - (EU Regulation 2025/1047)" applicable to reporting starting from 1 January 2026 has been endorsed by the European Commission. The Group is assessing the impacts of new requirements, and it expects to update the Group policies coherently.

The application of the following standards, amendments or interpretations of the existing accounting standards, issued by IASB, is subject to completion of the endorsement process by the competent bodies of the European Commission: (i) IFRS18 Presentation and Disclosure in Financial Statements (April 2024); (ii) IFRS19 Subsidiaries without Public Accountability: Disclosures (May 2024); (iii) Annual Improvements Volume 11 (July 2024); (iv) Contracts Referencing Nature-dependent Electricity - Amendments to IFRS9 and IFRS7 (December 2024).

The whole document is filed in the competent offices and entities as required by law.
The document "Consolidated first half financial report of UniCredit group as at 30 June 2025" has been approved by the Board of Directors of 22 July 2025 and is subject to review engagement by the External auditors KPMG S.p.A.

Acquisition of significant influence over Commerzbank AG

On 8 May 2025, UniCredit received, from regulatory authorities, the consent to increase its investment in Commerzbank AG up to 29.99%. Such authorizations allowed UniCredit to potentially exercise the option to convert into shares the Total Return Swap (TRS) derivatives envisaging physical settlement. Considering that:

- according to IAS28, (i) significant influence is presumed to exist if investor holds at least 20% of investee's voting rights and (ii) such assessment shall consider both actual and potential, currently exercisable, voting rights, and
- as at 8 May 2025, UniCredit held cash equity and TRS investments attributing actual and potential voting rights exceeding 20% of Commerzbank share capital,

the significant influence was deemed acquired over Commerzbank since the same date.

Consequently, with reference to the second quarter 2025 reporting period, (i) the 9.9% cash equity investment held in Commerzbank was accounted for by applying the equity method, recognising at the pro-quota net equity of the associate; (ii) the difference between net equity and fair value was recognised as negative goodwill.
In line with IAS28 requirements, which allow, in certain circumstances, to refer to the previous financial statements (not older than 3 months), for the estimation of Commerzbank net equity reference was made to the Company's financial reports as at 31 March 2025, adjusted to account for the effects of significant transactions or events occurred between 31 March and 30 June 2025; indeed, as at the date of acquisition of significant influence, the net equity of Commerzbank resulted in €30,803 million (net of minorities and AT1 not purchased by UniCredit and considering the estimate of significant effects expected to occur in the quarter), adjusted to account for the fair value of Commerzbank identifiable assets and liabilities (-€1,084 million).

Regarding the fair value of Commerzbank identifiable assets and liabilities, a valuation was executed, supported by an external independent appraiser, based on the public available information; the valuation led to recognise the following adjustments (i) -€5,562 million on financial assets and liabilities[14]; (ii) €4,018 million newly recognised intangible assets[15]; (iii) €460 million deferred tax assets and liabilities, recognised on fair value adjustments.

Considering the acquisition of significant influence, the 9.9% cash equity stake in Commerzbank was:

- reclassified from item "30. Financial assets at fair value through other comprehensive income", to item "70. Equity investments"[16];
- measured at fair value, equal to €2,709 million, according to the market quotation as at significant influence's acquisition date (8 May 2025).

14 Fair value of Commerzbank financial assets and liabilities was determined either on the basis of Commerzbank disclosure or by applying discounted cash flow analysis which also relied on public information.
15 Intangible assets are mainly constituted by Customer relationships and Core deposits intangible evaluated, respectively, through: (i) "relief from royalty" method which, by applying market-based royalty rates, projects revenues over the asset's useful life; (ii) Multi-Period Excess Earnings Method which estimates the net cash flows attributable to the asset over its useful life.
16 The related valuation reserve, equal to €1,131 million (gross of taxes), was reclassified from Other Comprehensive Income Reserves to item "150. Reserves".

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Part A - Accounting policies

The difference between the 9.9% Commerzbank Net equity attributable to UniCredit (€2,939 million) and the fair value of the related stake (€2,709 million), equal to €230 million, was recognised as negative goodwill in item "250. Gains (Losses) of equity investments".

MAIN ITEMS		AMOUNT (€/m)
(a)	Commerzbank AG Net equity attributable to shareholders	30.803
(b)	Fair value adjustments (Purchase Price Allocation)	-1,084
(c)=sum(a+b)	Commerzbank Net equity attributable to shareholders	**29,719**
(d)	**Commerzbank Net equity attributable to UniCredit, related to 9.9% cash equity stake**	**2,939**
(e)	**Fair value of 9.9% cash equity stake**	**2,709**
(f)=(d)-(e)	**Negative goodwill**	**230**

Implications of geopolitical tensions between Russia and Ukraine on Consolidated first half financial report

UniCredit group holds assets and liabilities potentially exposed to the consequences of the geopolitical tensions between Russia and Ukraine, specifically: (i) the Russian Subsidiaries included in the accounting scope of consolidation; (ii) the financial assets held by UniCredit S.p.A. and its non-Russian subsidiaries towards Russian counterparties.

The following sections outline further details specifically for Russian Subsidiaries (section "Assets and liabilities of Russian subsidiaries") and for financial assets held by UniCredit S.p.A. and its non-Russian subsidiaries toward Russian counterparties (section "Financial assets held by UniCredit S.p.A. and its non-Russian subsidiaries toward Russian counterparties").

1. Assets and liabilities of Russian subsidiaries

The Group holds investments in Russia through AO UniCredit Bank and its subsidiaries OOO UniCredit Garant, and OOO UniCredit Leasing.
The line-by-line consolidation determined the recognition of total assets for €6,306 million vs. €5,597 million as at 31 December 2024, mainly attributable to a change in financial assets at amortised cost for the application of the updated exchange rate.
As at 30 June 2025, the revaluation reserves, whose treatment envisages the recycling through P&L in case of derecognition of the associated assets and liabilities, are equal to -€2,624 million mainly arising from the foreign exchange revaluation reserve resulting from the conversion of assets and liabilities of these companies in EUR; the positive delta for €697 million vs. year-end 2024 (-€3,321 million), is mainly due the appreciation of the Russian Ruble over the period[17].

The loss of control over AO UniCredit Bank would determine the derecognition of net assets having a carrying value of €6,426 million[18] (also embedding the negative revaluation reserves), with a correspondent negative effect through P&L, in case the events leading to the derecognition would not envisage cash-in receivables; under a regulatory perspective over CET1 capital, the negative effect related to the revaluation Reserves (-€2,624 million) is basically neutral since it is already considered according to its nature and sign (also taking into account regulatory filters).

The following tables present the Balance sheet of such entities, together with their incidence over the corresponding consolidated (UniCredit group level) Balance sheet line items[19].

17 Indeed the Ruble exchange Euro as at 30 June 2025 was equal to 92.06 vs. 118.18 as at 31 December 2024.
18 Amount which includes the recognition in P&L, following loss of control, of impairment losses on intercompany loans and the recycling of the Foreign investments hedging reserve.
19 The reported amounts provide the contribution of the mentioned subsidiaries to the consolidated financial statements thus net of intercompany assets and liabilities.

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Part A - Accounting policies

(€ million)

ASSETS	AMOUNTS AS AT 30.06.2025	% OVER CONSOLIDATED ITEM
10. Cash and cash balances	1,231	2.9%
20. Financial assets at fair value through profit or loss:	101	0.1%
a) financial assets held for trading	101	0.2%
b) financial assets designated at fair value	-	0.0%
c) other financial assets mandatorily at fair value	-	0.0%
30. Financial assets at fair value through other comprehensive income	7	0.0%
40. Financial assets at amortised cost:	4,737	0.8%
a) loans and advances to banks	3,109	4.2%
b) loans and advances to customers	1,628	0.3%
50. Hedging derivatives	4	0.5%
60. Changes in fair value of portfolio hedged items (+/-)	(20)	0.8%
70. Equity investments	-	0.0%
80. Insurance assets	-	0.0%
a) insurance contracts issued that are assets	-	0.0%
b) reinsurance contracts held that are assets	-	0.0%
90. Property, plant and equipment	137	1.6%
100. Intangible assets	11	0.3%
of which: goodwill	-	0.0%
110. Tax assets:	84	0.8%
a) current	84	5.3%
b) deferred	-	0.0%
120. Non-current assets and disposal groups classified as held for sale	14	1.5%
130. Other assets	-	0.0%
Total assets	**6,306**	**0.7%**

(€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT 30.06.2025	% OVER CONSOLIDATED ITEM
10. Financial liabilities at amortised cost:	3,752	0.6%
a) deposits from banks	370	0.4%
b) deposits from customers	3,382	0.7%
c) debt securities in issue	-	0.0%
20. Financial liabilities held for trading	10	0.0%
30. Financial liabilities designated at fair value	-	0.0%
40. Hedging derivatives	43	5.3%
50. Value adjustment of hedged financial liabilities (+/-)	-	0.0%
60. Tax liabilities:	16	0.7%
a) current	-	0.0%
b) deferred	16	2.9%
70. Liabilities associated with assets classified as held for sale	-	0.0%
80. Other liabilities	1,316	6.7%
90. Provision for employee severance pay	-	0.0%
100. Provisions for risks and charges:	78	1.2%
a) commitments and guarantees given	4	0.4%
b) post-retirement benefit obligations	30	1.0%
c) other provisions for risks and charges	44	1.6%
110. Insurance liabilities	-	0.0%
a) insurance contracts issued that are liabilities	-	0.0%
b) reinsurance contracts held that are liabilities	-	0.0%
Equity	1,091	
Total liabilities and shareholders' equity	**6,306**	0.7%

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Part A - Accounting policies

1.1 IFRS9 macroeconomic scenario

The IFRS9 macroeconomic scenarios for the Russian subsidiaries were updated as at 30 June 2025 consistently with other geographies of the Group leading to not significant variation compared to year-end 2024.

In line with IFRS9 standard and ESMA recommendations, the ECL is computed based on multi-scenario approach, specifically the following scenarios, coherently with the Budget/Multiyear Plan, were considered:

- Baseline scenario, which assumptions are aligned with the scenario used for the Shareholding Impairment Test and the Deferred Tax Assets Sustainability Test. It represents the reference central scenario with the higher probability of realization (60%);
- Adverse scenario, which is in line with the alternative/recession scenario adopted for Budget/Multiyear Plan and embedding a worsened evolution of macro-economic context, but with a lower probability of realization vis-à-vis the baseline (35%);
- Positive scenario, reflecting better macroeconomic forecast than the baseline scenario, with a lower probability than the other two scenarios (5%).

The update of the IFRS9 macroeconomic scenario for the Russian subsidiaries has not led to recognize, as at 30 June 2025, material additional write-downs or write-ups due to the circumstance that the parameter underlying the macro-economic scenario have remained substantially constant compared with December 2024.

For a description of main assumptions behind IFRS9 scenarios and related probability of realization, refer to Part A - Accounting policies, A.1 General, Section 2 - General preparation criteria.

1.2 Classification and re-rating of loans exposure

Starting from 31 March 2022, in line with the IFRS9[20] provisions, the AO UniCredit Bank loan exposures were entirely classified in Stage 2 as a significant increase in credit risk was triggered by macro-economic circumstances, given the geopolitical crisis and the expected decrease in Russian GDP for the period 2022-2024, observed starting from the first quarter 2022.

In addition, the internal ratings of Russian Sovereign exposures (resulting from IRB Groupwide Sovereign PD Model) were reviewed throughout 2022; and ultimately downgraded to timely embed the worsening of Russia creditworthiness, triggered by the severity of Western countries' sanctions, the Russian authorities' response (ban on transfer of FX abroad) and the economic effects of the war.

The downgrade of the Sovereign internal ratings triggered the downgrades of Groupwide Multinationals (i.e., MNC) and Banks (the bulk of downgrades), which had Russia as country of risk. These downgrades determined an increase in the Expected Credit Losses (resulting from the combination of PD, LGD and EAD parameters) and Loan Loss Provisions.

Starting from June 2024, the classification to Stage 2 for AO UniCredit Bank loan exposures was removed: consequently, staging is driven by the ordinary IFRS9 framework. The reasons underlying the removal of collective staging measures are motivated by the following risk analyses observed throughout an approx. 2 years' time span:

- regular repayment performance of local portfolio;
- low level of default in-flows;
- significant portfolio de-risking achieved since first quarter 2022 thus further reducing the expected future default and loss risks;
- local portfolio progressively re-rated, thus incorporating quali-quantitative information representative of a post-crises outbreak in the Financial and Qualitative modules;
- substantial irrelevance of government moratoria supporting measures activated in 2022;
- lower riskiness of onshore domestic portfolio compared to Russian cross-border/offshore portfolio booked outside AO UniCredit Bank.

As at 30 June 2025, the related stock of LLP over performing loans is basically in line with the Group coverage over a gross exposure of €3,939 million, whose breakdown is reported below:

- €3,111 million are represented by exposures towards Banks (as at December 2024 the Gross exposure was equal to €2,194 million);
- €828 million are represented by exposures towards customers (as at December 2024 the Gross exposure was equal to €1,057 million).

20 IFRS9 par. B5.5.17.

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Part A - Accounting policies

1.3 Classification and re-rating of Russian government bonds

During the 2022, the Russian debt securities belonging to the Amortized cost and FVtOCI portfolios were classified in Stage 2 and downgraded, given the increase in credit risk according to the internal models, in coherence with the loan exposures.
As at 30 June 2025, the related LLPs stock amounts to -€57 million (-€66 million as at year-end 2024) with reference to €819 million gross exposure (€640 million as at year-end 2024)[21], the increase in the gross exposure is mainly due to the evolution in the exchange rate, since the notional amounts remained unchanged (i.e., approx. 75 billion rubles as at both 30 June 2025 and 31 December 2024).

With reference to the fair value calculation, starting from 28 February 2022, the Moscow Stock Exchange (MOEX) closed, and RUB bonds quotes became rare, disperse and actually not executable. Despite the MOEX progressively resumed trading starting from 21 March 2022, the bonds quotes were deemed to be not suitable for valuation purposes at consolidated level: as a matter of fact, from the perspective of UniCredit group (i.e., a Western based financial institution), the Russian market is not accessible and it cannot be representative of the fair value for consolidated purposes' evaluation; as a consequence, the fair value of the Russian Government debt securities was determined by applying a mark-to-model approach, instead of a mark-to-market approach.
In more detail, the implied spreads related to the Russian Federation debt in USD were used by the UniCredit group to evaluate Russian Federation RUB bonds, adjusted according to the effective trades' prices observable on the offshore Market within 90 days' time-horizon rolling, leading to an extra spread, added flat on L1 curve used to compute the Mark-to-Model prices.
As at 30 June 2025, the Russian government bonds continue to be valued according to the methodology summarised above, with the introduction of an additional adjustment to reflect the increased lack of liquidity applied since end of June 2023.

1.4 Asset quality

The following table provides the breakdown of financial assets held by Russian subsidiaries broken down by accounting portfolio and Credit quality.

(€ million)

	NON-PERFORMING ASSETS				PERFORMING ASSETS			
PORTFOLIOS/QUALITY	GROSS EXPOSURE	OVERALL WRITEDOWNS	NET EXPOSURE	OVERALL PARTIAL WRITE-OFFS(*)	GROSS EXPOSURE	OVERALL WRITEDOWNS	NET EXPOSURE	TOTAL (NET EXPOSURE)
1. Financial assets at amortised cost	393	328	65	-	4,737	64	4,672	4,737
2. Financial assets at fair value through other comprehensive income	-	-	-	-	5	-	5	5
3. Financial assets designated at fair value	-	-	-	-	-	-	-	-
4. Other financial assets mandatorily at fair value	-	-	-	-	-	-	-	-
5. Financial instruments classified as held for sale	-	-	-	-	16	2	14	14
Total 30.06.2025	**393**	**328**	**65**	**-**	**4,758**	**67**	**4,691**	**4,756**

1.5 Derivative exposures

In 2022, the sanctions and restrictions led the derivatives' counterparties to interrupt servicing (stopping settlement and disregarding margin call), thus resulting in the activation of close-out process according to ISDA Master Derivatives Agreements/Credit Support Annex. Such circumstance determined the recognition of Trading Profit/Losses in 2022 for -€94 million and of LLPs in 2022 and 2023 for -€45 million (the latter mainly refer to the write-downs recognised in "excess" of collaterals posted by counterparties and measured in Group Balance sheet at amortized cost). No additional LLPs have been recognised in first half 2025. The relevant net claim is equal to €14 million, unchanged vs year-end 2024.
With reference to the Fair value calculation, an update of XVA methodology, in particular regarding calibration of risk inputs, was introduced since 31 March 2022, to reflect offshore risk (i.e., Russian risk assessment outside Russia). Indeed, till February 2022, the CVA risk mapping assimilated the country risk "Russia" to the average risks of Eastern Europe counterparties; then, since March 2022, a new CVA risk mapping was introduced to assess Russian counterparty credit risk, by referencing the Russian Sovereign Credit Default Swap (CDS), separated from the Eastern Europe counterparties in light of the changed geopolitical framework.
As at 30 June 2025, net cumulated XVA increases to -€22 million negative (from -€14 million negative as at 2024 year-end).

1.6 Real estate portfolio

The real estate portfolio of Russian subsidiaries (mainly composed by owned instrumental assets located in Moscow and Saint Petersburg Commercial Business District) was subject to external independent appraisals right before 30 June 2025; the evaluation, aimed to update the fair value of the assets, led to recognise not-material effects.

21 Net exposure equal to approximately €762 million as at 30 June 2025 vs. approximately €574 million as at year-end 2024.

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Part A - Accounting policies

2. Financial assets held by UniCredit S.p.A. and its non-Russian subsidiaries toward Russian counterparties

The present section provides information about the credit exposures subject to Russian risk held by UniCredit S.p.A. and its non-Russian subsidiaries (i.e., such exposures include neither the positions held by the Russian Legal Entities belonging to UniCredit group, nor Letters of Credit).

The overall gross book value for €420 million is composed as follows:

- €269 million attributable to the credit exposures of the Russia operating segment, entirely on-balance exposures with an overall coverage for approximately 42%;
- €151 million basically related to the exposures held by the Group entities not belonging to the Russian operating segment, mainly having the following features:
  - on-balance exposures benefitting from ECA guarantees for approximately €137 million;
  - the related coverage substantially reflecting the presence of ECA guarantees for most of the exposures.

The reduction for -€34 million compared to year-end 2024 (gross exposure for €454 million and overall write down for -€121 million) is mainly attributable to redemptions of On-Balance exposures.

	PERFORMING ASSETS		
	GROSS EXPOSURE	OVERALL WRITEDOWNS	NET EXPOSURES
Deposits	-	-	-
Financial assets held for trading	-	-	-
Financial assets at FV through OCI	-	-	-
Financial assets at amortized cost	420	117	303
Total on balance exposures	**420**	**117**	**303**
Off Balance	-	-	-
Total 30.06.2025	**420**	**117**	**303**
Total 31.12.2024	**454**	**121**	**333**

Note:
Non-performing assets report a gross exposure (GBV) of €204 million and overall writedowns (LLP) of -€28 million (o/w Non-ECA amounting to €38 million in terms of GBV and -€27 million in terms of LLP).

2.1 Classification and re-rating of loans toward Russian counterparties held by UniCredit S.p.A. and its non-Russian subsidiaries

During 2022, the assessment reported in the previous paragraph (i.e., reclassification into Stage 2 and rating downgrade) was also applied to exposures held by UniCredit S.p.A. and its non-Russian subsidiaries toward Russian counterparties.
Furthermore, an analysis was performed on the amount of LLPs to grant that they would be able to reflect in the measurement the differentiation in asset valuation between onshore and offshore investors, where the latter are penalized in their ability to recover the claims against investments in Russia. Indeed, in the perspective of an offshore investor exposed towards obligors with direct risk on Russia, such exposures are expected to suffer from higher risk of missed fulfilment of credit obligation, as a consequence of sanctioning limitations and potential accelerated de-leveraging actions.

Such analysis is still valid as at 30 June 2025; indeed, the persisting sanctions against Russia indicates that the mentioned differentiation in asset valuation observed in 2022 continues to exist, thus justifying the maintenance of both (i) collective staging, differently from the removal of collective staging for AO UniCredit Bank portfolio, and (ii) specific measures.
In this regard, the additional LLPs were quantified by assuming a coverage ratio comparable with the proactive classification of these exposures as unlikely to pay. As at 30 June 2025, the stock of the overall write downs is equal to -€117 million (-€121 million as at year-end 2024).

2.2 Geopolitical overlay adopted since Russia-Ukraine crisis outbreak

For further information on geopolitical overlay refer to the paragraph "2.3.1 Staging Allocation and Expected Credit Losses Calculation", Explanatory notes, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information, 2. Credit risk management policies, 2.3 Measurement methods for expected losses.

2.3 Classification and re-rating of government bonds toward Russian counterparties held by non-Russian subsidiaries

The overall investments in Russian government bonds held by non-Russian subsidiaries (netted by short positions) is not significant (€0.8 million).

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Part A - Accounting policies

3. FX rates used as at 30 June for the conversion of exposures denominated in Rubles

As a result of the geopolitical tension, the ECB suspended the EUR/RUB listing since 2 March 2022 (last fixing on 1 March 2022), while Central Bank of Russia (CBR) continued to provide a fixing versus other currencies. Despite such suspension, the availability of RUB FX rate is needed for preparing the Consolidated financial statements for the conversion into EUR of:

- RUB denominated exposures held by UniCredit S.p.A. and subsidiaries having a presentation currency different from RUB;
- Russian subsidiaries' net assets (and related FX reserve) in the consolidated financial results of UniCredit group.

In light of the IAS21 requirements (which establish that when several exchange rates are available, the rate used is the one at which the future cash flows represented by the transaction could have been settled if those cash flows had occurred at the measurement date), the Group decided to adopt the RUB quotes listed by the Electronic Broking Service (EBS) in substitution of the lacking EUR/RUB quote. The choice of the provider was executed following qualitative and quantitative assessment, which reported the following outcome: (i) the RUB quotes published by the platform are representative of effective transactions between participants to the market; (ii) the FX quotes are substantially aligned with those provided by other sources; (iii) the EBS RUB quotes resulted from actual transactions by non-Russian based operators, thus granting that such quote effectively represents a market participant assessment of the value of the RUB and therefore of the economic conditions of Russia[22]. In more detail, the mentioned EBS rate was used both for converting RUB denominated exposures held by entities having EUR as presentation currency, as well as for consolidating the net assets of AO UniCredit Bank (Russia) and determining the related FX reserve.

In addition to the above, it is worth reminding those exposures held by Russian subsidiaries and denominated into currencies different from RUB shall be first converted into RUB for the purpose of Consolidated financial statements preparation. In this regard, while the adoption of EBS RUB quote would be appropriate, the conversion into RUB of exposures denominated in foreign currencies held by Russian Subsidiaries was executed considering the rate provided by CBR in line with the approach followed in the previous years.

4. Claims in relation to guarantees and sanctions

In August 2023, UCB GmbH was named as a defendant in a lawsuit pertaining to guarantee claims commenced by a Russian energy company before a court in Saint Petersburg, Russia. For additional information about this lawsuit refer to Part E - Information on risks and related hedging policies, 2.5 Operational risks, B. Legal risks.

In addition, UniCredit S.p.A. has made an application to the General Court of European Union (GCEU) to obtain definitive legal clarification of the obligations set by the European Central Bank's (ECB) requirements to further reduce the risks associated with UniCredit's activities in Russia, carried out by subsidiaries including AO UniCredit Bank. In this regard it should be noted that since Russia's invasion of Ukraine in February 2022, UniCredit has been adopting a series of strategies to reduce its Russian presence resulting in a significant reduction of its cross-border and domestic exposures. However, the unprecedented circumstances, the complexities inherent in the geo-political and economic scenario, the lack of a harmonized regulatory framework applicable to it and the potential for serious unintended consequences of implementing the decision that would impact not only the Russian subsidiaries but UniCredit S.p.A., have compelled the Board of Directors of UniCredit to seek for clarity and certainty of the duties and of the actions to be undertaken. To this purpose, UniCredit filed the application to the GCEU to get clarity about the obligations that UniCredit shall abide by. This application has been made in the full knowledge of the ECB. While this application is being heard, UniCredit has requested an interim suspension of the Decision pending the proceeding, which was denied by the GCEU in November 2024. The proceedings on the merits are ongoing.

22 Such conclusions are also corroborated by the meeting held by ECB - Foreign Exchange Contact Group during May 2022 in which EBS representative reported that EBS EUR/RUB Market continue to function, and that liquidity in the Russian ruble is below pre-invasion levels, with activity concentrated mostly among larger banks in offshore markets.

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Part A - Accounting policies

A.2 - Main items of the accounts

With regard to the classification and measurement criteria of the main items, refer to Part A.2 - Main items of the accounts of the document Annual Reports and Accounts 2024, Consolidated report and accounts 2024 of UniCredit group, Explanatory notes, Part A - Accounting policies.
Moreover, it is worth to note that starting from June 2025 also two insurance companies, UniCredit Life Insurance (i.e. ULI) and UniCredit Vita Assicurazioni (i.e. UVA), have been consolidated line by line, therefore a specific paragraph on insurance assets and liabilities ruled by IFRS17, is reported below in this section.

Insurance assets and liabilities ruled by IFRS17

Classification criteria

The item Insurance assets and liabilities reports assets and liabilities in scope of IFRS17 - Insurance contracts, for which the insurance risk has been deemed significant and they mainly include: (i) temporary class I life policies; (ii) income policies; (iii) mixed policies with guaranteed fixed conversion rates at the time of issue; (iv) certain types of unit-linked policies; (v) insurance pension funds; as well as (vi) reinsurance components.
In addition to the above, the item includes also liabilities recognised for investment products that foresee discretionary profit sharing features (separate management schemes) as well as mixed class I products, mixed class III products and class V capitalisation policies.
In detail, the item "80. Insurance assets" includes:

- insurance contracts, including reinsurance contracts, issued and investment contracts with discretionary profit-sharing features issued, defined and ruled by IFRS17, belonging to portfolios of insurance contracts issued that are assets, on the basis of the closing balance sign;
- reinsurance cession contracts, defined and ruled by IFRS17, belonging to the portfolios of reinsurance cession contracts that are assets, on the base of the closing balance sign.

The item "110. Insurance liabilities" shows:

- insurance contracts, including reinsurance contracts, issued and investment contracts with discretionary profit sharing features issued, defined and ruled by IFRS17, belonging to portfolios of insurance contracts issued that are liabilities, on the basis of the closing balance sign;
- reinsurance cession contracts, defined and ruled by IFRS17, belonging to the portfolios of reinsurance cession contracts that are liabilities, on the basis of the closing balance sign.

With regard to the products issued by insurance companies having financial nature but that do not have a significant insurance risk (e.g., unit linked policies without extra performance clauses) and that do not foresee discretionary profit sharing features, these are recognised in the Balance sheet among financial liabilities in scope of IFRS9; in this context UniCredit group has chosen to exercise the Fair Value Option, in order to avoid accounting mismatches with respect to related investments measured at fair value.

Recognition criteria

When the contracts with insured party has been signed, a liability is recognised in Balance sheet, the amount of which is equal to the algebraic sum of (i) the present value of all expected contractual cash flows (present value future cash flow), discounted, that embed also an appropriate Risk adjustment (concerning non-financial risks), and (ii) Contractual service margin (CSM), that represents the present value of future profits.
At the initial recognition, insurance contracts are aggregated into groups of contracts and recognition, measurement and presentation criteria in the financial statements are applied to the group of contracts ("Unit of Account") and not to the single contract.

The aggregation of contracts is significant as it allows to identify from the initial recognition any onerous contracts (so-called "onerous contract test") and the related losses attributed to them.
The aggregation level is determined on the basis of the hierarchy reported below:

- portfolio: group of contracts that present similar risks, managed in a same way as a single pool;
- cohorts: segmentation of portfolios defined on the basis of the initial recognition date of the contract;
- profitability "buckets": further clustering of each cohort, which takes into account the profitability expected at the time of initial recognition of the contract; this segmentation is in turn a function of three buckets:
  - onerous contract that is already considered unprofitable from the time of initial recognition;
  - profitable contract at the time of initial recognition that does not present a significant risk of becoming onerous in the future;
  - remaining case, i.e. profitable contract that presents a significant risk of becoming onerous in the future.

The Aggregation levels allow you to define the granularity with which the profitability of a group of contracts is assessed by including in the same portfolio those that have similar risks, the same profitability bucket and are part of the same annual cohort.

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Part A - Accounting policies

Furthermore, it should be noted that in the analysis of contracts it is appropriate to identify the limits of the contract (or Contract Boundaries) by which we mean the expected cash flows to be considered in the cash flow projection of an insurance contract. In detail, the determination of the Contract Boundaries is aimed to assess whether a contractual option (e.g. contractual options that provide, already at the moment of the issue of the contracts, predefined exercise conditions in terms of pricing) should be included in the cash flow projection already at the issue of the contract or whether the exercise of the same leads to the generation of a new group of contracts.
It should be noted that options that do not foresee for pre-established conditions at the time of issue (but these are defined only subsequently or at the time of exercise by the insured), are excluded from the IFRS17 Contract Boundaries and therefore are not used in the cash flow projection of the main contract; but they generate a group of contracts different from that of the main contract.

Valuation criteria
In the context of measurement of insurance contracts three different methodologies could be applied:
- General Model (GM);
- Premium Allocation Approach (PAA)[23]; and
- Variable Fee Approach (VFA).

The GM is the standard method for the valuation of insurance contracts based on a block approach according to which, at the signing of the contract, the insurance liability is equal to the algebraic sum of the value of the expected contractual cash flows discounted on the basis of an appropriate discount rate (Present Value of Future Cash Flow - PVFCF), the adjustment that factors in non-financial risks related to the uncertainty in the realisation of cash flows (Risk Adjustment - RA) and the margin on the contractual services (Contractual Service Margin - CSM).
The methodology above shown is applicable to all insurance contracts except for those with direct participation features for which the VFA model is applied.
With regard to the subsequent measurement of liability an assessment of the aforementioned features is necessary, in order to reflect the changes between the initial estimates and those in effect at the reporting date. In detail:
- changes in the present value of cash flows, coming from (i) changes in the discount rate used with consequent impact in P&L or, if the "OCI option" (Other Comprehensive Income) is exercised, in the statement of comprehensive income;
- changes in the estimate of liabilities relating to future services that determine a corresponding adjustment of the CSM, to be released in P&L on the basis of the coverage unit;
- changes arising from the difference between the expected cash flows for the period, recognised in revenues for insurance services, and those actually incurred in the same period, recognised in the costs for insurance services, have an impact on P&L of the year.

Modification and derecognition criteria
The accounting standard IFRS17 foresee that, from an accounting point of view, an insurance contract can be derecognised, when and only when, the contract is expired (i.e. the obligation specified in the insurance contract is expired, satisfied or cancelled).
Moreover, IFRS17 foresees the derecognition of the original contract and the concurrent recognition of new contract following contractual modifications (agreed among parties or due to regulatory changes) that fall into one of the following categories:
- if the change had been included at the initial recognition it would have resulted in:
  - the exclusion of the contract from the scope of IFRS17;
  - the separation of different components of the original contract resulting in a different contract, a substantially different "contract boundary" or the allocation of a different group of contracts;
  - the allocation to a different group of contracts.
- the initial contract is in line with the definition of an insurance contract with direct participation elements, but the modified contract is no longer or vice-versa;
- the original contract is valued with the simplified model (premium distribution method), but the modified contract no longer has the characteristics to be valued with this model or vice-versa.

Conversely, if the contractual changes do not fall within the above-mentioned categories, they should be treated as changes to the valuation assumptions of the expected contractual cash flows and consequently modify the Risk Adjustment and the Contractual Service Margin previously calculated.

Use of estimates to determine insurance liabilities under IFRS17 - Discount rate
The insurance liability valuation models apply multiple inputs and parameters, among which the main ones are the discount rate, the Risk Adjustment and the method for releasing the Contractual Service Margin to the Income statement.
The valuation of the insurance liability is based on the discounting model of expected future cash flows, in force of a discount rate considered suitable to reflect the time value of money and financial risk, if the latter is not already embedded in the cash flow estimates.

23 It should be noted that "PAA" model is not applicable at Group level.

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Part A - Accounting policies

In detail, the discount rates used have to:
- reflect the time value of money, the features of the financial cash flows and the liquidity features of insurance contracts;
- be consistent with the current observable market prices (if any) of the financial instruments whose cash flows have characteristics corresponding to those of insurance contracts (e.g., in terms of maturity, currency and liquidity); and
- exclude the effect of factors that, while influencing observable market prices, do not impact on the future financial cash flows of insurance contracts.

Estimates of future cash flows for fulfilling insurance contracts

In the liabilities of its Balance sheet, the entity accounts for prospective liabilities (i.e., future cash flows) that represent its commitments relating to insurance management. These liabilities include cash flows to policyholders weighted by the probability of occurrence, factoring in the prospective returns of insurance products, as well as the expenses to be incurred for the business in place.
In detail, the cash flows of the Life business are determined through actuarial valuation, based on projection logics of future cash flows in line with what is established in the Solvency II context, presenting (i) a higher level of granularity than the Unit of Account, in order to reach an estimate level as close as possible to reality; and (ii) a number of scenarios used for the purposes of stochastic elaboration equal to 1000.

It should also be noted that the management logic of the assets belonging to the separate management schemes, used for the purposes of the projections and implemented in the actuarial engine, also includes the Future Management Measure of the strategic asset allocation. With reference to the future cash flows relating to the Liability for Remaining Coverage, the calculation is based on the logic of defining future cash flows in the Solvency II context, appropriately updated to take into account the specificities of the calculation models used, General Model and Variable Fee Approach.

Methods used to measure non-financial risk adjustment

Non-financial risk adjustment (Risk Adjustment) is the compensation required to bear the uncertainty about the amount and timing of cash flows arising from non-financial risk at the time of fulfillment of the insurance contract.
Since the risk adjustment represents a compensation for uncertainty, the percentage of the individual stress factors is obtained as VaR ultimate view with quantile 80% of the specific distribution of each risk considered.
In particular, for the purposes of calculating the Risk Adjustment, the following risk factors are considered: Mortality, Longevity, Expenses, Catastrophic and the maximum between the Lapse Up, Lapse Down and Lapse Mass risks; in particular for the Lapse Mass and Catastrophic risks, no actual exposure is recognised in the confidence interval considered, however, stress factors calibrated on European data are considered for prudential purposes.
The RA component is calculated at the UoA and cohort level and then aggregated at the overall Company level, benefiting from the diversification effects between risks and allowing compensation within the single UoA.
With reference to UVA, IFRS17 risk adjustment is calculated using the Cost of Capital (CoC) approach as the present value of future costs of capital. The transfer scenario is defined such that only relevant non-hedgeable non-financial risks need to be considered in the calculation in accordance with the IFRS17 prescription (e.g. Operational risk is out of scope for risk adjustment valuation).

CSM release pattern

The Contractual Service Margin (CSM) is the expected profit from the insurance contracts in the portfolio and is calculated as the difference between the cash flows due to the entity (premiums) and the total contractual costs assumed, including the risk adjustment. The CSM is recognised in the Income statement over the period in which the insurance coverage is provided; therefore, at the initial recognition of the contracts, no profit is recognised as it is linked to insurance services that will be provided subsequently.
The release of the CSM is based on the coverage units, determined by identifying for each contract the quantity of service provided to the insured and the expected duration of the group of contracts. Any negative values of the CSM, at inception or subsequently, due to adverse changes in expected profitability, must be fully recognised in the Income statement. The Group identifies a release ratio for each Unit of Account on the basis of which the CSM is released.
It should also be noted that the CSM is first calculated at the level of the individual entity of the Group and then at the Group level, making the necessary adjustments during consolidation. This choice arises from the circumstance that in the Group there coexist entities issuing insurance contracts (the insurance companies) and entities placing them (e.g. the Parent Company), which charge placement commissions for the service provided.
As part of the consolidation process, with reference to the elimination of intragroup commissions charged to insurance companies, adjustments are made to take into account the costs actually incurred by the companies that distribute the policies. This implies that the consolidated CSM may differ from that calculated for the purposes of the individual financial statements of the individual insurance companies, to the extent that the costs incurred by the Group towards third parties differ from the placement commissions paid to the banking distribution network.

Given this, the actual costs incurred at Group level are estimated on the basis of the “Cost/income ratio”, determined according to specific management drivers that take into account the historical observation of the actual distribution costs incurred by the Group’s networks compared to the commissions paid to the Group’s insurance companies, broken down by homogeneous categories of policies and distribution models. These management metrics are also used to identify the costs represented by personnel expenses, other administrative expenses, net value adjustments on tangible assets to be reclassified in the Consolidated balance sheet item relating to the result of insurance management.

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Part A - Accounting policies

Profit or loss components

The components that contribute to the profitability of the insurance activity are booked in the Income statement, in detail:

- the insurance margin is accounted for in item "160. Insurance service result" and is given by the difference between: (i) insurance revenues relating to contracts issued, given by the portion of the consideration received from the insured for the services provided in the period (i.e., expenses that are expected to be incurred during the period, the evolution of the liability for the explicit adjustment for risk, as well as the attribution to the period of a portion of the CSM based on the services provided); (ii) the related costs (i.e., substantially, expenses for insurance services incurred in the current period such as claims and other directly attributable expenses, losses relating to onerous contracts, commissions and other acquisition costs, management expenses of the investments underlying the insurance contracts to which the Variable Fee Approach valuation method is applied; and (iii) costs and revenues relating to reinsurance cessions;
- the margin related to financial components is instead recognised under item "170. Insurance finance net revenues/costs" which mainly includes the interests accrued in the period due to the time value of money, the effects related to the changes in the time value of money and the financial risks of insurance contracts, the changes in fair value of the assets underlying the insurance contracts issued valued with the VFA approach, other than those booked in the statement of comprehensive income due to the OCI option application.

Finally, it should be noted that, with reference to the costs and revenues deriving from insurance contracts and the investments underlying such contracts, in order to reduce the accounting mismatches arising from the application of the different valuation models required by IFRS17 and IFRS9, and with the aim of limiting the volatility of the Income statement, the UniCredit group has decided to exercise the OCI option foreseen by the standard for all portfolios of insurance contracts.

A.3 - Information on transfers between portfolios of financial assets

There were no transfers between portfolios of financial assets in the first half 2025.

A.4 - Information on fair value

Qualitative information

This section presents a disclosure on fair value as required by IFRS13.

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

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

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

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from a pricing service, dealer, broker, agency that determines prices or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If a published price quotation in an active market does not exist for a financial instrument in its entirety, but active markets exist for its component parts, fair value can be determined on the basis of the relevant market prices for the component parts.

The Group may use valuation techniques, such as:

- a market approach (e.g., using quoted prices for similar assets, liabilities or equity instruments held by other parties as assets);
- cost approach (e.g., it reflects the amount that would be required currently to replace the service capacity of an asset, that is the current replacement cost);
- an income approach (e.g., a present value technique that takes into account the future cash flows that a market participant would expect to receive from holding the liability or equity instrument as an asset).

The Group uses valuation models (*Mark to Model*) in line with the methods generally accepted and used by the market. Valuation models include techniques based on the discounting of future cash flows and on volatility estimates, and they are subject to revision both during their development and periodically in order to ensure their consistency with the objectives of the valuation.

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These methods use inputs based on prices set in recent transactions for the instrument being valued and/or prices/quotations for instruments having similar characteristics in terms of risk profile. Indeed, these prices/quotations are relevant for determining significant parameters in terms of credit, liquidity and price risk of the instrument being valued.
Reference to these market parameters allows to limit the discretionary nature of the valuation and ensures that the resulting fair value can be verified. If, for one or more risk factors it is not possible to refer to market data, the valuation models employed use estimates based on historical data as inputs.

As a further guarantee of the objectivity of valuations derived from valuation models, the Group employs:
- independent price verifications (IPVs);
- fair value adjustments (FVAs).

Independent price verification requires that the prices are verified at least monthly by Risk Management units that are independent from the units that assume the risk exposure.
This verification calls for comparing and adjusting the price in line with valuations obtained from independent market participants.

For instruments not quoted in active markets, the above verification process uses prices contributed by info providers as a reference and assigns a greater weighting to those prices that are considered representative of the instrument being valued.
This valuation can include the feasibility of the transaction at the price observed, the number of contributors, the degree of similarity of the financial instruments, the consistency of prices from different sources, and the process followed by the info provider to obtain the information.

A.4.1 Fair value levels 2 and 3: valuation techniques and inputs used

Hereby we provide IFRS13 disclosure requirements about accounting portfolios measured at fair value on a recurring basis, not measured at fair value, or measured at fair value on a non-recurring basis.

Assets and Liabilities measured at fair value on a recurring basis

Debt securities

Debt securities are priced in a two-tier process depending on the liquidity in the respective market. Liquid instruments in active markets are marked to market and consequently they are allocated in the fair value hierarchy under Level 1[24].

Instruments not traded in active markets are marked to model through discounted cash flows model whose inputs include implied credit spread curves. With this respect, depending on the proximity of the credit spread curve applied, the bonds are disclosed as Level 2 or Level 3 respectively. Under fair value accounting, fair value adjustments for liquidity and model deficiencies compensate for the lack of market observables for the Level 2 and Level 3 positions.
In the global bond IPV process market prices of Level 1 bonds and pricing models for illiquid bonds are regularly verified for accuracy.

Structured financial products

The Group determines the fair value of structured financial products not quoted on active markets using the appropriate derivative valuation methodology given the nature of the embedded structure (when this is not to be separated). Such instruments are classified as Level 2 or Level 3 depending on the observability of significant inputs to the model.

Asset Backed Securities

UniCredit valuation process assigns prices considering quotes available on the market.
As a second step, prices are assessed by benchmarking each security to a pool of similar securities with available market quotes. An alternative approach consists in evaluating the instrument through the use of quantitative pricing models, which are applicable every time that information regarding market participants assumptions on model parameters is reasonably made available without excessive costs or efforts.

ABS are assigned to Level 2 or Level 3 depending on the observability of either prices or model inputs.

Derivatives

Fair value of derivatives not traded in an active market is determined using a mark-to-model valuation technique.
Where active markets exist for its component parts, then fair value is determined on the basis of the relevant market prices for the component parts.
Valuation techniques that are based on significant inputs that are observable are referred to as Level 2 valuations, while those based on techniques that use significant unobservable inputs are referred to as Level 3 valuations.

24 As far as Italian government bonds are concerned, it is worth stressing they are typically exchanged on the MTS market which is largely acknowledged as the main liquid platform for this kind of asset.

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Equity instruments
Equity instruments are assigned to Level 1 when a quoted price is available on a liquid market and to Level 3 when no quotations are available, or quotations have been suspended indefinitely. These instruments are classified as Level 2 only when trading volume on the market is not sufficient to qualify the market as active.

Investment funds
The Group holds investments in certain investment funds that publish net asset value (NAV) per share, including mutual funds, private equity funds, hedge funds (including funds of funds) and real estate funds. The Group's investments include co-investments in funds that are managed by the Group and investments in funds that are managed by third parties and in particular:
- Real estate funds: these funds are mapped to Level 1 when quoted prices are available on an active market; when this condition does not hold, real estate funds are disclosed as Level 3 and they are evaluated through an adequate credit adjustment of the NAV based on the specific features of each fund;
- Other funds: the Group holds investments also in mutual funds, hedge funds and private equity funds. Funds are usually assigned to Level 1 when a quoted price is available on an active market. Funds are disclosed as Level 2 or Level 3 depending on NAV availability, portfolio transparency and possible issues relating to position write-off, these funds are measured on the basis of internal analysis that consider further information included those provided by management companies.

Loans
Fair Value of loans measured at fair value is determined using either quoted prices or discounted cash flows analysis. They are classified under Level 2 if implied credit spread curves, as well as any other parameters used for determining fair value, are observable on the market. In the case the spreads curves are not observable they are derived using an internal spread model that is based both on observable and unobservable inputs, in the case the impact of unobservable inputs is significant they are classified as Level 3. These include loans to corporates and household for which no indication of applicable credit spread is available and for which, therefore, fair value has been determined through internal credit risk parameters.

Tangible assets measured at fair value
The Group owns real estate assets for which changed, starting from 31 December 2019, its measurement accounting policy moving from a cost model to a fair value model for properties held for investment and revaluation model for properties used in business.
For both type of assets the fair value/revaluation model is determined on the basis of a valuation by an independent appraiser who holds a recognised and relevant professional qualification which perform its valuation by directly visiting the property and in consideration of market analysis (i.e. full appraisal) or, always considering the market analysis, on the basis of an indirect knowledge of the assets through the information made available by the owner and relating to the localisation, consistency, destination (i.e. desktop appraisal).
The attribution of fair value levels is based on the level of observability of the significant market parameters used by the valuation technique. In particular, given the current portfolio composition, most of the positions are at Level 3.

Fair Value Adjustments (FVA)
Fair value adjustment is defined as the amount to be added either to the market observed mid-price or to the theoretical price generated by a valuation model with the aim of obtaining a fair value of the position. Therefore, FVA are aimed at insuring that the fair value reflects the actual exit price of a certain position.
Below a list of adjustments:
- Credit/Debit Valuation Adjustment (CVA/DVA);
- Funding Cost and Benefit Value Adjustment (FCA/FBA);
- model risk;
- close-out costs;
- other adjustments.

Credit/Debit Valuation Adjustment (CVA/DVA)
Credit valuation adjustments (CVAs) and debit valuation adjustments (DVAs) are incorporated into derivative valuations to reflect the impact on fair value of counterparty credit risk and UniCredit group own credit quality respectively.

UniCredit CVA/DVA methodology is based on the following inputs:
- EAD derived by simulation techniques. Simulated exposures also take into account Specific Wrong-Way Risk that arises from transactions where there is a correlation between counterparty credit risk and the underlying derivative risk factors;
- PD implied by current market default rates, obtained from Credit Default Swaps;
- LGD based on the estimated level of expected recovery should a counterparty default and implied by current market default rates, obtained from credit default swaps.

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Funding Cost and Benefit Adjustment (FCA/FBA)
Funding Valuation Adjustment (FundVA) is the sum of a Funding Cost Adjustment (FCA) and of a Funding Benefit Adjustment (FBA) that indeed account for the expected future funding costs/benefits for derivatives that are not fully collateralised. Most material contributors are in-the-money trades with uncollateralised counterparties.

UniCredit FundVA methodology is based on the following inputs:
- positive and Negative exposure profiles derived leveraging on a risk-neutral spin-off of the counterparty credit risk internal model;
- PD term structure implied by current market default rates obtained from credit default swaps;
- a funding spread curve that is representative of the average funding spread of peer financial groups.

Model risk
Financial models are used for the valuation of the financial instruments if the direct market quotes are not deemed reliable. In general, the model risk is represented by the possibility that a financial instrument's evaluation is actually sensitive to the choice of model. It is possible to value the same financial instrument by using alternative models which could provide different results in term of pricing. The model risk adjustment refers to the risk that the actual fair value of the instrument differs from the value produced by the model.

Close-out cost
It measures the implicit cost of closing a trading position. The position can be closed by a long position (or purchase in the case of a short position), or by entering into a new transaction (or several transactions) that offsets (hedges) the open position. The close-out costs are typically derived from the bid/ask spreads observed on the market. It accounts for the fact that a position is valued at mid but can only be closed at bid or ask. This adjustment is not needed when the position is marked at bid or ask and already represents an exit price. In addition, a close-out adjustment of the NAV is applied when there are some penalties relating to position write-off in an investment fund.

Other adjustments
Other fair value adjustments, which are not included in the previous categories, could be taken into consideration to align the evaluation to the current exit price, also according to the level of liquidity of the market and valuation parameters, e.g. adjustment of equity prices whose quotation on the market are not representative of the effective exit price.

Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis
Financial instrument not carried at fair value, for example retail loans and deposit, and credit facilities extended to corporate clients are not managed on a fair value basis.
For these instruments fair value is calculated for disclosure purposes only and does not impact the Balance sheet or the profit or loss. Additionally, since these instruments generally do not trade, there is significant management judgment required to determine their fair values as defined by IFRS13.

Cash and cash balances
Cash and cash balances are not carried at amounts that approximate fair value, due to their short-term nature and generally negligible credit risk.

Financial assets at amortised cost
For securities, fair value is determined according to what reported in section "Assets and liabilities measured at fair value on a recurring basis - Debt securities".
On the other hands, fair value for performing loans to Banks and customers is determined using the discounted cash flow model adjusted for credit risk. Some portfolios are valued according to simplified approaches, which however take into account the financial features of the financial instruments.

Property, plant and equipment
The fair value of under construction properties, obtained through the enforcement of guarantees received and the right of use of leased assets is determined on the basis of a valuation by independent external appraisers who hold a recognised and relevant professional qualification which perform their valuation by directly visiting the property and in consideration of market analysis (i.e. full appraisal) or, always considering the market analysis, on the basis of an indirect knowledge of the assets through the information made available by the owner and relating to the localisation, consistency, destination (i.e. desktop appraisal).
The attribution of fair value levels is based on the level of observability of the significant market parameters used by the valuation technique. In particular, given the current portfolio composition, most of the positions are at Level 3.

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Financial liabilities at amortised cost
Fair value for issued debt securities is determined using the discounted cash flow model adjusted for UniCredit credit risk. The Credit Spread takes seniority into account.
Likewise, fair value for other financial liabilities is determined using the discounted cash flow model adjusted for UniCredit credit risk.

Description of the valuation techniques
Specific valuation techniques are used to value positions for which a market price is not directly observable from market sources. The Group uses well known valuation techniques for determining fair values of financial and non-financial instruments that are not actively traded and quoted. The valuation techniques used for Level 2 and 3 assets and liabilities are described below.

Option Pricing Model
Option Pricing models are generally used for instruments in which the holder has a contingent right or obligation based on the occurrence of a future event, such as the price of a referenced asset going above or below a predetermined strike price. Option models estimate the likelihood of the specified event occurring by incorporating assumptions such as volatility estimates, price of the underlying instrument and expected rate of return.

Discounted cash flow
Discounted cash flow valuation techniques generally consist of developing an estimate of future cash flows that are expected to occur over the life of an instrument. The model requires the estimation of the cash flow and the adoption of market's parameters for the discounting: discount rate or discount margin reflects the credit and/or funding spreads required by the market for instruments with similar risk and liquidity profiles to produce a "discounted value". The fair value of the contract is given by the sum of the present values of future cash flows.

Hazard Rate Model
The valuation of CDS instruments (Credit Default Swap) requires the knowledge of the entity's survival probability at future dates. The estimate of this probability curve uses the standard model for survival probabilities and requires as parameters the credit default swap market quotes on standard future dates in addition to the risk-free curve and the expected recovery rate. The Hazard Rate is part of the described process and it indicates the instantaneous probability of default at different future instants.

Market Approach
A valuation technique where the value is determined based on the prices generated by market or previous transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities.

Gordon Growth Model
A model used to determine the intrinsic value of a stock, based on a strip of future cash flows growing at a constant rate. Given a single cash flow and a hypothesis on constant growth through time, the model estimates the present value of future cash flows.

Dividend Discount Model
A model used to determine the value of a stock based on expectations on its future dividend flow.
Given a series of forecasts on dividends payable in future exercises and a hypothesis on the subsequent annual growth of dividends at a constant rate, the model estimates the fair value of a stock as the sum of the current value of all future dividends.

Adjusted NAV (Net Asset Value)
NAV is the total value of a fund's assets less liabilities. An increase in NAV would result in an increase in a fair value measure. Usually for funds classified as Level 3, depending on the methodology adopted by the Fund to calculate the NAV, the fair value is adjusted to consider the issuer's default risk and liquidity risk.

Sum of the parts
This approach determines the economic value of a company or a business unit as the sum of the economic capital values attributable to the various business lines within the same corporate structure.

Equity method
In the case of unlisted investments for which a limited availability of information does not allow for other methods to be adopted, the portion of shareholders' equity resulting from the latest financial statements or interim report (quarterly or half-yearly) approved by the company can be used as the best proxy of the fair value. For the purposes of determining shareholders' equity, valuation reserves must also be considered.

Simple equity method
With this method, the value of the company is determined as the difference between the assets and liabilities of the company restated at current values; this method consists, therefore, in defining the individual asset and liability values at current values, highlighting any gains or losses with respect to the carrying amounts.

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Complex equity method
In addition to the measurement of the company using the Simple equity method, this method measures some "intangible" assets not present in the financial statements, such as goodwill, trademarks, patents, intellectual property, concessions.

Mixed equity/income method
Determines the value of the company taking into account objective and verifiable aspects of the equity method, without however neglecting the expected income flows, which are conceptually an essential component of the value of the economic capital and represented in the income methods.

Description of the inputs used to measure the fair value of items categorised in Level 2 and 3
Hereby a description of the main significant inputs used to measure the fair value of items categorised in Level 2 and 3 of the fair value hierarchy.

Volatility
Volatility is the measure of the variation of price of a financial instrument over time. In particular, volatility measures the speed and severity of market price changes for an instrument, parameter or market index given the particular instrument, parameter or index changes in value over time, expressed as a percentage of relative change in price. The higher the volatility of the underlying, the riskier the instrument. In general, long option positions benefit from increases in volatility, whereas short option positions will suffer losses.

There are different macro-types of volatility:
- volatility of interest rate;
- inflation volatility;
- volatility of foreign exchange;
- volatility of equity stocks, equity or other indexes/prices.

Correlation
Correlation is a measure of the relationship between the movements of two variables. When parameters are positively correlated, an increase in correlation results in a higher fair value measure. On the contrary, given a short correlation position, an increase in correlation, in isolation, would generally result in a decrease in a fair value measure. Therefore, changes in correlation levels can have a major impact, favourable or unfavourable, on the fair value of an instrument, depending on the type of correlation.

Correlation is a pricing input for a derivative product where the payoff is driven by multiple underlying risks. The level of correlation used in the valuation of derivatives with multiple underlying risks depends on a number of factors including the nature of those risks.

Dividends
The derivation of a forward price for an individual stock or index is important both for measuring fair value for forward or swap contracts and for measuring fair value using option pricing models. The relationship between the current stock price and the forward price is based on a combination of expected future dividend levels and payment timings and, to a lesser extent, the relevant funding rates applicable to the stock in question.
The dividend yield and timing represent the most significant parameter in determining fair value for instruments that are sensitive to an equity forward price.

Interest rate curve
The calculation of the interest rate curve is based on standard bootstrapping techniques relying on the set of quotes of appropriate financial instruments, for each currency, which turns interest rates in zero-coupon.
Less liquid currencies interest rate curve refer to the rates in currencies for which a market liquidity doesn't exist in terms of tightness, depth and resiliency.

Inflation swap rate
The determination of forward levels for inflation indexes is based on swap quote over inflation indexes. Swap over inflation may present a low liquidity level whether there is no liquid market in terms of rigidity, deepness and resistance.

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Credit spreads
Credit spreads reflects the credit quality of the associated credit name.
The credit spread of a particular security is reported in relation to the yield on a benchmark security or reference rate and is generally expressed in terms of basis points. In the loan evaluation model, the credit spread is used to estimate the market risk premium applied to discounting the cash-flows.

Loss Given Default (LGD)/Recovery Rate
LGD also known as loss severity (the inverse concept is the recovery rate) represents the percentage of contractual cash flows lost in the event of a default, expressed as the net amount of loss relating to the outstanding balance. An increase in the loss severity, in isolation, would result in a decrease in a fair value measure. Loss given default is facility-specific because such losses are generally understood to be influenced by key transaction characteristics such as the presence of collateral and the degree of subordination.

Price
Where market prices are not observable, comparison via proxy is used to measure a fair value of the instrument.

Prepayment Rate (PR)
The PR is the estimated rate at which forecasted prepayments of principal of the related debt instrument are expected to occur. Voluntary unscheduled payments (prepayments) change the future cash flows for the investor and thereby change the fair value of the security.
In general, as prepayment speeds change, the weighted average life of the security changes, which impacts the valuation either positively or negatively, depending on the nature of the security and the direction of the change in the weighted average life.

Probability of Default (PD)
The probability of default is an estimate of the likelihood of not collecting contractual amounts. It provides an estimate of the likelihood that a client of a financial institution will be unable to meet its debt obligations over a particular time horizon. The PD of an obligor does not only depend on the risk characteristics of that particular obligor but also the economic environment and the degree to which it affects the obligor.

Early conversion
The early conversion is the estimate of the probability that the liability would be converted into equity earlier than the terms stated.

EBITDA
EBITDA is an indicator of the current operating profitability of the business, that is the income generated by the use of the company's assets and the commercialisation of the products manufactured.

Ke
The Ke (cost of capital) represents the minimum rate that the company has to offer to its shareholders as remuneration for the funds received.

Growth rate
It is the constant growth rate used for the future dividends estimate.

A.4.2 Valuations processes and sensitivities

The Group verifies that the value attributed to each position reflects the current fair value in an appropriate way. Assets and liabilities subject to fair value measurements are determined using different techniques, among which (but not only) models such as *discounted cash flow* and internal models. On the basis of the observability of the input used, all the measurements are classified as Level 1, Level 2 or Level 3 of the fair value hierarchy.
When a financial instrument, measured at fair value, is valued through the use of one or more significant inputs not directly observable on the market, a further procedure for the price verification is implemented. These procedures include the revision of relevant historical data, the analysis of profits and losses, the individual valuation of each component for structural products and *benchmarking*. This approach uses subjective opinions and judgments based on experience and, therefore, it could require valuation adjustments which take into account the *bid/ask* spread, liquidity and counterparty risk, in addition to the valuation model type adopted.

According to Group Market Risk Governance guidelines, in order to ensure the right separateness of the functions in charge of the model development and those in charge of the validation processes, all the valuation models developed by Group companies' front offices are independently tested centrally and validated by Risk Managements functions. The aim of this independent control structure is evaluating the model risk from a theoretical solidity, calibration techniques eventually applied and appropriateness of the model for a specific product in a defined market point of views.
In addition to the daily *mark-to-market or mark-to-model valuation*, the *Independent Price Verification* (IPV) is applied by from *Market Risk* function with the aim of guaranteeing a fair value provided by an independent structure for all instruments, illiquid included.

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A.4.3 Fair value hierarchy

IFRS13 establishes a fair value hierarchy according to the observability of the input used in the valuation techniques adopted for valuations.
The fair value hierarchy level associated to assets and liabilities is set as the minimum level among all the significant valuation inputs used.
A valuation input is not considered significant for the fair value of an instrument if the remaining inputs are able to explain a major part of the fair value variance itself.

In particular, three levels are considered:

- Level 1: the fair value for instruments classified within this level is determined according to the quoted prices on active markets;
- Level 2: the fair value for instruments classified within this level is determined according to the valuation models for which significant inputs are observable on active markets;
- Level 3: the fair value for instruments classified within this level is determined according to the valuation models for which significant inputs are unobservable on active markets.

Financial instruments are classified to a certain fair value level according to the observability of the input used for the valuation.

Level 1 (quoted prices in active markets): at measurement date, quoted prices in active markets are available for identical assets or liabilities. An active market is a market in which orderly transactions for the asset or liability take place with sufficient frequency and volume for pricing information to be provided on an on-going basis (e.g. MTS market about prices for most of the government bonds therein traded).

Level 2 (observable inputs): inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Inputs are observable if they are developed on the basis of publicly available information about actual events or transactions and reflect the assumptions that market participants would use when pricing the asset or liability.

Level 3 (unobservable inputs): inputs other than the ones included in Level 1 and Level 2, not directly observable on the market for the evaluation of asset and liability or used for the definition of significant adjustments to fair value. Unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

Deciding among various valuation techniques to be used, the Group employs the one which maximises the use of observable inputs.

Transfers between hierarchy levels

The main drivers to transfers in and out the fair values levels (both between Level 1 and Level 2 and in/out Level 3) include changes in market conditions (among which liquidity parameter) and enhancements to valuation techniques and weights for unobservable inputs used for the valuation itself.

A.4.4 Other information

The Group uses the IFRS13 exception for fair value measurements on a net basis with reference to financial assets and liabilities with offsetting positions of market risk or counterparty credit risk.

Starting from 31 December 2019, UniCredit Real Estate Assets classified as “held for investment” (hereinafter referred also as “Investment properties”) as well as Real Estate Assets used in business have to be measured at fair value, by applying the “Fair Value method” determined in accordance with IFRS13.
In this context, UniCredit issued a dedicated Global Policy for Real Estate Assets Evaluation, which has the purpose to define common principles, guidelines and models to be followed by the Group Legal Entities in the evaluation of their Real Estate Properties; the policy applies to all Real Estate Assets reflected in the Group Consolidated Financial Statements. The attribution of fair value levels is based on the level of observability of the significant market parameters used by the valuation technique. In particular, given the current portfolio composition, most of the positions are at Level 3.

With specific reference to investment properties, Fair value is determined under a “market perspective”; i.e., it is the price that a third party would pay to buy the asset in an orderly transaction at the measurement date under a “Highest and Best Use” assumption. The “Highest and Best Use” assumption needs to be supported by reasonable evidence that the use is physically possible, and legally and financially allowed. As a rule, it is assumed that the use of a given asset, foreseen by UniCredit managerial intentions, is already the “Highest and Best Use”, unless there is a clear demonstration of the opposite.

In order to derive the Fair value of an asset, either a Market Comparable Approach (i.e., taking into consideration the current market conditions and prices of observable transactions) or an Income Approach (i.e., discounting market level rental fees) is used.

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The choice of the valuation methodology and the assumptions used shall include all the available information and reflect the strategy on the Asset; all the inputs used in the evaluation are supported by internal (e.g., technical documents, managerial planning and reporting, existing contracts, etc.) and external evidence (e.g., market reports, researches, etc.).

Fair value is determined, for both Investment properties and Assets used in business, by an external, independent, certified expert either through "full form" or through "desktop appraisals", subject to remeasurement every six months.
With specific reference to investment properties, the entire portfolio is subject to "full/on-site appraisals" over 3 years; hence, in each year, part of the portfolio is subject to "full/on-site appraisal", while "Desktop appraisals" are performed on a semi-annual basis for the remaining ones.
In case the difference between the fair value resulting from the desktop appraisals and the fair value resulting from the last "full/on-site" valuation exceeds 10%, the real estate shall be subject to full/on-site appraisal even if 3 years did not pass yet, if the quality and functionality of the RE Asset has been affected by physical trigger events (e.g., catastrophic events) or extraordinary renovation activities.

In case Market Comparable Approach is applied, fair value is determined by external appraisers, according to the features of the transactions occurred in the market for properties in the same area and with the same characteristics as the one being valued. In case the property has no comparable transactions, appraisers are asked to apply the most similar transactions available with a reasonable discount that reflects the inherent illiquidity of the property. Such approach:

- is applied when there is no long-term rental agreement in place, as well as for land plots without planned or ongoing developments;
- relies on two key parameters: (i) the area of the real estate property; (ii) the value per unit of area (through the adjustment of values in comparable transactions).

The real estate property valuation is determined as the surface area multiplied by the value per unit of area.

In case the Income approach is applied, external appraisers determine the fair value by converting future cash flows to a single current capital value. The income stream may be derived under contracts, or it can be non-contractual, thus leveraging on the most updated version of the International Valuation Standards.
In detail, cash flows generated by the property shall be calculated considering rent free periods, rental growth, incentive periods, total contractual length, as well as any additional proceeds/expenses directly related to the rental contract.
The discounted rate to be used is the Weighted Average Cost of Capital (measured at the valuation date) of an ideal entity operating in the specific real estate market of reference for the specific asset, financed through the average debt/equity structure of comparable entities operating in the same market.

The income approach is to be preferred when there is a long-term rental agreement in place and the agreement is consistent with market conditions, or when there is a decline in markets activity. Such approach could be used also for land plots with planned or ongoing developments. In this case, the value may be determined based on the analysis of the expected future cash flows, assumed that a reasonable expectation of demand for the development can be demonstrated.
Fair value coming from appraisals are subject to plausibility checks; in this regard, the following shall be noted:

- when an income approach is used by external appraisers, the main input underlying the valuation (Cash flows, Capitalisation rate, etc.) are internally assessed in term of plausibility;
- the plausibility of fair values arising from external appraisals is assessed internally through a control approach that acquires information from different external info providers, thus determining a range of possible fair values within which the valuation shall fall; for the most significant real estate assets, the analysis is further supported by a discounted cash flow analysis that compares the fair value determined by the external appraisal with the outcome of an internal Discounted Cash flow model.

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Part A - Accounting policies

Quantitative information

A.4.5 Fair value hierarchy

The following tables show the portfolios breakdown in terms of financial assets and liabilities valued at fair value.

A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value levels

(€ million)

	AMOUNTS AS AT 30.06.2025			AMOUNTS AS AT 31.12.2024		
FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Financial assets at fair value through profit or loss	51,329	39,307	5,732	22,083	34,544	5,050
a) Financial assets held for trading	20,887	37,982	1,502	20,336	33,280	1,467
b) Financial assets designated at fair value	273	-	-	247	-	-
c) Other financial assets mandatorily at fair value	30,169	1,325	4,230	1,500	1,264	3,583
2. Financial assets at fair value through other comprehensive income	81,741	4,297	2,060	71,032	4,789	2,198
3. Hedging derivatives	-	823	20	-	1,333	18
4. Property, plant and equipment	-	-	5,962	-	-	5,906
5. Intangible assets	-	-	-	-	-	-
Total	**133,070**	**44,427**	**13,774**	**93,115**	**40,666**	**13,172**
1. Financial liabilities held for trading	7,826	25,157	1,443	5,926	24,062	1,361
2. Financial liabilities designated at fair value	-	21,797	476	-	13,149	597
3. Hedging derivatives	-	722	84	-	1,026	86
Total	**7,826**	**47,676**	**2,003**	**5,926**	**38,237**	**2,044**

Item "1. c) Other financial assets mandatorily at fair value" at Level 3 as at 30 June 2025 includes the investments in Atlante and Italian Recovery Fund, (former Atlante II) carrying value €198 million.
As at 30 June 2025 the Fair Value of Atlante and Italian Recovery Fund (former Atlante II) has been determined adopting an internal model in which credit risk changes of single ABS in which Atlante fund is invested are considered.
For further information reference is made to Section 2.5 - Other financial assets mandatorily at fair value income, Explanatory notes, Part B - Consolidated balance sheet - Assets.

Transfers between level of fair value occurring during the first half 2025 mainly reflect the evolution of reference market and the enhancement of processes for fair value level attribution in some Group entities.

Besides the transfers relating to financial assets and liabilities carried at Level 3 detailed in the sections below during the semester the following transfers occurred:

- from Level 1 to Level 2 owing to a worsening of the liquidity and price reliability indicators (based on the bid-ask spread, relative size and applicability of the published prices) collected by third parties as calculated and recorded in the context of the Global Bond IPV process:
  - of financial assets measured at fair value through profit or loss (financial assets held for trading, designed at fair value and mandatorily at fair value) for €410 million;
  - of financial assets measured at fair value through other comprehensive income for €16 million.
- from Level 2 to Level 1 owing to an improvement of the liquidity and price reliability indicators (based on the bid-ask spread, relative size and applicability of the published prices) collected by third parties as calculated and recorded in the context of the Global Bond IPV (Independent Price Verification) process:
  - of financial assets measured at fair value through profit or loss (financial assets held for trading, designed at fair value and mandatorily at fair value) for €20 million.

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Part A - Accounting policies

A.4.5.2 Annual changes in assets measured at fair value on a recurring basis (Level 3)

(€ million)

	CHANGES IN FIRST HALF 2025							
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS							
	TOTAL	OF WHICH: A) FINANCIAL ASSETS HELD FOR TRADING	OF WHICH: B) FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	OF WHICH: C) OTHER FINANCIAL ASSETS MANDATORILY AT FAIR VALUE	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	HEDGING DERIVATIVES	PROPERTY, PLANT AND EQUIPMENT	INTANGIBLE ASSETS
1. Opening balances	**5,050**	**1,467**	**-**	**3,583**	**2,198**	**18**	**5,906**	**-**
2. Increases	**2,699**	**1,452**	**-**	**1,247**	**143**	**22**	**199**	**-**
2.1 Purchases	1,744	644	-	1,100	84	3	65	-
2.2 Profits recognised in	708	589	-	119	37	10	80	-
2.2.1 Income statement	708	589	-	119	1	9	32	-
- of which unrealised gains	*370*	*324*	-	*46*	-	*1*	*32*	-
2.2.2 Equity	X	X	X	X	36	1	48	-
2.3 Transfers from other levels	221	216	-	5	-	4	-	-
2.4 Other increases	26	3	-	23	22	5	54	-
of which: business combinations	-	-	-	-	-	-	-	-
3. Decreases	**2,017**	**1,417**	**-**	**600**	**281**	**20**	**143**	**-**
3.1 Sales	679	439	-	240	2	9	2	-
3.2 Redemptions	231	-	-	231	123	-	-	-
3.3 Losses recognised in	703	613	-	90	52	7	115	-
3.3.1 Income statement	703	613	-	90	2	5	75	-
- of which unrealised losses	*266*	*198*	-	*68*	-	*5*	*39*	-
3.3.2 Equity	X	X	X	X	50	2	40	-
3.4 Transfers to other levels	362	354	-	8	-	-	16	-
3.5 Other decreases	42	11	-	31	104	4	10	-
of which: business combinations	-	-	-	-	-	-	-	-
4. Closing balances	**5,732**	**1,502**	**-**	**4,230**	**2,060**	**20**	**5,962**	**-**

Items “2.2.1 Profits recognised in Income statement” and “3.3.1 Losses recognised in Income statement” in financial assets are included in the Income statement in the following items:

- Item 80: Net gains (losses) on trading;
- Item 90: Net gains (losses) on hedge accounting;
- Item 110: Net gains (losses) on other financial assets/liabilities at fair value through profit or loss.

The sub-item “2.2.2 Profits recognised in Equity” and the sub-item “3.3.2 Losses recognised in Equity” reports the profits and the losses arising from fair value changes on financial assets at fair value through other comprehensive income and tangible assets used in business, with reference to land and buildings, according to the rules explained below.

With reference to financial assets at fair value through other comprehensive income these profits and losses are accounted in item “120. Valuation reserves” of net equity until the financial assets is not sold, instant in which cumulative gains and losses are recognised: i) if referred to debt securities in Income statement under item “100. Gains (Losses) on disposal and repurchase of: b) financial assets at fair value through other comprehensive income” and ii) if referred to equity instruments in the net equity under item “150. Reserves”; the exception regards the case of impairment and gains and losses on exchange rates on monetary assets (debt securities) which are reported respectively under item “130. Net losses/recoveries on credit impairment relating to: b) financial assets at fair value through other comprehensive income” and item “80. Net gains (losses) on trading”.

With reference to tangible assets used in business, the profits arising from the valuation are recognised in item “120. Valuation reserves” of net equity for the portion exceeding the cumulated losses recognised in item “260. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value”. Losses arising from the valuation are recognised in item “120. Valuation reserves” up to the cumulated revaluations recognised in the same item. Further losses are recognised in item “260. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value”. On disposal the cumulated profits reported in item “120. Valuation reserves” are recycled to item “150. Reserves”.

Transfers between levels of fair value occurring during the first half 2025 mainly reflect the evolution of reference market and the enhancement of processes for fair value level attribution in some Group entities and mostly refer to exposures held by UniCredit S.p.A. and its subsidiary UniCredit Bank GmbH.

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Part A - Accounting policies

A.4.5.3 Annual changes in liabilities measured at fair value on a recurring basis (Level 3)

(€ million)

	CHANGES IN FIRST HALF 2025		
	FINANCIAL LIABILITIES HELD FOR TRADING	FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE	HEDGING DERIVATIVES
1. Opening balances	**1,361**	**597**	**86**
2. Increases	**1,041**	**286**	**67**
2.1 Issuance	301	207	2
2.2 Losses recognised in	209	39	33
2.2.1 Income statement	209	36	30
- of which unrealised losses	*181*	*28*	*2*
2.2.2 Equity	X	3	3
2.3 Transfers from other levels	518	33	1
2.4 Other increases	13	7	31
of which: business combinations	-	-	-
3. Decreases	**959**	**407**	**69**
3.1 Redemptions	103	-	29
3.2 Purchases	11	122	-
3.3 Profits recognised in	408	11	17
3.3.1 Income statement	408	9	13
- of which unrealised gains	*353*	*9*	*11*
3.3.2 Equity	X	2	4
3.4 Transfers to other levels	429	266	1
3.5 Other decreases	8	8	22
of which: business combinations	-	-	-
4. Closing balances	**1,443**	**476**	**84**

The items “2.2.1 Losses recognised in Income statement” and “3.3.1 Profits recognised in Income statement” in financial liabilities are included in the Income statement in the following items:

- Item 80: Net gains (losses) on trading;
- Item 90: Net gains (losses) on hedge accounting;
- Item 110: Net gains (losses) on other financial assets/liabilities at fair value through profit or loss.

Transfers between levels of fair value occurring during the first half 2025 mainly reflect the evolution of reference market and the enhancement of processes for fair value level attribution in some Group’s entities and mostly refer to exposures held by UniCredit S.p.A. and its subsidiary UniCredit Bank GmbH.

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Part B - Consolidated balance sheet - Assets

Assets

Section 2 - Financial assets at fair value through profit or loss - Item 20

2.1 Financial assets held for trading: breakdown by product

(€ million)

	AMOUNTS AS AT 30.06.2025			AMOUNTS AS AT 31.12.2024		
ITEMS/VALUES	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
A. Financial assets (non-derivatives)						
1. Debt securities	**7,361**	**430**	**35**	**5,061**	**377**	**46**
1.1 Structured securities	10	207	3	9	133	-
1.2 Other debt securities	7,351	223	32	5,052	244	46
2. Equity instruments	**8,331**	**9**	**2**	**8,982**	**7**	**1**
3. Units in investment funds	**587**	**1,433**	**10**	**1,044**	**1,092**	**5**
4. Loans	**1,982**	**9,430**	**-**	**3,097**	**5,852**	**-**
4.1 Reverse Repos	-	508	-	-	262	-
4.2 Other	1,982	8,922	-	3,097	5,590	-
Total (A)	**18,261**	**11,302**	**47**	**18,184**	**7,328**	**52**
B. Derivative instruments						
1. Financial derivatives	**2,573**	**26,366**	**1,378**	**2,143**	**25,858**	**1,350**
1.1 Trading	2,573	23,029	1,143	2,143	24,822	929
1.2 Linked to fair value option	-	58	-	-	28	-
1.3 Other	-	3,279	235	-	1,008	421
2. Credit derivatives	**53**	**314**	**77**	**9**	**94**	**65**
2.1 Trading	53	314	77	9	94	65
2.2 Linked to fair value option	-	-	-	-	-	-
2.3 Other	-	-	-	-	-	-
Total (B)	**2,626**	**26,680**	**1,455**	**2,152**	**25,952**	**1,415**
Total (A+B)	**20,887**	**37,982**	**1,502**	**20,336**	**33,280**	**1,467**
Total Level 1, Level 2 and Level 3			**60,371**			**55,083**

Valuations at fair value were classified according to a hierarchy of levels reflecting the observability of the valuation inputs.
For further information refer to paragraph “A.4 Information on fair value”, Explanatory notes, Part A - Accounting policies.

The sub-item “4.2 Loans - Other” includes CO_2 certificates for an amount equal to €1,573 million held by the subsidiary UniCredit Bank GmbH.

The financial assets and liabilities relating to OTC Derivatives and Reverse repos managed through Central Counterparty Clearing Houses (CCPs) are offset when (i) the clearing systems of CCPs guarantee the elimination or reduce to immaterial the credit and liquidity risks of these contracts and (ii) the entity intends to settle these contracts on a net basis, in accordance with IAS32 - Offsetting, in order to improve the presentation of the liquidity profile and counterparty risk connected with them.

The offset effect as at 30 June 2025, already included in the net presentation of these transactions, totaled €125,888 million increased in comparison to €115,444 million as at 31 December 2024 due to the evolution of the reference market conditions, mainly relating to the activities of UniCredit S.p.A.

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Part B - Consolidated balance sheet - Assets

2.3 Financial assets designated at fair value: breakdown by product

(€ million)

	AMOUNTS AS AT 30.06.2025			AMOUNTS AS AT 31.12.2024		
ITEMS/VALUES	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	**273**	**-**	**-**	**247**	**-**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	273	-	-	247	-	-
2. Loans	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Structured	-	-	-	-	-	-
2.2 Other	-	-	-	-	-	-
Total	**273**	**-**	**-**	**247**	**-**	**-**

Total Level 1, Level 2 and Level 3	**273**	**247**

Valuations at fair value were classified according to a hierarchy of levels reflecting the observability of the valuation inputs.
For further information refer to paragraph "A.4 Information on fair value", Explanatory notes, Part A - Accounting policies.

2.5 Other financial assets mandatorily at fair value: breakdown by product

(€ million)

	AMOUNTS AS AT 30.06.2025			AMOUNTS AS AT 31.12.2024		
ITEMS/VALUES	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	**3,976**	**361**	**111**	**667**	**417**	**173**
1.1 Structured securities	93	113	3	-	72	3
1.2 Other debt securities	3,883	248	108	667	345	170
2. Equity instruments	**2,617**	**32**	**395**	**811**	**7**	**326**
3. Units in investment funds	**23,576**	**123**	**2,229**	**22**	**12**	**2,278**
4. Loans	**-**	**809**	**1,495**	**-**	**828**	**806**
4.1 Reverse Repos	-	-	-	-	-	-
4.2 Other	-	809	1,495	-	828	806
Total	**30,169**	**1,325**	**4,230**	**1,500**	**1,264**	**3,583**

Total Level 1, Level 2 and Level 3	**35,724**	**6,347**

A financial asset is classified as financial asset mandatorily at fair value if it does not meet the conditions, in terms of business model or cash flow characteristics, for being measured at amortised cost or at fair value through other comprehensive income.

The increase in the item is mainly due to the stock of the financial instruments held by insurance companies for €29,071 million and composed as follow: (i) debt securities €3,508 million, (ii) equity instruments €1,757 million and (iii) units in investment funds €23,806 million.

The item "1. Debt securities" includes investments (i) in FINO Project's Mezzanine and Junior Notes with a value of €9 million, (ii) Mezzanine and Junior bonds of Olympia securitisation for €1 million, (iii) Mezzanine and Junior bonds of Itaca securitisation for €1 million and (iv) Junior bonds of Altea securitisation for €5 million, presented among Level 3 instruments.

The item "3. Unit in investment funds" includes the investments in Atlante and Italian Recovery Fund, former Atlante II (presented among Level 3) instruments, with a value of €198 million.

Valuations at fair value were classified according to a hierarchy of levels reflecting the observability of the valuations input.
For further information refer to paragraph "A.4 Information on fair value", Explanatory notes, Part A - Accounting policies.

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Part B - Consolidated balance sheet - Assets

Information about the units of Atlante Fund and Italian Recovery Fund

Atlante is a closed-end alternative investment fund (FIA) ruled by Italian law reserved to professional investors and managed by DeA Capital Alternative Funds SGR S.p.A. (DeA). The size of the fund was equal to €4,249 million, of which UniCredit S.p.A. invested for about 19.9%.
The investment policy of Atlante foresees that the fund may be invested (i) in Banks with regulatory capital ratios lower than the minimum level set down in the SREP process and, thus, realise, upon request of the supervisory authority, actions of capital strengthening through capital increases and (ii) in Non-Performing Loans (NPLs) of a plurality of Italian Banks.
With reference to Atlante fund, as at 30 June 2025 UniCredit S.p.A. holds shares classified as financial assets mandatory at fair value with a carrying value of €96 million. The cumulative cash investments are equal to €844 million against which impairments for €684 million and negative fair value changes for €2 million were carried out. Received reimbursements amount to €62 million. In addition, UniCredit S.p.A. has a residual commitment to invest in the fund for an amount less than €2 million.
In addition to the above, as at 30 June 2025 UniCredit Vita Assicurazioni holds shares classified as financial assets mandatory at fair value with a carrying value of €6 million.
On August 2016, it was launched the Atlante II fund, redenominated Italian Recovery Fund since 27 October 2017, a closed-end investment alternative fund reserved to professional investors, also managed by DeA, which, unlike the Atlante fund, may invest only in NPL and instruments linked to NPL transactions (such as warrants) in order to reduce the risk in line with the parameters used by the largest world institutional investors.
With reference to Italian Recovery Fund, as at 30 June 2025 UniCredit S.p.A. holds shares with a carrying value of €96 million, classified as financial assets mandatory at fair value. The cumulative cash investments have been equal to €187 million against which negative fair value changes for €9 million were carried out. Received reimbursements amount to €82 million. In addition, UniCredit S.p.A. has a residual commitment to invest in Italian Recovery Fund for about €8 million.
As at 30 June 2025 the book value (fair value) of these funds has been determined adopting an internal model in which credit risk changes of single ABS in which Atlante fund has invested are considered. This fair value valuation resulted in a lower value of €16 million in the year, accounted in the profit and loss.
Under a regulatory perspective, the treatment of the quotas held by UniCredit S.p.A. in the Atlante Fund and Italian Recovery foresees the calculation of RWEA on the basis of each underlying assets of CIUs, in accordance with CRR article 152(2) and (4b).With reference to the residual commitments, the regulatory treatment foresees the application of a credit conversion factor equal to 100% (“full risk” according to the Annex I of the CRR) and for the calculation of the related risk-weighted exposures, it is applied the CRR article 152(9).

Information about the investments in the “Schema Volontario” (Voluntary Scheme)

In November 2015 UniCredit S.p.A. has joined the "Schema Volontario" (hereafter SV), a private entity introduced by Fondo Interbancario di Tutela dei Depositi (FITD), with appropriate modification of its statute. SV was fully impaired since December 2022.
SV is an instrument for the resolution of Bank crises through supporting measures in favour of its member Banks, if specific conditions laid down by the legislation occur. SV has an independent funding and the participating Banks are committed to supply the relevant resources upon demand, when resources are needed to fund interventions. The initial participating size of the SV has been set up to €700 million (of which €110 million referred to UniCredit S.p.A.).
Here follow the main transactions carried out by SV.

Cassa di Risparmio di Cesena (CariCesena)

In June 2016 the SV approved an action supporting CariCesena, in relation to a capital increase approved by the Bank itself on 8 June 2016 for €280 million of which €44 million referred to UniCredit S.p.A. On 30 September 2016 this commitment was converted into a monetary payment which has led to the recognition of capital instruments classified, on the basis of the pre-existing accounting standard IAS39, as “available for sale" for €44 million for UniCredit S.p.A. (in line with the monetary payment). The update of the evaluation of the instruments as at 31 December 2016, according to an internal evaluation model based on multiples of a banking basket integrated with estimates on Cassa di Risparmio di Cesena’s credit portfolio and the related equity/capital needs, brought to the full impairment of the position.

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Part B - Consolidated balance sheet - Assets

CariCesena, Cassa di Risparmio di Rimini (Carim) e Cassa di Risparmio di San Miniato (Carismi)

In September 2017, in order to face Crédit Agricole CariParma intervention in favour of CariCesena, Carim and Carismi, based on a capital increase of €464 million and on the subscription of bonds from NPL securitisation of these Banks for €170 million, the Fund increased its capital endowment for €95 million (to an overall amount of €795 million), increasing the residual commitment referred to UniCredit S.p.A. to €81 million. Hence, in the same month UniCredit S.p.A. paid €9 million in respect of the part of the intervention relating to the capital increase of Carim and Carismi, and in December 2017, UniCredit S.p.A. paid the remaining €72 million (of which €45 million referred to the capital increase of the Banks and €27 million referred to the subscription of securitisations). Following these events, UniCredit group's residual commitment towards SV was substantially nil.

All the payments referred to the capital increase of the Banks led to the recognition of capital instruments classified, on the basis of the pre-existing accounting standard IAS39, as "available for sale" and amounting to €54 million for UniCredit S.p.A., entirely written-down in 2017 financial statements due to the sale of the Banks to Crédit Agricole CariParma at a symbolic price.

Regarding the portion of investment referred to the subscription of SV of Junior and Mezzanine quotas of the securitisation, the initial value (€27 million for UniCredit S.p.A.) was rectified in 2017 to reflect fair value declared by the SV (€4 million for UniCredit S.p.A.) resulting from the analysis conducted by the advisors in charge of the underlying credits evaluation, conducted according to a Discounted Cash Flow model based on recovery plans elaborated by SPV's special servicer.

The update of the assessment received from the SV (supported by the analysis of the appointed advisor) as at 31 December 2022 UniCredit S.p.A. led to the full impairment of the position.

Banca Carige

On 30 November 2018, the Shareholders' Meeting of the SV decided to intervene in favour of Banca Carige S.p.A. by subscribing a Tier 2 subordinated loan (for a maximum amount of €320 million) issued by Banca Carige S.p.A. and addressed to the conversion into capital to the extent necessary to allow an expected capital increase of €400 million.

On the same date, within the framework of the agreement stipulated with SV, Banca Carige S.p.A. placed bonds for €320 million, of which €318.2 million subscribed directly through the SV itself. The bonds were issued at par (100% of the nominal value), with a fixed rate coupon of 13% and a maturity of 10 years (maturity 30 November 2028).

Considering the failure to provide by 22 December 2018 the delegation to the Board of Directors by the Extraordinary Shareholders' Meeting of Banca Carige S.p.A. to increase by payment the share capital for a maximum total amount of €400 million, with retroactive effect interests on the principal amount of outstanding bonds from time to time mature at a nominal fixed rate of 16% starting from the date of issue.

With reference to the intervention in favour of Banca Carige S.p.A., UniCredit S.p.A. contribution to the SV at the recognition date amounts to €53 million, and it has been identified as a financial instrument classified, on the basis of the existing accounting standard IFRS9, under item "20.c) Financial assets mandatorily at fair value through profit or loss".

As at 31 December 2018, following the evaluation process of the investment, UniCredit S.p.A. recognised impairments for €16 million, thus bringing the carrying value of the instrument to €37 million.

As at 31 December 2019 UniCredit S.p.A. has evaluated instrument's fair value according to internal models (Market Multiples and Multi-Scenario Analysis) for €13 million, also considering the occurred reimbursement of interests for €9 million.

Update of evaluation at 31 December 2020 has determined a fair value of €5.1 million.

From 31 December 2021 fair value is substantially zeroed.

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Part B - Consolidated balance sheet - Assets

Section 3 - Financial assets at fair value through other comprehensive income - Item 30

3.1 Financial assets at fair value through other comprehensive income: breakdown by product

(€ million)

ITEMS/VALUES	AMOUNTS AS AT 30.06.2025			AMOUNTS AS AT 31.12.2024		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	**78,305**	**3,826**	**1,357**	**68,360**	**4,331**	**1,447**
1.1 Structured securities	192	59	-	-	-	-
1.2 Other	78,113	3,767	1,357	68,360	4,331	1,447
2. Equity instruments	**3,436**	**471**	**703**	**2,672**	**458**	**751**
3. Loans	**-**	**-**	**-**	**-**	**-**	**-**
Total	**81,741**	**4,297**	**2,060**	**71,032**	**4,789**	**2,198**
Total Level 1, Level 2 and Level 3			**88,098**			**78,019**

Valuations at fair value were classified according to a hierarchy of levels reflecting the observability of the valuation inputs.
For further information refer to paragraph "A.4 Information on fair value", Explanatory notes, Part A - Accounting policies.

The increase in the item is mainly due to the stock of financial instruments held by insurance companies for €14,381 million and composed as follow: (i) debt securities €14,289 million and (ii) Equity instruments €92 million.

The Item "1. Debt Securities" includes investments (i) FINO Project's Senior and Mezzanine notes with a value of €31 million, (ii) in Senior bonds of Prisma securitisation for €409 million, (iii) in Senior bonds of Olympia securitisation for €84 million, (iv) in Senior bonds of Itaca securitisation for €12 million and (v) in Senior bonds of Relais securitisation for €204 million, all investments are presented among Level 3 instruments.

The Item "2. Equity instruments" includes (i) Banca d'Italia stake, with a value of €375 million, (ii) ABH Holding SA investments acquired in contemplation of the sale of PJSC Ukrsotbank to Alfa Group, with a value of €195 million, and (iii) Alpha Bank stake, with a value of €676 million.

Section 4 - Financial assets at amortised cost - Item 40

Financial assets at amortised cost: breakdown by product of loans and advances to banks

(€ million)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 30.06.2025 BOOK VALUE			AMOUNTS AS AT 31.12.2024 BOOK VALUE		
	STAGE 1 AND STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS	STAGE 1 AND STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS
A. Loans and advances to Central Banks	**21,580**	**-**	**-**	**20,848**	**-**	**-**
1. Time deposits	3,163	-	-	3,995	-	-
2. Compulsory reserves	7,999	-	-	8,288	-	-
3. Reverse repos	10,366	-	-	8,548	-	-
4. Other	52	-	-	17	-	-
B. Loans and advances to banks	**52,822**	**29**	**-**	**45,652**	**40**	**-**
1. Loans	37,128	29	-	29,749	40	-
1.1 Current accounts	-	-	-	-	-	-
1.2 Time deposits	4,797	-	-	4,479	-	-
1.3 Other loans	32,331	29	-	25,270	40	-
- Reverse repos	28,521	-	-	21,627	-	-
- Lease Loans	1	-	-	1	-	-
- Other	3,809	29	-	3,642	40	-
2. Debt securities	15,694	-	-	15,903	-	-
2.1 Structured	-	-	-	-	-	-
2.2 Other	15,694	-	-	15,903	-	-
Total	**74,402**	**29**	**-**	**66,500**	**40**	**-**

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Part B - Consolidated balance sheet - Assets

Financial assets at amortised cost: breakdown by product of loans and advances to customers

(€ million)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 30.06.2025 BOOK VALUE			AMOUNTS AS AT 31.12.2024 BOOK VALUE		
	STAGE 1 AND STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS	STAGE 1 AND STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS
1. Loans	**424,631**	**6,150**	**217**	**410,867**	**5,914**	**115**
1.1 Current accounts	25,049	778	7	23,419	711	5
1.2 Reverse repos	23,365	-	-	14,060	-	-
1.3 Mortgages	177,461	1,985	39	175,550	1,875	40
1.4 Credit cards and personal loans, including wage assignment	20,894	324	22	20,202	301	6
1.5 Lease loans	10,763	280	-	11,259	232	-
1.6 Factoring	10,828	47	-	12,113	42	-
1.7 Other loans	156,271	2,736	149	154,264	2,753	64
2. Debt securities	**87,270**	**2**	**-**	**79,728**	**2**	**-**
2.1 Structured securities	371	1	-	263	-	-
2.2 Other debt securities	86,899	1	-	79,465	2	-
Total	**511,901**	**6,152**	**217**	**490,595**	**5,916**	**115**

The column “of which: purchased or originated credit impaired financial assets” includes impaired loans purchased as part of transactions other than business combinations.

The increase in the item “1. Loans” to Banks and customers as at 30 June 2025 compared to the 31 December 2024 is mainly due to an increase in the Repos transactions volumes, attributable in particular to UniCredit S.p.A. and its subsidiaries UniCredit Bank Austria Ag and UniCredit Bank GmbH.

Sub-items “1.2. Reverse repos" and “1.7 Other loans” do not include securities lending transactions collateralised by securities or not collateralised.

The sub-item “2.2 Other debt securities” includes investments in Senior bonds of Altea securitisation for a carrying amount of €209 million.

4.4a Financial assets at amortised cost subject to Covid-19 measures: gross value and total accumulated impairments

(€ million)

	GROSS VALUE					TOTAL ACCUMULATED IMPAIRMENTS				
	STAGE 1		STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT IMPAIRED	STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT IMPAIRED	PARTIAL ACCUMULATED WRITE-OFFS(*)
		OF WHICH: INSTRUMENTS WITH LOW CREDIT RISK EXEMPTION								
Loans guaranteed by public guarantee Covid 19	6,146	-	885	449	2	9	11	90	-	-
Total 30.06.2025	**6,146**	**-**	**885**	**449**	**2**	**9**	**11**	**90**	**-**	**-**
Total 31.12.2024	**8,813**	**-**	**1,223**	**456**	**5**	**15**	**16**	**91**	**-**	**-**

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Part B - Consolidated balance sheet - Assets

Section 10 - Intangible assets - Item 100

An intangible asset is an identifiable non-monetary asset without physical substance, to be used for several years.
Intangible assets may include goodwill and, among "other intangible assets", brands, customer relationships and software.
Goodwill is defined as the excess of the cost of a business combination over the percentage acquired of the net fair value of the assets and liabilities of subsidiaries or businesses at the acquisition date.

As at 30 June 2025, intangible assets amounted to €3,271 million and mostly referred to software and goodwill.
The increase in comparison to €2,229 million as at 31 December 2024 is mainly due to goodwill, as in the first half of 2025 the Group has acquired the 100% of the following entities: (i) AION Bank S.A., (ii) Vodeno Sp.zo.o., (iii) UniCredit Life Insurance S.p.A (former CNP UniCredit Vita S.p.A.), (iv) UniCredit Vita Assicurazioni S.p.A (former UniCredit Allianz Vita S.p.A.).
For more details refer to Part G - Business combinations, Section 1 - Business combinations completed in the period, 1.1. Business combinations.

10.1 Intangible assets: breakdown by asset type

(€ million)

	AMOUNTS AS AT 30.06.2025		AMOUNTS AS AT 31.12.2024	
ASSETS/VALUES	FINITE LIFE	INDEFINITE LIFE	FINITE LIFE	INDEFINITE LIFE
A.1 Goodwill	**X**	**1,091**	**X**	**38**
A.1.1 Attributable to the Group	X	1,091	X	38
A.1.2 Attributable to minorities	X	-	X	-
A.2 Other intangible assets	**2,180**	**-**	**2,191**	**-**
of which: software	*2,141*	-	*2,179*	-
A.2.1 Assets carried at cost	2,180	-	2,191	-
a) Intangible assets generated internally	1,784	-	1,801	-
b) Other assets	396	-	390	-
A.2.2 Assets measured at fair value	-	-	-	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	-	-	-	-
Total	**2,180**	**1,091**	**2,191**	**38**
Total finite and indefinite life		**3,271**		**2,229**

The Group does not use the revaluation model (fair value) to measure intangible assets.

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Part B - Consolidated balance sheet - Assets

10.2 Intangible assets: annual changes

(€ million)

	CHANGES IN FIRST HALF 2025					
		OTHER INTANGIBLE ASSETS				
		GENERATED INTERNALLY		OTHER		
	GOODWILL	FINITE LIFE	INDEFINITE LIFE	FINITE LIFE	INDEFINITE LIFE	TOTAL
A. Gross opening balance	**38**	**6,529**	**-**	**2,920**	**-**	**9,487**
A.1 Total net reduction in value	-	(4,728)	-	(2,530)	-	(7,258)
A.2 Net opening balance	**38**	**1,801**	**-**	**390**	**-**	**2,229**
B. Increases	**1,057**	**218**	**-**	**77**	**-**	**1,352**
B.1 Purchases	1,057	27	-	61	-	1,145
B.2 Increases in intangible assets generated internally	X	182	-	-	-	182
B.3 Write-backs	X	-	-	-	-	-
B.4 Increases in fair value	-	-	-	-	-	-
- In equity	X	-	-	-	-	-
- Through profit or loss	X	-	-	-	-	-
B.5 Positive exchange differences	-	4	-	15	-	19
B.6 Other changes	-	5	-	1	-	6
of which: business combinations	*1,057*	*14*	-	*34*	-	*1,105*
C. Reduction	**4**	**235**	**-**	**71**	**-**	**310**
C.1 Disposals	-	-	-	1	-	1
C.2 Write-downs	-	233	-	64	-	297
- Amortisation	X	221	-	58	-	279
- Write-downs	-	12	-	6	-	18
+ In equity	X	-	-	-	-	-
+ Through profit or loss	-	12	-	6	-	18
C.3 Reduction in fair value	-	-	-	-	-	-
- In equity	X	-	-	-	-	-
- Through profit or loss	X	-	-	-	-	-
C.4 Transfer to non-current assets held for sale	-	-	-	3	-	3
C.5 Negative exchange differences	4	2	-	1	-	7
C.6 Other changes	-	-	-	2	-	2
of which: business combinations	-	-	-	-	-	-
D. Net closing balance	**1,091**	**1,784**	**-**	**396**	**-**	**3,271**
D.1 Total net write-down	-	(4,960)	-	(2,591)	-	(7,551)
E. Gross closing balance	**1,091**	**6,744**	**-**	**2,987**	**-**	**10,822**
F. Carried at cost	**-**	**-**	**-**	**-**	**-**	**-**

Section 12 - Non-current assets and disposal groups classified as held for sale and liabilities associated with assets classified as held for sale - Item 120 (Assets) and Item 70 (Liabilities)

Non-current assets or groups of assets and directly connected liabilities, which constitute a set of cash flow generating assets, the sale of which is highly likely, are recognised under these items.

In the Balance sheet as at 30 June 2025, compared with 31 December 2024, the main variations are referred to: (i) the inclusion of the controlled company Card Complete Service Bank AG; (ii) the new classification, partially offset by sales, of mainly non-performing loans related to portfolio's sale initiatives; (iii) the sale of real estates classified as held for sale in previous period.

Fair value measurements are classified, for disclosure purposes only, into a fair value hierarchy that reflects the significance of inputs used in the valuations. For further information refer to paragraph "A.4 Information on fair value", Explanatory notes, Part A - Accounting policies.

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Part B - Consolidated balance sheet - Assets

12.1 Non-current assets and disposal groups classified as held for sale: breakdown by asset type

(€ million)

	AMOUNTS AS AT	
	30.06.2025	31.12.2024
A. Assets held for sale		
A.1 Financial assets	764	201
A.2 Equity investments	2	6
A.3 Property, plant and equipment	142	186
of which: obtained by the enforcement of collateral	-	-
A.4 Intangible assets	2	-
A.5 Other non-current assets	39	1
Total (A)	**949**	**394**
of which: carried at cost	*233*	*205*
of which: designated at fair value - level 1	-	-
of which: designated at fair value - level 2	*609*	*84*
of which: designated at fair value - level 3	*107*	*105*
B. Discontinued operations		
B.1 Financial assets at fair value through profit or loss	-	-
- Financial assets held for trading	-	-
- Financial assets designated at fair value	-	-
- Other financial assets mandatorily at fair value	-	-
B.2 Financial assets at fair value through other comprehensive income	-	-
B.3 Financial assets at amortised cost	-	-
B.4 Equity investments	-	-
B.5 Property, plant and equipment	-	-
of which: obtained by the enforcement of collateral	-	-
B.6 Intangible assets	-	-
B.7 Other assets	-	-
Total (B)	**-**	**-**
of which: carried at cost	-	-
of which: designated at fair value - level 1	-	-
of which: designated at fair value - level 2	-	-
of which: designated at fair value - level 3	-	-
C. Liabilities associated with assets classified as held for sale		
C.1 Deposits	182	-
C.2 Securities	-	-
C.3 Other liabilities	191	-
Total (C)	**373**	**-**
of which: carried at cost	-	-
of which: designated at fair value - level 1	-	-
of which: designated at fair value - level 2	*372*	-
of which: designated at fair value - level 3	*1*	-
D. Liabilities associated with discontinued operations		
D.1 Financial liabilities at amortised cost	-	-
D.2 Financial liabilities held for trading	-	-
D.3 Financial liabilities designated at fair value	-	-
D.4 Provisions	-	-
D.5 Other liabilities	-	-
Total (D)	**-**	**-**
of which: carried at cost	-	-
of which: designated at fair value - level 1	-	-
of which: designated at fair value - level 2	-	-
of which: designated at fair value - level 3	-	-

As at 30 June 2025 the financial assets classified as non-current assets and disposal groups classified as held for sale included in stage 3 are equal to €218 million (€171 million as at December 2024).

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Part B - Consolidated balance sheet - Liabilities

Liabilities

Section 1 - Financial liabilities at amortised cost - Item 10

Financial liabilities at amortised cost: breakdown by product of deposits from banks

(€ million)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 30.06.2025	31.12.2024
1. Deposits from central banks	**7,759**	**3,234**
2. Deposits from banks	**78,114**	**64,685**
2.1 Current accounts and demand deposits	11,748	10,570
2.2 Time deposits	10,706	10,043
2.3 Loans	54,200	43,592
2.3.1 Repos	40,410	28,895
2.3.2 Other	13,790	14,697
2.4 Liabilities relating to commitments to repurchase treasury shares	-	-
2.5 Lease deposits	12	16
2.6 Other deposits	1,448	464
Total	**85,873**	**67,919**

The increase in the item "2. Deposits from banks" is mainly due to an increase in the Repos transactions volumes, attributable in particular to the subsidiaries UniCredit Bank Austria AG and UniCredit Bank GmbH.

Sub-item "2.3 Loans" includes repos executed using proprietary securities issued by Group companies, which were eliminated from assets on consolidation.
The same sub-item does not include bond lending transactions collateralised by securities or not collateralised.

Financial liabilities at amortised cost: breakdown by product of deposits from customers

(€ million)

TYPE OF TRANSACTION/VALUES	AMOUNTS AS AT 30.06.2025	31.12.2024
1. Current accounts and demand deposits	363,525	367,982
2. Time deposits	92,542	98,882
3. Loans	31,547	26,355
3.1 Repos	28,999	23,605
3.2 Other	2,548	2,750
4. Liabilities relating to commitments to repurchase treasury shares	-	-
5. Lease deposits	1,393	1,466
6. Other deposits	6,677	6,285
Total	**495,684**	**500,970**

Item "3. Loans" also includes liabilities relating to repos executed using proprietary securities issued by Group companies, which were eliminated from assets on consolidation; the same sub-item does not include bond lending transactions collateralised by securities or not collateralised.

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Part B - Consolidated balance sheet - Liabilities

Financial liabilities at amortised cost: breakdown by product of debt securities in issue

(€ million)

TYPE OF SECURITIES/VALUES	AMOUNTS AS AT 30.06.2025	AMOUNTS AS AT 31.12.2024
A. Debt securities		
1. Bonds	88,789	85,503
1.1 Structured	1,933	1,460
1.2 Other	86,856	84,043
2. Other securities	7,226	5,206
2.1 Structured	47	47
2.2 Other	7,179	5,159
Total	**96,015**	**90,709**

The sum of sub-items "1.1 Bonds - Structured" and "2.1 Other securities - Structured" amounts to €1,980 million and account for 2.06% of total debt securities.

The fair value of derivatives embedded in structured securities and subject to bifurcation, presented in item 20 of Assets and item 20 of Liabilities and included in Trading derivatives - Others, amounted to a net balance of €31 million negative.

The increase in the item is mainly attributable to net issuance performed by UniCredit S.p.A. and its subsidiary UniCredit Bank GmbH.

Section 2 - Financial liabilities held for trading - Item 20

2.1 Financial liabilities held for trading: breakdown by product

(€ million)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 30.06.2025					AMOUNTS AS AT 31.12.2024				
	NOMINAL VALUE	FAIR VALUE			FAIR VALUE*	NOMINAL VALUE	FAIR VALUE			FAIR VALUE*
		LEVEL 1	LEVEL 2	LEVEL 3			LEVEL 1	LEVEL 2	LEVEL 3	
A. Cash liabilities										
1. Deposits from banks	-	2,020	-	-	2,020	1	1,794	-	-	1,795
2. Deposits from customers	5	1,509	10	3	1,523	5	815	30	1	847
3. Debt securities	3,992	-	3,818	186	4,004	3,555	-	3,368	174	3,534
3.1 Bonds	2,228	-	2,168	87	2,255	1,760	-	1,660	99	1,754
3.1.1 Structured	1,761	-	1,701	87	X	1,760	-	1,660	99	X
3.1.2 Other	467	-	467	-	X	-	-	-	-	X
3.2 Other securities	1,764	-	1,650	99	1,749	1,795	-	1,708	75	1,780
3.2.1 Structured	1,764	-	1,650	99	X	1,795	-	1,708	75	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total (A)	**3,997**	**3,529**	**3,828**	**189**	**7,547**	**3,561**	**2,609**	**3,398**	**175**	**6,176**
B. Derivatives instruments										
1. Financial derivatives	X	4,238	21,247	1,249	X	X	3,287	20,644	1,184	X
1.1 Trading derivatives	X	4,238	19,183	1,009	X	X	3,287	19,694	647	X
1.2 Linked to fair value option	X	-	64	-	X	X	-	38	-	X
1.3 Other	X	-	2,000	240	X	X	-	912	537	X
2. Credit derivatives	X	59	82	5	X	X	30	20	2	X
2.1 Trading derivatives	X	59	82	5	X	X	30	20	2	X
2.2 Linked to fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total (B)	**X**	**4,297**	**21,329**	**1,254**	**X**	**X**	**3,317**	**20,664**	**1,186**	**X**
Total (A+B)	**X**	**7,826**	**25,157**	**1,443**	**X**	**X**	**5,926**	**24,062**	**1,361**	**X**

Total Level 1, Level 2 and Level 3	**34,426**	**31,349**

Note:
Fair value* = Fair value calculated excluding the value changes due to the change of credit worthiness of the issuer compared to the issue date.

Valuations at fair value were classified according to a hierarchy of levels reflecting the observability of the valuation inputs.
For further information refer to paragraph "A.4 Information on fair value", Explanatory notes, Part A - Accounting policies.

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Part B - Consolidated balance sheet - Liabilities

The financial assets and liabilities relating to OTC Derivatives and Repos managed through Central Counterparty Clearing Houses (CCPs) are offset when (i) the clearing systems of CCPs guarantee the elimination or reduce to immaterial the credit and liquidity risks of these contracts and (ii) the entity intends to settle these contracts on a net basis, in accordance with IAS32 - Offsetting, in order to better present the liquidity profile and counterparty risk connected with them.

The offset effect as at 30 June 2025, already included in the net presentation of these transactions, totaled €128,357 million increased in comparison to €120,075 million as at 31 December 2024 due to the evolution of reference market conditions, mainly relating to the activities of the UniCredit S.p.A.

The sub-items "1. Deposits from banks" and "2. Deposits from customers" include short selling totaling €3,538 million as at 30 June 2025 (€2,636 million as at 31 December 2024), in respect of which no nominal amount was attributed.

Section 3 - Financial liabilities designated at fair value - Item 30

3.1 Financial liabilities designated at fair value: breakdown by product

(€ million)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 30.06.2025					AMOUNTS AS AT 31.12.2024				
	NOMINAL VALUE	FAIR VALUE			FAIR VALUE*	NOMINAL VALUE	FAIR VALUE			FAIR VALUE*
		LEVEL 1	LEVEL 2	LEVEL 3			LEVEL 1	LEVEL 2	LEVEL 3	
1. Deposits from banks	**3**	**-**	**2**	**1**	**3**	**1**	**-**	**-**	**1**	**1**
1.1 Structured	-	-	-	-	X	-	-	-	-	X
1.2 Other	3	-	2	1	X	1	-	-	1	X
of which:										
- loan commitments given	-	*X*	*X*	*X*	*X*	-	*X*	*X*	*X*	*X*
- financial guarantees given	-	*X*	*X*	*X*	*X*	-	*X*	*X*	*X*	*X*
2. Deposits from customers	**7,679**	**-**	**7,635**	**25**	**7,658**	**722**	**-**	**662**	**30**	**687**
2.1 Structured	-	-	-	-	X	-	-	-	-	X
2.2 Other	7,679	-	7,635	25	X	722	-	662	30	X
of which:										
- loan commitments given	-	*X*	*X*	*X*	*X*	-	*X*	*X*	*X*	*X*
- financial guarantees given	-	*X*	*X*	*X*	*X*	-	*X*	*X*	*X*	*X*
3. Debt securities	**14,650**	**-**	**14,160**	**450**	**14,502**	**13,215**	**-**	**12,487**	**566**	**12,926**
3.1 Structured	14,347	-	13,855	450	X	12,884	-	12,156	563	X
3.2 Other	303	-	305	-	X	331	-	331	3	X
Total	**22,332**	**-**	**21,797**	**476**	**22,163**	**13,938**	**-**	**13,149**	**597**	**13,614**
Total Level 1, Level 2 and Level 3				**22,273**					**13,746**	

Note:
Fair value* = Fair value calculated excluding the value changes due to the change of credit worthiness of the issuer compared to the issue date.

Liabilities are recognised in this item to reduce the accounting mismatch arising from financial instruments measured with changes in fair value in the Income statement in order to manage the risk profile.

Valuations at fair value were classified according to a hierarchy of levels reflecting the observability of the valuation inputs.
For further information refer to paragraph "A.4 Information on fair value", Explanatory notes, Part A - Accounting policies.

The sub-item "3.1 Debt securities - Structured" includes "Certificates", structured debt securities, issued by UniCredit S.p.A. and by other Group's legal entities. These instruments are designated at fair value as the embedded derivatives cannot be bifurcated.

The increase in the item "Financial liabilities designated at fair value" is mainly due to deposits from customers held by insurance companies and equal to €7,004 million.

Section 7 - Liabilities associated with assets classified as held for sale - Item 70

See the paragraph "Section 12 - Non-current assets and disposal group classified as held for sale and Liabilities associated with assets classified as held for sale - Item 120 (Assets) and Item 70 (Liabilities)" of the Consolidated financial statements of UniCredit group, Explanatory notes Part B - Consolidated balance sheet - Assets.

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Part B - Consolidated balance sheet - Liabilities

Section 10 - Provisions for risks and charges - Item 100

10.1 Provisions for risks and charges: breakdown

(€ million)

ITEMS/COMPONENTS	AMOUNTS AS AT 30.06.2025	AMOUNTS AS AT 31.12.2024
1. Provisions for credit risk on commitments and financial guarantees given	919	982
2. Provisions for other commitments and other guarantees given	46	61
3. Pensions and other post-retirement benefit obligations	2,861	3,193
4. Other provisions for risks and charges	2,762	3,680
4.1 Legal and tax disputes	814	1,050
4.2 Staff expenses	1,335	1,863
4.3 Other	613	767
Total	**6,588**	**7,916**

As at 30 June 2025 Provision for risks and charges amounted to €6,588 million, of which about €965 million relating to total impairment losses on off-Balance sheet exposures, €2,861 million relating to pensions and other post-retirement benefit obligations and €2,762 million relating to other provisions for risks and charges.

Item "4. Other provisions for risks and charges" consists of:

- provisions for legal and tax disputes: cases in which the Group is a defendant, and post-insolvency clawback petitions (more information on litigation is set out in paragraphs “B. Legal risks” and “D. Risks arising from tax disputes”, Explanatory notes, Part E - Information on risks and related hedging policies, 2.5 Operational risks, Qualitative information);
- provisions for staff expenses including also the expenses relating to the implementation of the Strategic Plan;
- other provisions: these include provisions for risks and charges not attributable to the above items, whose details are illustrated in the table 10.6 below.

10.5 Pensions and other post-retirement defined-benefit obligations

There are several defined-benefit plans within the Group, i.e., plans whose benefit is linked to salary and employee length of service both in Italy and abroad. The Austrian, German and Italian plans account for over 90% of the Group’s pension obligations.
About the 60% of the total obligations for defined benefit plans are financed with segregated assets. These plans are established in (i) Germany, the "Direct Pension Plan" (i.e. an external fund managed by independent trustees), the "HVB Trust Pensionfonds AG" and the "Pensionkasse der Hypovereinsbank WaG" all created by UniCredit Bank GmbH (UCB GmbH), and (ii) in the United Kingdom, Italy and Luxembourg created by UCB GmbH and UniCredit S.p.A.
The Group’s defined-benefit plans are mainly closed to new recruits where most new recruits join defined-contribution plans instead and the related contributions are charged to the Income statement.
According to IAS19, obligations arising from defined-benefit plans are determined using the “Projected Unit Credit” method, while segregated assets are measured at fair value at the Balance sheet’s reference date. The Balance sheet obligation is the result of the deficit/surplus (i.e., the difference between obligations and assets) net of any impacts of the asset ceiling; actuarial gains and losses are recognised in shareholders’ equity and shown in a specific item of revaluation reserves in the financial year in which they are recorded.
The actuarial assumptions used to determine obligations vary from country to country and from plan to plan; the discount rate is determined, depending on the currency of denomination of the commitments and the maturity of the liability, by reference to market yields at the Balance sheet date on a basket of “high quality corporate bonds” (HQCB).
In the light of evolving common interpretation about “*high quality corporate bonds*” identification, UniCredit determines the discount rate by referencing AA rated corporate bonds (HQCB) basket. In addition, a Nelson Siegel methodology is applied in modelling of the yield-curve expressed by the basket of securities adjusted above the “last liquid point” (defined as the average maturity of the last 5 available bonds) relying on the slope of a Treasury curve build with AA Govies.
The measurement of commitments as at 30 June 2025 (including those relating to employee severance pay for so-called “Trattamento di fine rapporto del personale”) leads to a decrease, compared to 31 December 2024 levels, of approx. €215 million, net of taxes, in the negative Balance of the valuation reserve of actuarial gains/losses on defined benefit plans.

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Part B - Consolidated balance sheet - Liabilities

10.6 Provisions for risks and charges - other provisions

(€ million)

	AMOUNTS AS AT	
	30.06.2025	31.12.2024
4.3 Other provisions for risks and charges - other		
Real estate risks/charges	64	65
Restructuring costs	25	57
Allowances payable to agents	86	81
Disputes regarding financial instruments and derivatives	8	8
Costs for liabilities arising from equity investment disposals	1	14
Other	429	542
Total	**613**	**767**

It should be noted that sub-item "Others" includes provisions:
- posted in order to cope with the probable risks of loss relating to claims by customers. Further information is reported in the related paragraph "E. Other claims by customers", Explanatory notes, Part E - Information on risks and related hedging policies, 2.5 Operational risks, Qualitative information;
- aimed to cover the risks related to certain standard contractual terms contained in the documentary frameworks (i.e. representations & warranties), including securitisation transactions with derecognition of non-performing loans, signed with the SPVs, of which UniCredit S.p.A. is Originator, pending the analysis and assessments to be completed within the deadlines established.

Section 11 - Insurance liabilities - Item 110

The amount of the insurance liabilities as at 30 June 2025, relating to the insurance contracts issued that are liabilities, is mainly composed by the following elements, calculated using the General Measurement Model or Variable Fee Approach:
- Present value of cash flows for €34,693 million;
- Adjustment for non-financial risks for €88 million;
- Contractual service margin for €1,311 million.

Insurance liabilities are recognised following the purchase on 20 June 2025 of UniCredit Life Insurance and UniCredit Vita Assicurazioni. It should be noted that given the proximity between the acquisition date (i.e. 20 June 2025) and 30 June 2025, the process for remeasuring the fair value, at the acquisition date, of the insurance liabilities will be executed in the second half of 2025. Consequently, these insurance liabilities have been recognised at their carrying value in the Balance sheet of the two companies.

For more details refer to Section 1 - Business combinations completed in the year - 1.1. Business combinations, Explanatory notes, Part G - Business combinations.

Section 13 - Group shareholders' equity - Items 120, 130, 140, 150, 160, 170 and 180

As at 30 June 2025 the Group shareholders' equity, including the result for the period of +€6,115 million, amounts to €68,023 million, against €62,441 million at the end of 2024.
The table below shows a breakdown of Group equity and the changes compared to the previous year.

Group shareholders' equity: breakdown

(€ million)

	AMOUNTS AS AT		CHANGES	
	30.06.2025	31.12.2024	AMOUNT	%
Share capital	21,454	21,368	86	0.4%
Share premium reserve	23	23	-	-
Reserves	39,706	33,235	6,471	19.5%
Treasury shares	-	-	-	n.m.
a. Parent Company	-	-	-	n.m.
b. Subsidiaries	-	-	-	n.m.
Valuation reserve	(4,237)	(5,422)	1,185	-21.9%
Equity instruments	4,962	4,958	4	0.1%
Advanced dividends	-	(1,440)	1,440	-100.0%
Net profit (loss)	6,115	9,719	-3,604	-37.1%
Total	**68,023**	**62,441**	**5,582**	8.9%

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Part B - Consolidated balance sheet - Liabilities

13.4 Reserves from profits: other information

(€ million)

	AMOUNTS AS AT	
	30.06.2025	31.12.2024
Legal reserve	1,618	1,618
Statutory reserve	16,052	16,053
Other reserves	11,542	9,125
Total	**29,212**	**26,796**

13.6 Other Information

Valuation reserves: breakdown

(€ million)

	AMOUNTS AS AT	
ITEM/TYPES	30.06.2025	31.12.2024
1. Equity instruments designated at fair value through other comprehensive income	262	151
2. Financial assets (other than equity instruments) at fair value through other comprehensive income	(246)	(461)
3. Hedging of equity instruments at fair value through other comprehensive income	-	-
4. Financial liabilities at fair value through profit or loss (changes in own credit risk)	(81)	(96)
5. Hedging instruments (non-designated elements)	-	-
6. Property, plant and equipment	1,564	1,556
7. Intangible assets	-	-
8. Hedges of foreign investments	(222)	(189)
9. Cash-flow hedges	(320)	(256)
10. Exchange differences	(3,021)	(3,724)
11. Non-current assets classified as held for sale	28	32
12. Actuarial gains (losses) on defined-benefit plans	(2,537)	(2,752)
13. Part of valuation reserves of investments valued at net equity	59	40
14. Insurance finance revenues or costs arising from insurance contracts issued or from reinsurance contracts held	-	-
15. Special revaluation laws	277	277
Total	**(4,237)**	**(5,422)**

The FX currency reserves as at 30 June 2025 mainly refer to the Russian Ruble for -€2,551 million included in the item “Exchange differences”.
The main variations in comparison to 31 December 2024 refer to the following reserves:

- “Equity instruments designated at fair value through other comprehensive income” for +€111 million mainly due to the combined effect of change in fair value and transfers to other net equity items of specific equity investments;
- “Financial assets (other than equity instruments) at fair value through other comprehensive income” for +€215 million mainly due to Government securities;
- “Exchange differences” for +€703 million mainly referred to Russian Ruble for +€699 million;
- “Actuarial gains (losses) on defined-benefit plans” for +€215 million mainly referred to the increase in DBO discount rate induced by the decrease in prices of High Quality Corporate Bonds rates, partially offset by plan assets performance.

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Part C - Consolidated income statement

Section 1 - Interest - Items 10 and 20

1.1 Interest income and similar revenues: breakdown

(€ million)

ITEMS/TYPES	AS AT 30.06.2025 DEBT SECURITIES	LOANS	OTHER TRANSACTIONS	TOTAL	AS AT 30.06.2024 TOTAL
1. Financial assets at fair value through profit or loss	**116**	**47**	**269**	**432**	**952**
1.1 Financial assets held for trading	86	11	269	366	859
1.2 Financial assets designated at fair value	2	-	-	2	1
1.3 Other financial assets mandatorily at fair value	28	36	-	64	92
2. Financial assets at fair value through other comprehensive income	**1,094**	**-**	**X**	**1,094**	**914**
3. Financial assets at amortised cost	**1,194**	**10,014**	**X**	**11,208**	**13,438**
3.1 Loans and advances to banks	160	1,565	X	1,725	2,501
3.2 Loans and advances to customers	1,034	8,449	X	9,483	10,937
4. Hedging derivatives	**X**	**X**	**843**	**843**	**2,446**
5. Other assets	**X**	**X**	**241**	**241**	**218**
6. Financial liabilities	**X**	**X**	**X**	**7**	**11**
Total	**2,404**	**10,061**	**1,353**	**13,825**	**17,979**
of which: interest income on impaired financial assets	*3*	*172*	*-*	*175*	*190*
of which: interest income on financial lease	*X*	*271*	*X*	*271*	*354*

1.3 Interest expenses and similar charges: breakdown

(€ million)

ITEMS/TYPES	AS AT 30.06.2025 DEBTS	SECURITIES	OTHER TRANSACTIONS	TOTAL	AS AT 30.06.2024 TOTAL
1. Financial liabilities at amortised cost	**(3,401)**	**(1,247)**	**X**	**(4,648)**	**(6,550)**
1.1 Deposits from central banks	(97)	X	X	(97)	(196)
1.2 Deposits from banks	(896)	X	X	(896)	(1,258)
1.3 Deposits from customers	(2,408)	X	X	(2,408)	(3,774)
1.4 Debt securities in issue	X	(1,247)	X	(1,247)	(1,322)
2. Financial liabilities held for trading	**(1)**	**(92)**	**(471)**	**(564)**	**(1,060)**
3. Financial liabilities designated at fair value	**(5)**	**(55)**	**-**	**(60)**	**(53)**
4. Other liabilities and funds	**X**	**X**	**(36)**	**(36)**	**(19)**
5. Hedging derivatives	**X**	**X**	**(1,493)**	**(1,493)**	**(2,978)**
6. Financial assets	**X**	**X**	**X**	**(9)**	**(5)**
Total	**(3,407)**	**(1,394)**	**(2,000)**	**(6,810)**	**(10,665)**
of which: interest expenses on lease deposits	*(15)*	*X*	*X*	*(15)*	*(17)*

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Part C - Consolidated income statement

Section 2 - Fees and commissions - Items 40 and 50

2.1 Fees and commissions income: breakdown

(€ million)

TYPE OF SERVICES/VALUES	AS AT 30.06.2025	AS AT 30.06.2024
a) Financial Instruments	831	812
1. Placement of securities	615	607
1.1 Underwriting and/or on the basis of an irrevocable commitment	3	5
1.2 Without irrevocable commitment	612	602
2. Reception and transmission of orders	143	136
2.1 Reception and transmission of orders of financial instruments	101	135
2.2 Execution of orders on behalf of customers	42	1
3. Other fees related to activities linked to financial instruments	73	69
of which: proprietary Trading	*3*	*1*
of which: individual portfolio management	*71*	*68*
b) Corporate Finance	49	32
1. M&A advisory	8	8
2. Treasury services	-	-
3. Other fee and commission income in relation to corporate finance activities	41	24
c) Fee based advice	74	53
d) Clearing and settlement	-	-
e) Collective portfolio management	191	143
f) Custody and administration of securities	146	139
1. Custodian Bank	13	12
2. Other fee and commission income in relation to corporate finance activities	133	127
g) Central administrative services for collective investment	1	1
h) Fiduciary transactions	-	-
i) Payment services	1,112	886
1. Current accounts	92	30
2. Credit cards	168	58
3. Debits cards and other card payments	290	266
4. Transfers and other payment orders	246	250
5. Other fees in relation to payment services	316	282
j) Distribution of third party services	833	804
1.Collective portfolio management	341	314
2. Insurance products	480	479
3. Other products	12	11
of which: individual portfolio management	*1*	*1*
k) Structured finance	-	-
l) Loan securitisation servicing activities	9	8
m) Loan commitment given	58	55
n) Financial guarantees	179	184
of which: credit derivatives	-	-
o) Lending transaction	314	339
of which: factoring services	*38*	*41*
p) Currency trading	99	108
q) Commodities	-	-
r) Other fee income	764	966
of which: management of sharing multilateral trading facilities	-	-
of which: management of organized trading systems	-	-
Total	**4,660**	**4,530**

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Part C - Consolidated income statement

Item "r) other fee income" mainly comprise:
- fees for ancillary services linked to current accounts (e.g., token, debt card): €366 million in the first half 2025, €351 million in the same period of 2024 (+4.3%);
- fees for immediate funds availability: €162 million in the first half 2025, €165 million in in the same period of 2024 (-1.8%);
- fees for commercial guarantees: €91 million in the first half 2025, €88 million in in the same period of 2024 (+3.4%).

2.2 Fees and commissions expenses: breakdown

(€ million)

SERVICES/VALUES	AS AT 30.06.2025	AS AT 30.06.2024
a) Financial instruments	(65)	(45)
of which: trading in financial instruments	*(38)*	*(42)*
of which: placement of financial instruments	*(25)*	*(1)*
of which: individual Portfolio management	*(2)*	*(2)*
- own portfolio	(1)	-
- third party portfolio	(1)	(2)
b) Clearing and settlement	(2)	(2)
c) Portfolio management: collective	(23)	(15)
1. Own portfolio	(16)	(7)
2. Third party portfolio	(7)	(8)
d) Custody and Admnistration	(138)	(110)
e) Collection and payments services	(452)	(424)
of which: debit credit card service and other payment cards	*(399)*	*(373)*
f) Loan securitisation servicing activities	(11)	(3)
g) Loan commitment given	(9)	(11)
h) Financial guarantees received	(112)	(92)
of which: credit derivatives	-	-
i) Off - site distribution of financial instruments, products and services	(24)	(20)
j) Currency trading	(4)	(5)
k) Other commission expenses	(112)	(113)
Total	**(952)**	**(840)**

Section 3 - Dividend income and similar revenues - Item 70

3.1 Dividend income and similar revenues: breakdown

(€ million)

	AS AT 30.06.2025		AS AT 30.06.2024	
ITEMS/REVENUES	DIVIDENDS	SIMILAR REVENUES	DIVIDENDS	SIMILAR REVENUES
A. Financial assets held for trading	283	-	255	-
B. Other financial assets mandatorily at fair value	59	4	45	6
C. Financial assets at fair value through other comprehensive income	196	-	31	-
D. Equity investments	7	-	4	-
Total	**545**	**4**	**335**	**6**
Total dividends and similar revenues		**549**		**341**

Dividends are recognised in the Income statement when the right to receive the payment is established.
In the first half 2025 dividend income and similar revenues totaled €549 million, compared with €341 million for the previous period.

The item "A. Financial assets held for trading" includes the dividends that UniCredit Bank GmbH received in relation to equity securities recognised as Financial assets held for trading.

The item "B. Other financial assets mandatorily at fair value" includes dividends received mainly by the subsidiary UniCredit Bank GmbH and by UniCredit S.p.A.

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The item "C. Financial assets at fair value through other comprehensive income" includes mostly the dividends received by specific equity investments mainly owned by UniCredit S.p.A.

Section 4 - Net gains (losses) on trading - Item 80

4.1 Net gains (losses) on trading: breakdown

(€ million)

	AS AT 30.06.2025				
TRANSACTIONS/INCOME ITEMS	CAPITAL GAINS (A)	REALISED PROFITS (B)	CAPITAL LOSSES (C)	REALISED LOSSES (D)	NET PROFIT [(A+B)-(C+D)]
1. Financial assets held for trading	**819**	**961**	**(1,324)**	**(897)**	**(441)**
1.1 Debt securities	70	108	(133)	(226)	(181)
1.2 Equity instruments	614	743	(439)	(436)	482
1.3 Units in investment funds	30	57	(68)	(74)	(55)
1.4 Loans	77	19	(497)	(11)	(412)
1.5 Other	28	34	(187)	(150)	(275)
2. Financial liabilities held for trading	**357**	**455**	**(389)**	**(500)**	**(77)**
2.1 Debt securities	129	257	(279)	(156)	(49)
2.2 Deposits	-	-	-	24	24
2.3 Other	228	198	(110)	(368)	(52)
3. Financial assets and liabilities: exchange differences	**X**	**X**	**X**	**X**	**874**
4. Derivatives	**27,288**	**66,037**	**(27,135)**	**(64,422)**	**663**
4.1 Financial derivatives	26,910	65,480	(26,924)	(63,721)	640
- On debt securities and interest rates	17,065	59,687	(17,830)	(57,621)	1,301
- On equity securities and share indices	6,338	3,018	(5,978)	(4,056)	(678)
- On currencies and gold	X	X	X	X	(1,105)
- Other	3,507	2,775	(3,116)	(2,044)	1,122
4.2 Credit derivatives	378	557	(211)	(701)	23
of which: economic hedges linked to the fair value option	*X*	*X*	*X*	*X*	-
Total	**28,464**	**67,453**	**(28,848)**	**(65,819)**	**1,019**

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Section 5 - Net gains (losses) on hedge accounting - Item 90

5.1 Net gains (losses) on hedge accounting: breakdown

(€ million)

INCOME COMPONENT/VALUES	AS AT 30.06.2025	AS AT 30.06.2024
A. Gains on		
A.1 Fair value hedging instruments	5,486	9,733
A.2 Hedged financial assets (in fair value hedge relationship)	515	137
A.3 Hedged financial liabilities (in fair value hedge relationship)	248	919
A.4 Cash-flow hedging derivatives	115	28
A.5 Assets and liabilities denominated in currency	-	-
Total gains on hedging activities (A)	**6,364**	**10,817**
B. Losses on		
B.1 Fair value hedging instruments	(4,456)	(9,454)
B.2 Hedged financial assets (in fair value hedge relationship)	(441)	(1,185)
B.3 Hedged financial liabilities (in fair value hedge relationship)	(1,482)	(308)
B.4 Cash-flow hedging derivatives	(49)	(16)
B.5 Assets and liabilities denominated in currency	-	-
Total losses on hedging activities (B)	**(6,428)**	**(10,963)**
C. Net hedging result (A-B)	**(64)**	**(146)**
of which: net gains (losses) of hedge accounting on net positions	-	-

Changes in the items gain and losses on the hedging activities are mainly attributable to the evolution in the markets interest rate curves observed in the first half of 2025.

Section 6 - Gains (Losses) on disposal/repurchase - Item 100

Net profit from gains/losses on disposals/repurchases of financial assets/liabilities as at 30 June 2025 is equal to +€234 million (+€69 million as at 30 June 2024), of which +€219 million on financial assets and +€15 million on financial liabilities.
Net result recognised under sub-item "1. Financial assets at amortised cost" equal to +€109 million is mainly due to loan and advances to customers basically attributable to sale of government bonds by UniCredit S.p.A and UniCredit Bank Gmbh.
The sub-item "2. Financial assets at fair value through other comprehensive income - 2.1 Debt securities" is equal to +€110 million and includes mainly gains and losses on disposal of UniCredit S.p.A., for the most part due to Japanese and Italian Government securities.

6.1 Gains (Losses) on disposal/repurchase: breakdown

(€ million)

	AS AT 30.06.2025			AS AT 30.06.2024		
ITEMS/INCOME ITEMS	GAINS	LOSSES	NET PROFIT	GAINS	LOSSES	NET PROFIT
A. Financial assets						
1. Financial assets at amortised cost	394	(285)	109	90	(83)	7
1.1 Loans and advances to banks	9	(6)	3	1	(1)	-
1.2 Loans and advances to customers	385	(279)	106	89	(82)	7
2. Financial assets at fair value through other comprehensive income	487	(377)	110	402	(338)	64
2.1 Debt securities	487	(377)	110	402	(338)	64
2.2 Loans	-	-	-	-	-	-
Total assets (A)	**881**	**(662)**	**219**	**492**	**(421)**	**71**
B. Financial liabilities at amortised cost						
1. Deposits from banks	-	-	-	-	-	-
2. Deposits from customers	1	(1)	-	1	(1)	-
3. Debt securities in issue	18	(3)	15	19	(21)	(2)
Total liabilities (B)	**19**	**(4)**	**15**	**20**	**(22)**	**(2)**
Total financial assets/liabilities			**234**			**69**

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Section 7 - Net gains (losses) on other financial assets/liabilities at fair value through profit or loss - Item 110

7.1 Net gains (losses) on other financial assets/liabilities at fair value through profit or loss: breakdown of financial assets and liabilities designated at fair value

(€ million)

	AS AT 30.06.2025				
TRANSACTIONS/INCOME ITEMS	CAPITAL GAINS (A)	REALISED PROFITS (B)	CAPITAL LOSSES (C)	REALISED LOSSES (D)	NET PROFIT [(A+B)-(C+D)]
1. Financial assets	**-**	**-**	**(10)**	**-**	**(10)**
1.1 Debt securities	-	-	(10)	-	(10)
1.2 Loans	-	-	-	-	-
2. Financial liabilities	**320**	**84**	**(393)**	**(332)**	**(321)**
2.1 Debt securities	313	84	(386)	(331)	(320)
2.2 Deposits from banks	-	-	-	-	-
2.3 Deposits from customers	7	-	(7)	(1)	(1)
3. Financial assets and liabilities in foreign currency: exchange differences	**X**	**X**	**X**	**X**	**-**
Total	**320**	**84**	**(403)**	**(332)**	**(331)**

Some financial derivatives entered into for economic hedge purposes are linked to financial liabilities represented by debt securities and their economic results are included into table “4.1 Net gains (losses) on trading: breakdown”, Explanatory notes, Part C - Consolidated income statement, Section 4 - Net gains (losses) on trading - Item 80.

7.2 Net change in other financial assets/liabilities at fair value through profit or loss: breakdown of other financial assets mandatorily at fair value

(€ million)

	AS AT 30.06.2025				
TRANSACTIONS/INCOME ITEMS	CAPITAL GAINS (A)	REALISED PROFITS (B)	CAPITAL LOSSES (C)	REALISED LOSSES (D)	NET PROFIT [(A+B)-(C+D)]
1. Financial assets	**317**	**18**	**(112)**	**(14)**	**209**
1.1 Debt securities	49	16	(26)	(13)	26
1.2 Equity securities	198	1	(9)	-	190
1.3 Units in investment funds	45	1	(63)	(1)	(18)
1.4 Loans	25	-	(14)	-	11
2. Financial assets: exchange differences	**X**	**X**	**X**	**X**	**-**
Total	**317**	**18**	**(112)**	**(14)**	**209**

Units in investment funds include economic effects from Atlante and Italian Recovery funds, for which reference is made to the specific comment below the table 2.5 Financial assets mandatory at fair value, Explanatory notes, Part B - Consolidated balance sheet - Assets, Section 2 - Financial assets at fair value through profit or loss - Item 20.

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Section 8 - Net losses/recoveries on credit impairment - Item 130

As at 30 June 2025, net losses on credit impairment amounts to -€216 million.

For further details reference is made to the paragraph "2.1 Credit risk", Explanatory notes, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, and, with specific reference to exposures subject to Russian risk, to the paragraph "Section 5 - Other matters, Explanatory notes, Part A - Accounting policies, A.1 General.

8.1 Net impairment losses for credit risk relating to financial assets at amortised cost: breakdown

(€ million)

	AS AT 30.06.2025											AS AT 30.06.2024
	WRITE-DOWNS						WRITE-BACKS					
			STAGE 3		PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS					PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS		
TRANSACTIONS/INCOME ITEMS	STAGE 1	STAGE 2	WRITE-OFF	OTHER	WRITE-OFF	OTHER	STAGE 1	STAGE 2	STAGE 3		TOTAL	TOTAL
A. Loans and advances to banks	**(4)**	**(3)**	**-**	**(1)**	**-**	**-**	**5**	**8**	**4**	**-**	**9**	**5**
- Loans	(4)	(1)	-	(1)	-	-	5	8	4	-	11	5
- Debt securities	-	(2)	-	-	-	-	-	-	-	-	(2)	-
B. Loans and advances to customers	**(391)**	**(1,161)**	**(54)**	**(1,305)**	**-**	**(7)**	**795**	**1,103**	**791**	**8**	**(221)**	**(274)**
- Loans	(389)	(1,157)	(54)	(1,305)	-	(7)	791	1,071	791	8	(251)	(297)
- Debt securities	(2)	(4)	-	-	-	-	4	32	-	-	30	23
Total	**(395)**	**(1,164)**	**(54)**	**(1,306)**	**-**	**(7)**	**800**	**1,111**	**795**	**8**	**(212)**	**(269)**

8.2 Net change for credit risk relating to financial assets at fair value through other comprehensive income: breakdown

(€ million)

	AS AT 30.06.2025											AS AT 30.06.2024
	WRITE-DOWNS						WRITE-BACKS					
			STAGE 3		PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS					PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS		
TRANSACTIONS/INCOME ITEMS	STAGE 1	STAGE 2	WRITE-OFF	OTHER	WRITE-OFF	OTHER	STAGE 1	STAGE 2	STAGE 3		TOTAL	TOTAL
A. Debt securities	**(2)**	**(4)**	**-**	**(2)**	**-**	**-**	**2**	**1**	**1**	**-**	**(4)**	**(8)**
B. Loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- Loans and advances to customers	-	-	-	-	-	-	-	-	-	-	-	-
- Loans and advances to banks	-	-	-	-	-	-	-	-	-	-	-	-
Total	**(2)**	**(4)**	**-**	**(2)**	**-**	**-**	**2**	**1**	**1**	**-**	**(4)**	**(8)**

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Section 12 - Administrative expenses - Item 190

12.1 Staff expenses: breakdown

(€ million)

TYPE OF EXPENSES/VALUES	AS AT 30.06.2025	AS AT 30.06.2024
1) Employees	**(2,924)**	**(2,928)**
a) Wages and salaries	(2,052)	(2,055)
b) Social charges	(473)	(487)
c) Severance pay	(8)	(11)
d) Social security costs	-	-
e) Allocation to employee severance pay provision	(7)	(8)
f) Provision for retirements and similar provisions	(77)	(76)
- Defined contribution	(1)	(1)
- Defined benefit	(76)	(75)
g) Payments to external pension funds	(114)	(115)
- Defined contribution	(113)	(114)
- Defined benefit	(1)	(1)
h) Costs arising from share-based payments	(53)	(34)
i) Other employee benefits	(140)	(142)
2) Other non-retired staff	**(18)**	**(14)**
3) Directors and Statutory Auditors	**(4)**	**(4)**
4) Early retirement costs	**-**	**-**
5) Recoveries of payments for seconded employees to other companies	**8**	**7**
6) Refund of expenses for secunded employees to the company	**(7)**	**(10)**
Total	**(2,945)**	**(2,949)**

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12.5 Other administrative expenses: breakdown

(€ million)

TYPE OF EXPENSES/SECTORS	AS AT 30.06.2025	AS AT 30.06.2024
1) Indirect taxes and duties	**(465)**	**(387)**
1a. Settled	(450)	(373)
1b. Unsettled	(15)	(14)
2) Contributions to Resolution Funds, Deposit Guarantee Schemes (DGS) and Life Insurance Guarantee Fund	**(61)**	**(265)**
3) Guarantee fee for DTA conversion	**(29)**	**(41)**
4) Miscellaneous costs and expenses	**(1,296)**	**(1,263)**
a) Advertising marketing and communication	(77)	(66)
b) Expenses relating to credit risk	(49)	(51)
c) Indirect expenses relating to personnel	(33)	(38)
d) Information & Communication Technology expenses	(638)	(599)
Lease of ICT equipment and software	(36)	(35)
Software expenses: lease and maintenance	(230)	(196)
ICT communication systems	(29)	(29)
Services ICT in outsourcing	(281)	(277)
Financial information providers	(62)	(62)
e) Consulting and professionals services	(69)	(63)
Consulting	(50)	(44)
Legal and tax expenses	(19)	(19)
f) Real estate expenses	(173)	(188)
Premises rentals	(16)	(17)
Utilities	(66)	(78)
Other real estate expenses	(91)	(93)
g) Operating costs	(257)	(258)
Surveillance and security services	(25)	(23)
Money counting services and transport	(29)	(28)
Printing and stationery	(9)	(13)
Postage and transport of documents	(32)	(32)
Administrative and logistic services	(78)	(74)
Insurance	(27)	(29)
Association dues and fees and contributions to the administrative expenses deposit guarantee funds	(41)	(39)
Other administrative expenses - other	(16)	(20)
Total (1+2+3+4)	**(1,851)**	**(1,956)**

Contributions to Resolution and Guarantee Funds

Item “Other administrative expenses” includes the Group contributions to resolution funds (Single Resolution Fund - SRF) and guarantee funds (Deposit Guarantee Schemes - DGS), harmonised and non-harmonised, due pursuant to the Directives 49 and 59 of 2014.
In more details:

- the European Directive 2014/59/EU (“BRRD Directive”) and the EU Regulation on the Single Resolution Mechanism Regulation (Regulation 806/2014 of the European Parliament and of the Council dated 15 July 2014) established a framework for the recovery and resolution of crises in credit institutions, by setting up in particular the Single Resolution Board and the Single Resolution Fund (SRF) in the Banking Union. The Directive set a target level of the resolution funds equal at least to 1% of the amount of the covered deposits of all the institutions authorized in each territory. This level has been reached by the SRF, but if the available financial resources fall below the target level in the future, the collection of contributions from Banks shall resume until that level has been recovered. The contribution mechanism to resolution funds provides for ex-ante contributions and extraordinary ex-post contributions, when the available financial resources are not sufficient to cover the losses and costs of potential interventions;
- the Directive 2014/49/EU, in relation to the DGS, aims to enhance the protection of depositors through the harmonisation of the related national legislation. The Directive set a target level of national resolution funds of at least 0.8% of the amount of its members' covered deposits. This minimum target level has been reached by all national DGSs in the European Union, but if the capacity falls below the target level, the contribution shall resume until that level is reached again. In particular, if, after the target level has been reached for the first time, the available financial means have been reduced to less than two-thirds of the target level, the regular contribution shall be set at a level allowing the target level to be reached within six years. If the available financial means of a DGS are insufficient to repay depositors when deposits become unavailable, its members shall pay extraordinary contributions not exceeding 0,5% of their covered deposits per calendar year. DGSs may in exceptional circumstances and with the consent of the competent authority require higher contributions.

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Contributions to these schemes are accounted for in accordance with IFRIC21 "Levies". Therefore, contributions are recognised in Income statement when the obligating event identified by the legislation (i.e., having covered deposits at a certain date), that triggers the payment of the obligation, occurs. Being economically compelled to continue to have covered deposits or assumption of going concern does not represent a present obligation under IFRIC21 to pay such contributions for future periods. Future contributions will be recognised when they accrue upon occurrence of the obligating event. In this regard, the Group approach envisages the recognition as expense in Income statement of the full amount of contributions due for the year, disregarding whether they are settled in cash or through irrevocable payment commitments. As a result, from a regulatory perspective, the whole amount of the contributions for the year reduces the CET1 capital[25].

With reference to first half 2025, contributions for -€61 million were recognised in P&L (-€265 million as at June 2024), whose breakdown is here reported:

- regarding Directive 59 (contributions to Resolution funds), the Group contributions recognised through the Income statement totaled -€15 million (no contributions recognised by UniCredit S.p.A.). These contributions are entirely referred to ordinary contributions paid by certain Legal Entities to local Resolution funds; no contributions were recognised for SRF being the relevant target level reached. The Group did not make recourse to Irrevocable Payment Commitments;
- regarding Directive 49 (DGS contribution), the Group contributions recognised through the Income statement totaled -€46 million (no contributions recognised by UniCredit S.p.A.) of which -€42 million ordinary contributions and -€4 million additional and supplementary contributions. Such contribution also includes the amounts recognised by UniCredit Bank GmbH and referred to the contribution to the statutory and voluntary Compensation Schemes of German Banks[26]. The Group did not make recourse to Irrevocable payment commitments.

Here follows a table with the recap of the above-mentioned contributions.

Contributions to Resolution and Guarantee Funds (included the ones paid through irrevocable payment commitments)

(€ million)

	GROUP	*o/w UniCredit S.p.A.*
June 2025	**61**	**-**
Directive No.59 (SRF contributions), o/w:		
Ordinarily contributions	15	-
Extraordinarily contributions	-	-
Directive No.49 (DGS contributions), o/w:		
Ordinarily contributions	42	-
Extraordinarily contributions	4	-
June 2024	**265**	**171**
Directive No.59 (SRF contributions), o/w:		
Ordinarily contributions	23	-
Extraordinarily contributions	-	-
Directive No.49 (DGS contributions), o/w:		
Ordinarily contributions	242	171
Extraordinarily contributions	-	-

Guarantee fees for DTA conversion

In order to preserve for the future the regime of conversion of DTAs into tax credits, and in order to overcome the issues raised by the European Commission in connection to the application of State Aid rules, Art.11 of DL 3 May 2016 No.59 (so-called "Banks Decree", converted into Law 30 June 2016 No.119), introduced the possibility, starting from 2016 since 2030, to elect for the payment of an annual fee equal to 1.5% levied on an aggregate amount deriving from the difference between:

- the increase in convertible DTAs recognised at the end of the fiscal year and the convertible DTAs existing as at 31 December 2007, for IRES tax, and as at 31 December 2012 for IRAP tax, taking into account the amounts already converted into tax credits;
- taxes:
  - IRES paid by Tax Group starting from 1 January 2008;
  - IRAP paid starting from 1 January 2013 by legal entities included in Tax Group with convertible DTAs;
  - substitute taxes that generated convertible DTAs.

The fee due for the financial year 2025 has been paid on 20 June 2025 for an overall amount of €57.3 million relating to the whole Italian Tax Group, of which €54.8 million for UniCredit S.p.A., €2.4 million for UniCredit Leasing S.p.A., €0,05 million for UniCredit Factoring S.p.A. and €0,005 million for UniCredit Bank GmbH - Milan Branch.

25 In previous periods, from 2015 to 2020, the Group also made recourse to irrevocable payment commitments; the related amounts (overall equal to €165 million for SRF and DGS) were recognized as expenses in P&L.
26 Entschädigungseinrichtung Deutscher Banken and Einlagensicherungsfonds des Bundesverbandes deutscher Banken e.V.

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Section 13 - Net provisions for risks and charges - Item 200

13.1 Net provisions for credit risk from loans commitments and financial guarantees given: breakdown

(€ million)

	AS AT 30.06.2025		
	PROVISIONS	SURPLUS REALLOCATIONS	TOTAL
Loan committments	(179)	215	**36**
Financial guarantees given	(148)	172	**24**

13.2 Net provisions for other commitments and guarantees given: breakdown

(€ million)

	AS AT 30.06.2025		
	PROVISIONS	SURPLUS REALLOCATIONS	TOTAL
Other committments	-	3	**3**
of which: commitment related to contribution for Resolution funds and Guarantee schemes	-	-	**-**
Other guarantees given	(21)	33	**12**

13.3 Net provisions for risks and charges: breakdown

(€ million)

	AS AT 30.06.2025			AS AT 30.06.2024
ASSETS/INCOME ITEMS	PROVISIONS	SURPLUS REALLOCATIONS	TOTAL	TOTAL
1. Other provisions				
1.1 Legal disputes	(302)	66	(236)	(234)
1.2 Staff costs	-	-	-	(1)
1.3 Other	(43)	58	15	92
Total	**(345)**	**124**	**(221)**	**(143)**

Net provisions for risks and charges are referred to revocatory actions, claims for compensation, legal and other disputes, and are updated on the basis of the evolution of cases in progress and to the assessment of their foreseen outcomes.

For further information to Item “1.1 Legal disputes” refers to the paragraph “B. Risks arising from legal disputes”, Explanatory notes, Part E - Information on risks and related hedging policies, 2.5 Operational risks, Qualitative information.

Net provisions in item “1.3 Other” are mainly contributed by provisions made by the parent company UniCredit S.p.A. and its subsidiary UniCredit Bank GmbH for various type of risks for which reference is made to the paragraph “B. Risks arising from legal disputes”, Explanatory notes, Part E - Information on risks and related hedging policies, 2.5 Operational risks, Qualitative information.

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Section 16 - Other operating expenses/income - Item 230

Other net operating income: breakdown

(€ million)

INCOME ITEMS/VALUE	AS AT 30.06.2025	AS AT 30.06.2024
Total of other operating expenses	(848)	(720)
Total of other operating income	1,334	1,107
Other operating expenses/income	**486**	**387**

16.1 Other operating expenses: breakdown

(€ million)

TYPE OF EXPENSE/VALUES	AS AT 30.06.2025	AS AT 30.06.2024
Costs for operating leases	-	-
Non-deductible tax and other fiscal charges	(1)	(1)
Write-downs on leasehold improvements	(22)	(23)
Costs relating to the specific service of financial leasing	(14)	(14)
Other	(811)	(682)
Total other operating expenses	**(848)**	**(720)**

The item "Other" includes -€593 million related to trading in gold and precious metals (-€445 million in the same period of 2024).
The remaining part mainly includes: (i) -€95 million for various settlements and indemnities and (ii) -€20 million for non banking business costs.

16.2 Other operating income: breakdown

(€ million)

TYPE OF REVENUE/VALUES	AS AT 30.06.2025	AS AT 30.06.2024
A) Recovery of costs	**377**	**381**
B) Other revenues	**957**	**726**
Revenues from administrative services	16	15
Revenues from operating leases	98	101
Recovery of miscellaneous costs paid in previous years	4	11
Revenues on financial leases activities	20	22
Other	819	577
Total other operating income (A+B)	**1,334**	**1,107**

The item B) "Other revenues - Other" includes (i) €692 million related to trading in gold and precious metals (€449 in the same period of 2024) and (ii) €66 million of profits pertaining to instrumental Group companies and other entities different from Banks and other financial companies mainly due to profits arising from non-business activity and from settlement and indemnities.

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Part C - Consolidated income statement

Section 25 - Earnings per share

25.1 and 25.2 Average number of diluted shares and other information

	AS AT 30.06.2025	AS AT 30.06.2024
Net profit (Loss) attributable to the Group (€ million)	6,006	5,110
Average number of outstanding shares	1,546,306,105	1,671,270,715
Average number of potential dilutive shares	12,039,407	16,489,784
Average number of diluted shares	1,558,345,512	1,687,760,499
Earnings per share (€)	**3.884**	**3.058**
Diluted earnings per share (€)	**3.854**	**3.028**

The first half 2025 net profit attributable to the Group of €6,115 million has been deducted of €109 million due to the disbursements (charged to net equity) in connection with the usufruct contract signed with Mediobanca S.p.A. on UniCredit shares supporting the issuance of convertible securities denominated “Cashes” (€126 million was deducted from 2024 first half net profit attributable to the Group).

The average number of outstanding shares is net of the average number of treasury shares and of further average No.9,675,640 shares held under a contract of usufruct.

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Part E - Information on risks and related hedging policies

Introduction

UniCredit group monitors and manages its risks through tight methodologies and procedures proving to be effective through all phases of the economic cycle.
The steering, coordination and control role of the Group's risks is performed by the Parent Company's Risk Management function.

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

- optimise the quality of the Group's assets, minimising the risk cost in accordance with the risk/profitability goals set for the business areas;
- ensure the strategic steering and definition of the Group's risk management policies;
- define and provide the Heads of the Business Functions and Group Companies with the criteria for assessing, managing, measuring, monitoring and communicating risk. It also ensures that the procedures and systems designed to control risk at Group and individual Group Company level are coherent;
- help build a risk culture across the Group by training and developing, together with the competent Group People & Culture;
- help to find ways to rectify asset imbalances, where needed in conjunction with the Group Financial Officer;
- help the Business Functions to achieve their goals, including by assisting in the development of products and businesses (e.g. innovation of credit products, competitive opportunities linked to Basel accords, etc.);
- support the Chief Executive Officer in defining the Group Risk Appetite proposal, to be shared in the managerial committee Group Executive Committee and submitted for approval to the Board of Directors, as preliminary and preparatory step for the yearly and multi-yearly budget plan pertaining to the Group Financial Officer. The Group Risk Appetite shall include a series of parameters defined by the Group Risk Officer, with the contribution of Group Financial Officer and of other relevant functions; each parameter can be complemented by limits and thresholds proposed by the Group Risk Officer and targets proposed by the Group Financial Officer and/or by the relevant Group functions, each respecting their mission and internal regulations. The Group Risk Officer is responsible for ensuring the overall coherence of the proposed parameters and values. Furthermore, the Group Risk Officer is responsible for ensuring the Chief Executive Officer and the Board of Directors the coherence of the Group Risk Appetite with the Group strategic guidelines, as well as the coherence of the budget goals with the Group Risk Appetite setting and the periodical monitoring of the Risk Appetite Framework (RAF). The Group Financial Officer remains responsible for monitoring the performances of the Group and of the business functions, in order to identify possible underperforming areas and the related corrective measures.

Such mission is accomplished by coordinating the Group's risk management as a whole. More specifically, it involves carrying out the following macro-functions:

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

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Part E - Information on risks and related hedging policies

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

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

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

Internal Capital Adequacy Assessment Process (ICAAP) and Risk Appetite

UniCredit group assesses its capital adequacy on a going concern approach, ensuring that an adequate level of capital is maintained to continue business activities as usual even in case of severe loss events, like those caused by an economic downturn.
The Group's approach to ICAAP consists of the following phases:

1. Risk identification and mapping;
2. Risk measurement and stress testing;
3. Risk appetite setting and capital allocation;
4. Monitoring and reporting.

1. Risk identification and mapping

The first step is the identification and mapping of all the risks embedded in the Group and in the relevant legal entities, with particular focus on the risks not explicitly covered by the Pillar I framework. The output of this activity is the Group Risk Map which includes all the risk types quantifiable by Economic Capital.

2. Risk measurement and stress testing

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

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Part E - Information on risks and related hedging policies

3. Risk Appetite setting and capital allocation

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

4. Monitoring and reporting

Capital adequacy evaluation is a dynamic process that requires a regular monitoring to support the decision-making processes.
The Bank monitors its main risk profile with a frequency consistent with the nature of each single risk. On top of this, a quarterly reporting of integrated risks and Risk Appetite evolution is reported to the relevant Risk Committees and Governing Bodies, in order to set and implement and efficient and effective ICAAP framework.
Capital adequacy is assessed considering the balance between the assumed risks and the available capital both in a regulatory and in an economic perspective. With respect to economic perspective and to Going Concern approach, capital adequacy is assessed by comparing the amount of financial resources available to absorb losses and to ensure the business continuity of the Group, the so-called Available Financial Resources (AFR), with the economic capital internally estimated (Economic Capital - EC). The AFR are computed according to the Group principles and consistent with prudential regulation, in fact the regulatory capital (Own Funds) is the basis for the AFR quantification. The Group capital instruments that are included in the AFR satisfy the following three criteria:

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

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

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

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

- assessing explicitly the risks and their interconnections UniCredit group is willing to accept or should avoid in a forward looking view;
- specifying the types of risk UniCredit group intends to assume by setting the targets, triggers and limits, under both normal and stressed operating conditions;
- ensuring an "ex ante" risk-return profile consistent with long term sustainability, in coherence with multi-year strategic plan/budget;
- ensuring that the business develops within the risk tolerance set by the Parent Company Board of Directors, also in respect of national and international regulations;
- supporting the evaluation of future strategic options with reference to risk profile;
- addressing internal and external stakeholders' view on risk profile consistent with the strategic positioning;
- provide qualitative statements concerning identified risks in order to strategically guide the relevant processes, the internal control system and ensure prevention/early intervention on emerging risks.

The Group Risk Appetite is defined consistently with UniCredit group business model. For this purpose, Group Risk Appetite is integrated in the budget process, in order to guide the selection of the desired risk-return profile in alignment with the Strategic Plan guidelines and at inception of the budget process.
UniCredit Remuneration Policy is consistent with the Group Risk Appetite to allow the effective implementation of risk reward remuneration for bonus definition and payments.
The structure of the Risk Appetite in UniCredit group includes the Group Risk Appetite Statement and the Group Risk Appetite KPIs Dashboard.
The Risk Appetite Statement defines the positioning of the Bank in terms of strategic targets and related risk profiles to address internal and external stakeholders' expectations and includes:

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

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Part E - Information on risks and related hedging policies

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

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

For each of the above dimensions, one or more KPIs are identified, in order to quantitatively measure the position of the Group in different ways: absolute values, ratios, sensitivities to defined parameters.
Various levels of thresholds are defined to act as early warning indicators anticipating potential risk situations that will be promptly escalated at relevant organisational level. If specific Risk Appetite thresholds are met, the necessary management measures have to be adopted for effectively adjusting the risk profile. The thresholds are identified as follows (on certain KPIs, not all the thresholds may be meaningful):

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

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

Risk culture in UniCredit

The Risk Culture is increasingly crucial for a sound governance, even more after the recent crisis in the banking sector. In compliance with the guidelines set by the Financial Stability Board, the Basel Committee and the EBA, UniCredit is committed to develop and propagate across the Group an integrated risk culture, aimed at ensuring risk awareness and risk-taking behaviors at all levels of the Institution. The risk culture refers not only to rules but also to behaviors related to awareness, management and control of risks and it shapes the decision-making process for what concerns risk- taking approach by the corporate bodies and by all employees in the day-to-day activities.
A sound risk culture is based on four foundations:

- *Tone from the top*: the Board of Directors and the senior management are the starting point for setting the Institution's core values and risk culture and their behaviors shall reflect these values;
- *Accountability*: for an effective risk management all employees have to understand the corporate values and its approach to risk appetite and risk-taking and they have to act accordingly in day-by-day activities, knowing they are held accountable in relation to the risk- taking approach;
- *Effective communication and challenge*: a sound risk culture promotes an environment of open communication and effective challenge in which decision-making processes encourage different views, testing of current practices and stimulate an open and constructive critical attitude among employees and an environment of inclusive and constructive engagement;
- *Incentives*: the incentive system shall ensure that behaviors and performances are aligned to the institution's risk profile and its long- term interest sustainability.

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Part E - Information on risks and related hedging policies

Group Risk Management, in line with its mission as defined by the Board of Directors of UniCredit, adopted a structured and integrated approach to strengthen UniCredit's risk culture, by enhancing constantly the four foundations. The Senior Management is involved in communication initiatives "Tone from the Top", in particular on the emerging risks and on risks that may be amplified by the market trends, for instance prevention of the greenwashing, that can severely affect the reputational and financial risks if not properly managed within a sound and widespread risk culture at all levels of the Institution.
The learning offer is regularly updated, within a homogeneous Group framework ("University Risk"), with a special focus on the training addressing specific roles, in particular, for instance, with regards to cyber & ICT risk, climate risk and insurance. A special attention is devoted to managerial roles' training, in particular for developing an inclusive approach that promotes diversity.
An effective and timely communication is key for promoting the corporate values - Integrity, Ownership, Caring. Furthermore, periodical monthly/quarterly newsletter are issued, covering specific area related to Risk Community, ESG, Digital and more in order to support the risk awareness with up-to-date contents. A series of events are organised to enhance the culture of risk across the Competence Line and cross Group.
The assessment of the performances takes into consideration the compliance to the rules, to the code of conduct and to expected behaviors. Moreover, the access to the incentive system depends upon the completion of the mandatory trainings, in particular the ones relating to the proper management of the relationship with the clients, and, for impacted roles, the customer due diligence periodic revision (Know Your Customer) and for MiFID profiling.

The following table contains the reconciliation between the Balance sheet according to the accounting and prudential perimeter.

(€ million)

	AMOUNTS AS AT 30.06.2025		
ASSETS	ACCOUNTING PERIMETER	PRUDENTIAL PERIMETER	DELTA
10. Cash and cash balances	41,804	41,507	(297)
20. Financial assets at fair value through profit or loss:	96,368	67,382	(28,986)
a) financial assets held for trading	60,371	60,371	-
b) financial assets designated at fair value	273	273	-
c) other financial assets mandatorily at fair value	35,724	6,738	(28,986)
30. Financial assets at fair value through other comprehensive income	88,098	73,718	(14,380)
40. Financial assets at amortised cost:	592,701	593,089	388
a) loans and advances to banks	74,431	74,431	-
b) loans and advances to customers	518,270	518,658	388
50. Hedging derivatives	843	841	(2)
60. Changes in fair value of portfolio hedged items (+/-)	(2,555)	(2,555)	-
70. Equity investments	6,366	9,109	2,743
80. Insurance assets	165	-	(165)
a) insurance contracts issued that are assets	28	-	(28)
b) reinsurance contracts held that are assets	137	-	(137)
90. Property, plant and equipment	8,824	8,204	(620)
100. Intangible assets	3,271	2,471	(800)
of which: goodwill	1,091	293	(798)
110. Tax assets:	9,914	9,038	(876)
a) current	1,577	787	(790)
b) deferred	8,337	8,251	(86)
120. Non-current assets and disposal groups classified as held for sale	949	947	(2)
130. Other assets	13,579	13,065	(514)
Total assets	**860,327**	**816,816**	**(43,511)**

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Part E - Information on risks and related hedging policies

continued:

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT 30.06.2025 ACCOUNTING PERIMETER	PRUDENTIAL PERIMETER	DELTA
10. Financial liabilities at amortised cost:	677,572	677,968	396
a) deposit from banks	85,873	85,843	(30)
b) deposit from customers	495,684	496,045	361
c) debt securities in issue	96,015	96,080	65
20. Financial liabilities held for trading	34,426	34,426	-
30. Financial liabilities designated at fair value	22,273	15,266	(7,007)
40. Hedging derivatives	806	806	-
50. Value adjustment of hedged financial liabilities (+/-)	(8,607)	(8,607)	-
60. Tax liabilities:	2,413	1,923	(490)
a) current	1,869	1,672	(197)
b) deferred	544	251	(293)
70. Liabilities associated with non-current assets held for sale	373	373	-
80. Other liabilities	19,530	19,400	(130)
90. Provision for employee severance pay	269	268	(1)
100. Provision for risks and charges:	6,588	6,564	(24)
a) commitments and guarantees given	965	965	-
b) post-retirement benefit obligations	2,861	2,861	-
c) other provisions for risks and charges	2,762	2,738	(24)
110. Insurance liabilities	36,265	-	(36,265)
a) insurance contracts issued that are liabilities	36,261	-	(36,261)
b) reinsurance contracts held that are liabilities	4	-	(4)
120. Valuation reserves	(4,236)	(4,236)	-
130. Redeemable shares	-	-	-
140. Equity instruments	4,962	4,962	-
150. Reserves	39,706	39,706	-
155. Advanced dividends (-)	-	-	-
160. Share premium	23	23	-
170. Share capital	21,454	21,454	-
180. Treasury shares (-)	-	-	-
190. Minority shareholders' equity (+/-)	395	405	10
200. Profit (Loss) for the period (+/-)	6,115	6,115	-
Total liabilities and shareholders' equity	**860,327**	**816,816**	**(43,511)**

Section 1 - Risks of the accounting consolidated perimeter

Quantitative information

In the following tables, the volume of non-performing assets according to the IFRS definition is equivalent to the one for non-performing exposures referred to in the EBA standards.

A. Credit quality

For the purposes of the disclosure of quantitative information about credit quality, the term “credit exposures” does not include equity instruments and units in investment funds.

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Part E - Information on risks and related hedging policies

A.1 Non-performing and performing credit exposures: amounts, write-downs, changes, distribution by business activity

A.1.1 Breakdown of financial assets by portfolio and credit quality (carrying value)

(€ million)

PORTFOLIOS/QUALITY	BAD EXPOSURES	UNLIKELY TO PAY	NON-PERFORMING PAST-DUE EXPOSURES	PERFORMING PAST-DUE EXPOSURES	OTHER PERFORMING EXPOSURES	TOTAL
1. Financial assets at amortised cost	1,100	4,825	466	7,726	578,584	592,701
2. Financial assets at fair value through other comprehensive income	-	35	-	-	83,453	83,488
3. Financial assets designated at fair value	-	-	-	-	273	273
4. Other financial assets mandatorily at fair value	1	28	1	5	6,717	6,752
5. Financial instruments classified as held for sale	46	172	-	12	533	763
Total 30.06.2025	**1,147**	**5,060**	**467**	**7,743**	**669,560**	**683,977**
Total 31.12.2024	**968**	**4,790**	**544**	**7,857**	**626,484**	**640,643**

A.1.2 Breakdown of financial assets by portfolio and credit quality (gross and net values)

(€ million)

	NON-PERFORMING ASSETS				PERFORMING ASSETS			
PORTFOLIOS/QUALITY	GROSS EXPOSURE	OVERALL WRITEDOWNS	NET EXPOSURE	OVERALL PARTIAL WRITE-OFFS(*)	GROSS EXPOSURE	OVERALL WRITEDOWNS	NET EXPOSURE	TOTAL (NET EXPOSURE)
1. Financial assets at amortised cost	11,684	5,293	6,391	661	590,055	3,745	586,310	592,701
2. Financial assets at fair value through other comprehensive income	118	83	35	-	83,465	12	83,453	83,488
3. Financial assets designated at fair value	-	-	-	-	X	X	273	273
4. Other financial assets mandatorily at fair value	153	123	30	-	X	X	6,722	6,752
5. Financial instruments classified as held for sale	402	184	218	2	548	3	545	763
Total 30.06.2025	**12,357**	**5,683**	**6,674**	**663**	**674,068**	**3,760**	**677,303**	**683,977**
Total 31.12.2024	**11,651**	**5,349**	**6,302**	**692**	**635,426**	**4,186**	**634,341**	**640,643**

Note:
(*) Value shown for information purposes.

(€ million)

	ASSETS OF EVIDENT LOW CREDIT QUALITY		OTHER ASSETS
PORTFOLIOS/QUALITY	CUMULATED LOSSES	NET EXPOSURE	NET EXPOSURE
1. Financial assets held for trading	6	20	49,979
2. Hedging derivatives	-	-	843
Total 30.06.2025	**6**	**20**	**50,822**
Total 31.12.2024	**3**	**25**	**45,278**

Information on Sovereign Exposure

With reference to the Group's Sovereign exposures[27], the book value of Sovereign debt securities as at 30 June 2025 amounted to €129,983 million[28], of which over the 74% concentrated in eight countries; Italy, with €47,626 million, represents about 37% of the total. For each of the eight countries, the following table shows the book value and the fair value of the exposures broken down by portfolio as at 30 June 2025.

27 Sovereign exposures are bonds issued by and loans given to central and local governments and governmental bodies. To the purpose of this risk exposure are not included:
- Sovereign exposures and Group's Legal entities classified as held for sale as at 30 June 2025, if any;
- ABSs, if any.

28 Information on Sovereign exposures refer to the scope of the UniCredit Consolidated First Half Financial Report as at 30 June 2025, determined under IAS/IFRS.

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Part E - Information on risks and related hedging policies

Breakdown of sovereign debt securities by country and portfolio

(€ million)

COUNTRY/PORTFOLIO	AMOUNTS AS AT 30.06.2025	
	BOOK VALUE	FAIR VALUE
- Italy	**47,626**	**47,888**
financial assets/liabilities held for trading (net exposures*)	962	962
financial assets designated at fair value	-	-
financial assets mandatorily at fair value	739	739
financial assets at fair value through other comprehensive income	24,024	24,024
financial assets at amortised cost	21,901	22,163
- Spain	**17,252**	**17,243**
financial assets/liabilities held for trading (net exposures*)	85	85
financial assets designated at fair value	-	-
financial assets mandatorily at fair value	179	179
financial assets at fair value through other comprehensive income	6,383	6,383
financial assets at amortised cost	10,605	10,596
- Germany	**8,148**	**8,079**
financial assets/liabilities held for trading (net exposures*)	173	173
financial assets designated at fair value	-	-
financial assets mandatorily at fair value	327	327
financial assets at fair value through other comprehensive income	3,453	3,453
financial assets at amortised cost	4,195	4,126
- France	**7,842**	**7,758**
financial assets/liabilities held for trading (net exposures*)	957	957
financial assets designated at fair value	-	-
financial assets mandatorily at fair value	134	134
financial assets at fair value through other comprehensive income	4,070	4,070
financial assets at amortised cost	2,681	2,597
- Czech Republic	**4,284**	**4,276**
financial assets/liabilities held for trading (net exposures*)	32	32
financial assets designated at fair value	-	-
financial assets mandatorily at fair value	-	-
financial assets at fair value through other comprehensive income	2,488	2,488
financial assets at amortised cost	1,764	1,756
- Austria	**4,156**	**4,132**
financial assets/liabilities held for trading (net exposures*)	59	59
financial assets designated at fair value	-	-
financial assets mandatorily at fair value	74	74
financial assets at fair value through other comprehensive income	2,785	2,785
financial assets at amortised cost	1,238	1,214
- U.S.A.	**4,023**	**4,003**
financial assets/liabilities held for trading (net exposures*)	863	863
financial assets designated at fair value	-	-
financial assets mandatorily at fair value	57	57
financial assets at fair value through other comprehensive income	1,784	1,784
financial assets at amortised cost	1,319	1,299
- Romania	**3,108**	**2,994**
financial assets/liabilities held for trading (net exposures*)	54	54
financial assets designated at fair value	-	-
financial assets mandatorily at fair value	22	22
financial assets at fair value through other comprehensive income	825	825
financial assets at amortised cost	2,207	2,093
Total on-balance sheet exposures	**96,439**	**96,373**

Note:
(*) Including exposures in Credit Derivatives. Negative amount indicates the prevalence of liabilities positions.

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Part E - Information on risks and related hedging policies

The weighted duration of the Sovereign bonds shown in the table above, divided by the banking[29] and trading book, is the following:

Weighted duration

(years)

COUNTRY	BANKING BOOK	TRADING BOOK	
		ASSETS POSITIONS	LIABILITIES POSITIONS
Italy	3.64	6.54	6.97
Spain	5.57	11.68	13.21
Germany	4.99	7.59	6.39
France	6.49	11.39	19.35
Czech Republic	4.48	4.51	5.19
Austria	7.65	10.30	6.00
U.S.A.	7.55	15.63	-
Romania	2.96	3.28	6.17

The remaining 26% of the total of sovereign debt securities, amounting to €33,544 million with reference to the book values as at 30 June 2025, is divided into 59 countries, including Bulgaria (€3,020 million), Croatia (€2,616 million), Slovakia (€2,413 million), Hungary (€2,067 million), Poland (€1,870 million), Portugal (€1,147 million), Belgium (€1,048 million), Serbia (€975 million), Russia (€763 million), Slovenia (€558 million) and China (€556 million),
With respect to these exposures, as at 30 June 2025 there were no indications that default have occurred and the Group is closely monitoring the evolution of the situation.
With particular reference to the book value of the sovereign debt securities exposure to Russia it should be noted that it is almost totally held by the Russian controlled Bank in local currency and classified in the banking book. For more information on the criteria adopted for the evaluation of the Russian counterparties, refer to "Section 5 - Other matters", Explanatory notes, Part A - Accounting policies, A.1 - General.

It should also be noted that among the aforementioned remaining part of sovereign debt securities as at 30 June 2025 there are also debt securities towards Supranational Organisations such as the European Union, the European Financial Stability Facility and the European Stability Mechanism amounting to €14,296 million.

The table below shows the classification of bonds belonging to the banking book and their percentage proportion of the total of the portfolio under which they are classified.

Breakdown of sovereign debt securities by portfolio (banking book)

	AMOUNTS AS AT 30.06.2025				
	FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	FINANCIAL ASSETS MANDATORILY AT FAIR VALUE	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	FINANCIAL ASSETS AT AMORTISED COST	TOTAL
Book value (€ million)	264	1,913	60,049	64,251	126,477
% Portfolio	96.70%	5.35%	68.16%	10.84%	17.64%

In addition to the exposures to Sovereign debt securities, loans[30] given to central and local governments and governmental bodies must be taken into account.

The table below shows the total amount as at 30 June 2025 of loans booked in financial assets at amortised cost portfolio given to Countries towards which the overall exposure exceeds €100 million, representing over 96% of the total.

29 The banking book includes financial assets designated at fair value, those mandatorily at fair value, those at fair value through other comprehensive income and those at amortised cost.
30 Tax items are not included.

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Part E - Information on risks and related hedging policies

Breakdown of sovereign loans by country

(€ million)

COUNTRY	AMOUNTS AS AT 30.06.2025 BOOK VALUE
- Germany(*)	9,299
- Austria(**)	5,870
- Italy	4,082
- Croatia	2,008
- Qatar	708
- Romania	388
- Hungary(***)	366
- Indonesia	360
- Egypt	325
- Angola	270
- Serbia	246
- Slovakia	224
- Slovenia	173
- Turkey	143
- Bulgaria	142
- Czech Republic	133
- Kenya	130
- Bosnia and Hercegovina	126
- Trinidad and Tobago	112
Total on-balance sheet exposures	**25,105**

Notes:
(*) of which €475 million in financial assets mandatorily at fair value.
(**) of which €24 million in financial assets mandatorily at fair value.
(***) of which €5 million in financial assets mandatorily at fair value.

It should also be noted that, as at 30 June 2025, there are in addition also loans to Supranational Organisations amounting to €1,571 million booked in financial assets held for trading portfolio.

Lastly, it should be noted that derivatives are traded within the ISDA master agreement and accompanied by Credit Support Annexes, which provide for the use of cash collaterals or low-risk eligible securities.

For more details on the sensitivity analysis of credit spreads and on the results of stress tests refer to the paragraph “Stress test” of Section 2.2 - Market risk and for liquidity management policies see the following Section 2.4 - Liquidity risk.

Section 2 - Risks of the prudential consolidated perimeter

2.1 Credit risk

Qualitative information

1. General aspects

Credit policies
In UniCredit, the current governance model of credit risk, intended as risk of impairment of a credit exposure deriving from an unexpected deterioration of the counterparty’s creditworthiness, provides for two levels of control:

- on the one hand, the supervision of the Parent Company functions which steer and control the credit risk and perform a managerial coordination with respect to the relevant Group legal entities’ Risk Management functions;
- on the other hand, the supervision of the relevant Group legal entities’ Risk Management functions which perform the control and the management of the risk’s portfolio at country level.

With reference to credit risk management topics, the mechanisms of interaction between the Parent Company and the Group Legal Entities are defined by specific credit governance rules that, on the one hand, regulate the respective responsibilities and, on the other hand, ensure the compliance of the overall credit risk framework with the regulatory framework which the Parent Company is subject to.

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Part E - Information on risks and related hedging policies

Within its role of guidance, support and control, the Parent Company acts in the following areas: credit rules (principles, policies and processes), credit strategies and credit risk limits, models development, rating systems validation, large exposures management, credit risk portfolio monitoring and reporting.
In line with these credit governance rules, the Group Legal Entities request the either Holding Company Credit Committee's or the Group Risk Management Functions' opinion before granting new or reviewing existing credit lines to single counterparties/Economic Groups whenever they exceed defined thresholds, also with reference to their compliance with the credit risk concentration limits, being measured with respect to the regulatory capital.

According to the role assigned by the Group governance to the Parent Company, specifically to the Group Risk Management function, general provisions are established ("Group General Principles for Credit Activities", "Group Credit Risk Management Framework", "Guidelines on Loan Categorization and Forbearance Classification", "Credit Risk Parameters and IFRS9 Modelling and Planning", "Credit Risk Strategies", "Non-Performing Exposures Risk Strategies", "Credit Risk Mitigation"), defining Group-wide rules and principles for guiding, classifying, managing, governing and standardising the credit risk assessment and management, as well as the development of its models, in line with the regulatory requirements and the Group best practice. These general provisions are further supplemented by policies which, regulating specific topics (e.g., business areas, segment activities, type of counterpart/transaction), are divided into two categories:
- policies on Group-wide topics, drafted and issued by the Parent Company and sent to all the Legal Entities;
- policies locally developed by single legal entities, fully in line with the guidelines defined at Parent Company level, that regulate credit practices relating to rules and peculiarities of the local market and that are, therefore, applicable only within the respective perimeter.

Credit policies, which usually have a static approach and are revised when necessary (e.g. in case of evolution of the external regulatory framework), are supplemented by credit risk strategies (approved by the Board of Directors in the context of the Risk Appetite Framework) which, instead, are updated at least once a year and define with which customers/products, industry segments and geographical areas the Group and the Group Legal Entities intend to develop their credit business.

At both legal entity and Parent Company level, the policies are further detailed through operating instructions that describe specific rules supporting the execution of day-by-day activities. In UniCredit S.p.A. lending is governed by a regulatory framework, which is constantly updated. This framework includes the guidelines and operating procedures for managing the various phases of the credit life cycle, taking into account potential changes in the credit strategy and progressive process and procedural improvements.
More specifically, the following process phases are regulated:
- the assessment of the creditworthiness of the borrower, including the rating assignment procedures;
- the decision to grant credit lines, their implementation and the rules for managing them;
- the acquisition, management and monitoring of the value of collaterals and guarantees;
- the performance monitoring process and the initiatives to improve the sustainability of the counterpart, the customer classification process;
- the restructuring and the credit recovery process (debt collection policy/workout).

The creditworthiness assessment involves the analysis of the counterparty, any guarantors and the type of financing; these analyses include a structured path for collecting customer data and are supported by a combined approach of subjective assessments and automated processes. In particular, the analysis of the counterparty requires the preliminary assignment of a rating, which includes, depending on the type of customer and the complexity/size of the credit transaction, a quantitative component and a qualitative component. The analysis of the counterparty's repayment capacity is carried out by the Business functions that manage the relationship with the customer, with a forward-looking perspective, also evaluating possible adverse scenarios.
Depending on the customer segment, the economic sector of reference, the complexity and size of the transaction, aspects of reputational risk, legal risk and climate risks (transition risk and physical risk) are considered in the analysis.
The review of credit proposals for customers with exposure exceeding a certain threshold is entrusted to specialists in the Risk Management function, who prepare reasoned opinions in favor of the corporate bodies or committees responsible for making credit decisions. The approval of credit transactions is delegated to the bodies authorized with a specific sub-delegation of powers, updated regularly to consider the riskiness of the portfolios and any organizational changes that have occurred in the meantime.
Debtors are subject to regular review on an annual basis, unless a greater frequency is envisaged for cases in which signs of deterioration in the credit risk profile have emerged. Credit exposures are also continuously subjected to a performance monitoring process, through which the Business and independent Credit Monitoring specialists assess any signs of deterioration in the risk profile, establish any risk mitigation strategies and, where appropriate, classify customers in specific managerial 'watch-lists' or propose, in the most serious cases, the transfer of customer management to Risk Management structures specialised in customer management for restructuring or credit recovery purposes.
Real estate collaterals, where present, are subject to an assessment by a party independent of the credit process during the granting phase, though the value of the collateral, except for so-called asset-based financing, is to be considered an element of credit risk mitigation and does not constitute the only assessment element. They are subject to regular monitoring to assess their consistency over time, in line with the requirements set out in the CRR regarding credit risk mitigation.
The granting, review and monitoring activities of credit in UniCredit are carried out in line with the EBA Guidelines on granting and monitoring (EBA GL on loan origination and monitoring).

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Part E - Information on risks and related hedging policies

The Non-Performing Exposure (NPE) Strategy represents the base on which specialised debt collection processes are developed. The NPE Strategy defines, at both the Group and Legal Entity level, the qualitative NPE management approach and quantitative time-bound targets by time-horizon and dynamics (write-off, recoveries, disposals, flows etc.) with the goal of managing NPE stock in a clear, credible, and feasible manner.

The Group customer base is mixed and heterogeneous and is managed through segmentations which makes it possible to manage customers competently through dedicated functions, as well as through tailored products/initiatives.
The recovery initiatives are supported by a combined approach between subjective assessments and automated processes.
Depending on the strategy and organisational set-up implemented locally by the Legal Entities, Group collection rules stipulate an early transfer of files/clients to specialised functions independently from, and long before, a possible default. This is done to anticipate and avoid defaults through a relationship management framework committed to proactive risk management.
To allow proactive risk management and the related reduction of a client's existing exposure, Legal Entities may grant forbearance measures as described in the relevant section of the current Explanatory notes. The main objective of this activity is to protect the economic and financial structure of the borrowers. In the forbearance context, the restructuring can be conducted in a Performing or Non-Performing classification according to the related regulatory framework ruling the loan classification.
The co-operation of clients is a pre-condition to any restructuring activity. Close and direct interaction with the borrower, as well as with other parties/stakeholders involved, is crucial for the success of the restructuring process. UniCredit acts in line with its Code of Conduct, adopting appropriate behavior and language in order to build and maintain a relationship of trust with the customer (e.g., use of non-coercive language and a non-harassment attitude). For this reason, the relationship with the borrower is assigned to specialised functions which maintain the responsibility of the borrower as long as the restructuring is in place. In case the credit restructuring activities are not feasible or successful, or there is no improvement of the client risk profile, Workout activities aim at maximizing the credit recovery, and the credit exposure must be classified in the relevant default status, if not already done. These activities are carefully devised to ensure that the relationships fostered with clients are maintained to the best extent possible.
Recovery activities at UniCredit are carried out in compliance with EBA guidelines on the management of credit impaired and forborne exposures.

Credit strategies
More in general, the Group credit strategies are an effective tool for managing credit risk, contributing to the definition of the budget objectives in line with the Group's Risk Appetite, of which they are an integral part. They also constitute a management tool as they translate the metrics defined within the Risk Appetite into concrete form.
Based on macroeconomic and credit scenario, the outlook at the economic sector level, as well as the business initiatives/strategies, the credit strategies provide a set of guidelines and operational targets aimed at the countries and business segments in which the Group work and are performed on the operating structures of each Group legal entity and included in their respective commercial policies. The ultimate goal is to ensure sustainable commercial growth, consistent with the risk profile of each company, remaining within the limits defined by the Group Risk Appetite Framework.

Within the framework of the strategies underlying credit activity, concentration risk is considered particularly important. This is the risk associated with losses generated by a single exposure or group of related exposures that (in relation to the capital of a Bank, total assets, or the overall risk level) can generate potentially serious effects on the solidity and "core" operation of the Group. In compliance with the relevant regulatory framework, UniCredit group manages the concentration credit risk through specific limits that represent the maximum risk that the Group intends to accept regarding, for example:
- individual counterparties or groups of connected counterparties (Single Name Bulk Risk);
- counterparties belonging to the same economic sector (Industry Concentration Risk).

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

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Part E - Information on risks and related hedging policies

2. Credit risk management policies

2.1 Organisational aspects

Factors that generate credit risk
During the ongoing credit and business activities, the Group is exposed to the risk that an unexpected change in a counterparty's creditworthiness may generate a corresponding unexpected change in the value of the associated credit exposure and may thus result in a partial or full write-off. This risk is always associated to the traditional lending practice, regardless of the form of the credit facility (whether cash or credit commitments, secured or unsecured, etc.).
The main reasons of a default lie in the borrower's failure to fulfil its credit obligation (due to the lack of liquidity, for insolvency reasons, etc.), as well as the occurrence of macro-economic and political events that are affecting the debtor's operating and financial conditions.

Other banking operations, in addition to traditional lending and deposit activities, can constitute other credit risk factors. In this view, "non-traditional" credit risk may arise from:
- subscription of derivative contracts;
- purchase and selling of securities, futures, currencies or commodities;
- holding third-party securities.

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

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

Regarding Group Risk Management, Parent Company Functions with responsibilities at Group level include:
- **Group Credit Risk**
  The Structure has the following mission: it is responsible for the general orientation and governance of credit risk at Group level, which includes the definition of the Group's credit risk strategies and limits, portfolio monitoring and control, the definition of the credit risk management activity framework, and of the methodologies for calculating risk parameters, asset quality planning and monitoring, the Non-Performing Exposures management strategy, the implementation of Climate & Environmental (C&E) risks analysis in the Credit Pillar, the credit risk analysis of large credit files and the assessment, review and monitoring at Group level of FIBS (Financial Institutions, Banks and Sovereign) client segments and of country and cross-border risk, the development and management of credit risk models and the governance over the credit risk models roadmap.

The structure of "Group Credit Risk" breaks down in the following Structures:
- *Group NPE*
  The Structure has the following mission: responsible for developing the strategy for managing non-performing exposures, supervising their management, monitoring, process, setting objectives and executing portfolio sales, defining the characteristics of the management platforms for Non-Performing Exposures, repossessed assets and any other impaired assets of the Group.
  Group NPE is also responsible for assessing transactions relating to counterparties managed by the local Restructuring or Workout functions in the event of exposures above the thresholds defined from time to time.
  It is responsible for managing and approving (i.e. risk classification status, adequacy of provisions, risk mitigation strategy) exposures to Corporate customers with a impaired risk profile (managed in restructuring or workout) on the books of UniCredit S.p.A. ("Profit Center Milano"); responsible for issuing Binding Credit Opinion/BCO for impaired exposures on the books of UniCredit S.p.A. and for the issuance of Non-Binding Credit Opinion/NBCO for impaired exposures on the books of the Group Entities above the credit competences assigned to each Entity.

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Part E - Information on risks and related hedging policies

- *Credit Models & Risk Policies*
  The Structure has the following mission: it is responsible for ensuring at Group level the coordination and guidance of all Pillar I credit risk models (including IFRS9 models and other managerial models) and related methodologies as well as the management of credit stress tests (regulatory and managerial). It is also responsible for defining rules and guiding principles for the management of credit activity and for evaluating proposals regarding the revision of credit frameworks presented by other competent Group functions, as well as collaborating with other Group functions in the area of Risk Weighted Exposure Amounts/RWEA issues.
- *Credit Risk Strategies, Monitoring and Controls*
  The Structure has the following mission: it is responsible, at Group level, for defining credit risk strategies (both performing and non-performing), monitoring and controlling the relevant risk KPIs of the Group portfolio (e.g. asset quality, provisions) as well as, within the credit processes, for defining and applying the risk assessment methodology in order to identify the risk areas and the mitigation actions to be implemented. The above-mentioned responsibilities also apply to exposures to Retail and Corporate customer segments relating to the CE&EE portfolio in the books of the CE&EE Entities or in the books of UniCredit S.p.A. ("Profit Center Milano"). With reference to the PCM portfolio, further activities are carried out aimed at analyzing and monitoring this portfolio.
  Furthermore, it is responsible for supporting the definition and implementation of climate and environmental factors in credit risk strategies and processes, as well as monitoring physical and transition risk in the credit portfolio, also through functional analyses for the definition of limits and credit strategies.
- *Group Credit Transactions*
  The Structure has the following mission: it is responsible for the assessment, monitoring and supervision at Group level of Large Credit Transactions and for the management of the global credit model of Financial Institutions, Banks and Sovereign States (FIBS). Furthermore, it is responsible for the assessment, approval and daily management of Country Risks and the assumption of cross-border credit risk and the mapping of the economic Groups defined as "Top". Finally, it is responsible for supporting, as a point of reference at Group level, credit transactions above defined thresholds or in accordance with other applicable regulations, the preparation and coordination of the various procedural phases and information flows to facilitate the functioning of the approval and reporting processes involving the Committees under its jurisdiction or the higher Bodies.

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

- the **"Risks" session of the GEC (Group Executive Committee)**, with approval, proposal and consultancy functions, supports the CEO in the direction, coordination and control of all risk categories (including compliance risk), in the management and supervision of the internal control system also at Group level as well as in the discussion and approval of risk issues of strategic relevance such as the Group Risk Appetite Framework, ICAAP, ILAAP, SREP, NPE strategy in line with the global risk profile defined by the RAF and the direction of Environmental, Social and Governance (ESG) issues including Climate & Environmental Risks (i.e. physical and transition risks);
- the **Group Financial and Credit Risks Committee (GFRC)** supports the CEO in the role of addressing, coordinating and controlling credit and financial risks (including Climate & Environmental risks) at Group level, also through the management and supervision of the related Internal Control System (ICS) and is divided into various sessions, two of which are relevant to credit risk management: (i) Credit Risk session, responsible for defining policies, operating limits and methodologies for measuring, managing and controlling credit risk, as well as defining methodologies for measuring and controlling internal capital and assessing risk reporting and estimating risk provisions; ii) Rating approval session, responsible, within its own scope of competence and within its delegated powers, for approving rating changes (rating override);
- the **Group Transactional Committee (GTC)** that consists in the following sessions:
  (i) *Group Credit Committee Session (GCC)* has, in particular, approval/NBCO functions (decision-making and/or issuing of non-binding credit opinions to the Group Legal Entities), within the delegated powers, for:
- sub-delegation to the Personnel of the Bank, without the right to further sub-delegate, the powers to take decisions;
- credit proposals referring to all files, including restructuring/workout ones;
- status classification of files;
- relevant strategies and corrective actions to be taken for watchlist files;
- specific limits for transactions related to Debt Capital Markets on Trading book;
- single issuer exposures limits on Trading book;
- temporary/annual breaches to Single Names Concentration Risk Limits within the thresholds defined by Group regulation of competence;
- Debt to Equity transactions and transactions related to Equity participations deriving from Debt-to-Equity transactions;
- the Debt Capital Market (DCM) transactions issuing Non-Binding Credit Opinion (NBCO);
- ECM (Equity Capital Market) Risk transactions above specific threshold levels of transaction's value.

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(ii) *Group Transactional Credit Committee Session (GTCC)* has, in particular, approval/NBCO functions (decision-making and/or issuing of non-binding credit opinions to the Group Legal Entities) within the delegated powers for:
- credit proposals referring to all files, including the Group NPE files.
- credit proposals within the sub-delegations of powers and competence of Large Corporates, Corporates CE&EE, Group Financial Institution functions in case of escalation activated by them on files assessed with a "not supportive unless all conditions are met" or a "not supportive" opinion expressed by the Head of Group Credit Risk and/or the Head of Group Credit Transactions, on the basis of new evidences with respect to those presented at the time of issuing of the opinion;
- classification status of files;
- relevant strategies and corrective actions to be taken for watch-list counterparties;
- single issuer exposure limits on Trading book;
- Debt to Equity transactions and/or actions/rights-execution related to equity participations resulting from Debt-to-Equity transactions;
- Debt to Assets transactions and/or actions/rights execution related to asset resulting from Debt to Asset transactions;
- proposal of distressed asset disposal, in accordance with the regulated specifications and limitations in force;
- the Debt Capital Market (DCM) transactions issuing Non-Binding Credit Opinion (NBCO);
- on semiannual basis, the “DCM pre-approved list”: list of a selected group of names and respective commitment amounts for which there is no need to have the NBCO on the single transaction;
- ECM (Equity Capital Market) Risk transactions above specific threshold levels of transaction’s value;
- temporary/annual breaches to Single Names Concentration Risk Limits within the thresholds defined by dedicated Group regulation.

Specific committees related to UniCredit S.p.A. are described in the paragraph “2.1 Organisational aspects which is herewith quoted entirely” of the 2024 Annual Reports and Accounts - Company financial statements of UniCredit S.p.A., Notes to the accounts, Part E - Information on risks and related hedging policies, Section 1 - Credit risk, Qualitative information, 2. Credit risk management policies, which is herewith quoted entirely.

2.2 Credit risk management, measurement and control

2.2.1 Credit risk management

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

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

Each borrower’s credit rating is reviewed at least annually on the basis of the new information acquired. Each borrower is also assessed in the context of the belonging economic group by taking into account, when needed, the risk for the entire group.
The internal rating assigned to each borrower and its economic group exposure both contribute to the lending decision calculation, defined in such a way that, at a constant credit amount, the approval powers granted to each decision - making corporate body are gradually reduced in proportion to the increased borrower related risk level.
The organisational model used by UniCredit group also includes a dedicated function, which is separated from loan approval and business functions and is responsible for the management of the so - called rating “overrides”, i.e. any changes to the automatic rating calculated by the rating system (where it is foreseen).

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

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

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

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Part E - Information on risks and related hedging policies

2.2.2 Risk parameters

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

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

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

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

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

The Value at Risk (VaR) represents the monetary threshold of the losses distribution which is overcome only with a given probability level (a 99.9% confidence level VaR implies that the loss threshold is exceeded in 1 case out of 1,000). Economic Capital is derived from Value at Risk subtracting the Expected Loss and is an input for determining Economic Capital set up to cover potential losses from all the sources of risk (Reference is made to paragraph “Other risks included in Economic Capital”, Explanatory notes, Part E - Information on risks and related hedging policies, Section 2.6 Other risks).

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

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

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

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

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2.2.3 Rating systems

In order to determine capital requirements for credit risks, UniCredit group uses the IRB Advanced approach, as stated by Banca d'Italia act No.365138 dated 28 March 2008.
With specific reference to credit risk, the Group has been authorised to use internal estimations of PD, LGD and EAD parameters for Group wide credit portfolios (Sovereign and Global Project Finance) and for local credit portfolios of relevant subsidiaries (corporate and retail). Considering CRR3 provisions, only PD internal models are used for Banks & Financial Institutions, Multinational Corporate. The mentioned approach has been adopted by UniCredit S.p.A. (UCI S.p.A.), UniCredit Bank GmbH (UCB GmbH) and UniCredit Bank Austria AG (UCBA AG) and were subsequently extended and authorized to UniCredit Banka Slovenija d.d., UniCredit Bulbank AD, UniCredit Bank Czech Republic and Slovakia, a.s., UniCredit Bank Hungary Zrt. and AO UniCredit Bank. Starting from 2025, the revert to Standardised Approach (Permanent Partial Use) have been authorized in UniCredit Bank SA in Romania for all former Group-Wide and Local IRB portfolios and in UniCredit Bulbank AD for all former local IRB portfolios.

The following table summarizes the rating systems authorized by the Supervisory Authorities for each main exposure class/Legal Entities.

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

Notes:
(*) These entities are currently authorized only to use the IRB Foundation, therefore use only PD internal estimations for determination of capital requirements. Moreover, for AO UCB the use of the FIRB approach is for consolidated purposes only.
(**) With reference to Italian enterprises portfolios, regulatory EAD parameters are currently used.
(***) PD Parameter is applied, among others, also to Natural Persons characterised by entrepreneurship risk ("Private-like") which are excluded from the scope of application of the PD RIP-One but included within the unique framework of LGD RIP One.

Keywords:

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

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2.2.4 Stress test

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

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

As regards the modelling methodology, the current framework envisages to estimate the relationships between the macro-economic factors and the internal default/recovery rate historically observed at cluster level (Country/Asset Class), through time series and/or panel regressive analysis. However, with regard to the low default portfolios (e.g. Multinational, Banks, Sovereigns), for which no enough defaults events are available, alternative approaches are considered. These imply to leverage either on external data (i.e. external rating) or stressing directly the input of Group Wide Rating System (i.e. Sovereign Rating System).

Model's output in terms of expected variations of PD/LGD conditional to the macro-economic scenarios are then used in order to obtain stressed PD/LGD of each credit exposure. Starting from the stressed PD/LGD the Pillar I Credit Risk metrics (LLP and RWEA) are calculated through dedicated simulation engine and according to the EBA Stress test methodology, while Pillar II stress metrics (EC and AFR) are calculated according to the following methodology:

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

2.3 Measurement methods for expected losses

Risk management practices

2.3.1 Staging Allocation and Expected Credit Losses Calculation

The Credit Risk Management, Measurement and Control processes described in the previous paragraph, are also used for the calculation of impairment of Loans and debt securities classified as financial assets at amortised cost, financial assets at fair value through other comprehensive income and relevant off-Balance sheet exposures as required by IFRS9.

For this purpose, the calculation of impairment in accordance with expected credit losses is based on two main pillars:

- the Stage allocation of the credit exposures;
- the associated calculation of expected credit loss.

Stage allocation - General framework

In the UniCredit group, the Stage allocation is based on the application of qualitative and quantitative components. With reference to the quantitative component of the stage allocation model, the Group has adopted a statistic approach, whose goal is to define a threshold in terms of maximum variation acceptable between the PD measure at the disbursement and the one at the reference date.

In more detail among the others qualitative and quantitative elements to be assessed, the following are worth to be outlined:

- comparison, on a transaction basis, between the PD as of origination date, and the PD as of the reporting date, both calculated according to the internal models and based on a Lifetime view; the thresholds consider all the key variables that can affect the Bank's expectation about PD changes over time (e.g., residual maturity, PD level at the time of first origination). In the comparison between Lifetime PDs as of origination and reporting dates, beside considering the specific current and forward-looking conditions as a key element affecting the PD comparison, also the repayment structure (specifically bullet/balloon compared to amortizing loans) is taken into consideration in the PD comparison, in order to factor-in higher riskiness of financial instruments with significant repayment at maturity, where the risk of a default occurring may not necessarily decrease as time passes[31];
- further quantitative criteria, in order to support the timely detection of the Significant Increase in Credit Risk, namely:
  - threefold increase in lifetime PD, Stage 2 classification is triggered in case the Lifetime PD at the reporting date results higher than three times the one at the inception date of the financial instruments, in line with Supervisory expectations;
  - adoption of a threshold value of 1 year IFRS9 PD equal or higher than 20% as a Stage 2 criterion, such threshold, adopted considering the benchmark value retrievable within the ECB Asset Quality Review Manual, has the aim to identify financial instruments that, with little room for interpretation, have registered a significant increase of credit risk since inception date and with high risk of migration to default;

31 In line with IFRS9 Par. B5.5.11. In this regard, the Lifetime PD considered for bullet/balloon loans and used in the PD comparison for staging allocation is also consistently adopted for Expected Credit Loss calculation.

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- absolute elements, such as the backstops required by law (e.g., 30 days past-due). In this case, the Group has chosen not to reject the significant deterioration presumption after 30 days past-due by allocating in Stage 2 transactions with more than 30 days past due[32];
- additional internal assessment, also including renegotiations of financial instruments due to financial difficulties met by the counterparty (e.g., Forborne classification) and certain kinds of credit monitoring watchlist classifications.

The Stage allocation model is tested at each reporting date, to timely capture both significant deterioration and its reverse in a symmetric way and to correctly allocate each transaction within the proper stage and related expected loss calculation model. In this regard it is noted that in order to achieve lower volatility in the migrations of the Stage classifications the following measures are in place:

- adoption of a minimum time permanence in stage 2 of at least 3 months, since initial classification in such a stage, preventing the reclassification to Stage 1 from Stage 2 in case of overcoming of the quantitative and/or qualitative conditions underlying the Significant Increase in Credit Risk before a minimum period in stage 2 has passed, stabilising Staging migrations;
- full alignment of the Stage 2 classification to the Forborne Performing status, thus ensuring a minimum period of permanence for concessions to clients in financial difficulty equal to the regulatory Probation Period. Such measure makes consistent the entrance/exit criteria to/from Stage 2 due to Forborne Performing classification, avoiding potentially premature reverts to Stage 1 for obligors having yet significantly higher credit risk than the ordinary performing portfolio.

The outcome of the Stage allocation is the classification of credit exposure in Stage 1, Stage 2, or Stage 3 according to their absolute or relative credit quality with respect to the initial disbursement. Specifically:

- the Stage 1 includes:
  - newly issued or acquired credit exposures;
  - exposures for which credit risk has not significantly deteriorated since initial recognition;
  - exposures having low credit risk (low credit risk exemption), qualifiable as investment grade debt securities as well as loans on clients having a 1-year IFRS9 PD lower than 0.3%[33]. Such a treatment of these types of exposure allows to stabilise staging 2 migrations, reducing volatility and avoiding classification into Stage 2 for customers characterised by a clearly low level of credit risk.
- the Stage 2 includes credit exposures that, although performing, have seen their credit risk significantly deteriorating since initial recognition;
- the Stage 3 includes impaired credit exposures. With reference to Stage 3, it should be noted that it includes impaired exposures in accordance with Banca d'Italia rules, defined in Circular 272 of 30 July 2008 and subsequent updates, to the aggregate Non-Performing Exposures as ITS EBA (EBA/ITS/2013/03/rev1 24 July 2014). In particular, EBA[34] has defined as "Non-Performing" exposures that meet one or both of the following criteria:
  - material exposures more than 90 days past due;
  - exposures for which the Bank assesses that is unlikely that the debtor would pay in full his credit obligations without recurring to enforcement and realisation of collaterals, regardless of past due exposures and the number of days the exposure is past due.

The result of the stage allocation affects the amount of expected credit losses recognised in financial statements (ref. to the next caption). Indeed:

- for exposures in Stage 1, impairment is equal to the expected loss calculated over a time horizon of up to one year;
- for exposures in Stages 2 or 3, impairment is equal to the expected loss calculated over a time horizon corresponding to the entire life of the exposure.

Expected credit loss calculation - General framework

To calculate expected loss, the Group has developed specific models based on PD, LGD and EAD parameters and the effective interest rate.
In particular:

- PD (Probability of Default), which expresses the exposure probability of default in a given time horizon (e.g.: 1 year);
- LGD (Loss Given Default), which expresses the estimated loss percentage and therefore the expected recovery rate when a default event occurs;
- EAD (Exposure at Default), expresses the level of the exposure at the time of default event;
- the effective interest rate is the base rate which expresses the time value of money.

32 The only one exception on the adoption of 30 days past-due as backstop is in UniCredit S.p.A. in presence at client level of purchased receivables without recourse. Indeed, given the peculiarity of factoring business, characterised by roll-over of receivables payment and technical timing for management of the payment of the receivables, the 30 days past-due can be prone to be breached due to pure technical reasons. Consequently, the 30 days past-due significant deterioration presumption may be rebutted demonstrating that most of the client exposures in 30 days past-due is related to factoring activities. In such case the backstop for 30 days past-due is set out at 60 days past-due.
33 Such threshold, in addition to be a supervisory benchmark retrievable from ECB Asset Quality Review Manual, is also consistent with an Investment Grade equivalent level of risk.
34 The regulatory framework for the new definition of default has been integrated with the entry into force, starting from 1 January 2021 of the "Guidelines on the application of the definition of default under article 178 of (EU) Regulation 575/2013"(EBA/GL/2016/07).

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Such parameters are calculated starting from the same parameters applied for regulatory purposes, specifically adjusted to guarantee full consistency, however respecting the different requirements between accounting and regulatory treatment. The main adjustments are aimed at:
- removing the conservativism required for regulatory purposes;
- introducing "point in time" adjustments which replace the "through-the-cycle" view required by the regulation;
- including "forward looking" information;
- extending credit risks parameters to a multi years horizon.

With reference to lifetime PD, PD curves calculated through-the-cycle are calibrated to reflect the point-in-time and forward-looking expectation with reference to the portfolio default rate. The recovery rate embedded in the LGD calculated along the economic cycle (through-the-cycle) is adjusted to remove the margin of conservatism and reflect the current trends in recovery rates as well as expectations about future trends discounted to the effective interest rate or its best approximation.
The EAD calculated along the instrument lifetime is determined by extending the prudential or managerial one-year model, removing the margin of conservatism. The forecast in terms of default rate and recovery rate, determined through models that estimate a relationship between these variables and macroeconomic indicators, is embedded in the PD and LGD parameters during the calibration phase. The credit parameters, in fact, are normally calibrated on a horizon that considers the entire economic cycle (Through-the-cycle - TTC), so it is necessary to calibrate them Point - in - time (PIT) and Forward - Looking (FL) allowing to reflect in these credit parameters the current situation as well as expectations about the future evolution of the economic cycle.
The expected credit loss deriving from the parameters previously described considers macroeconomic forecasts through the application of multiple scenarios to the forward-looking components in order to compensate the partial non-linearity that is naturally embedded in the correlation between the macroeconomic changes and expected credit loss. Specifically, the non-linearity effect is incorporated by estimating a correction factor applied directly to the expected credit loss (ECL) of the portfolio.

Expected credit loss calculation - adjustments applied as at 30 June 2025

Overlay
As at 30 June 2025, in light of persistence of the geopolitical uncertainty, the relevant adjustments with impact on loan loss provisions' recognition were maintained.

In this regard, UniCredit applied the following adjustments:
- a Real Estate overlay was recognised since 31 December 2023 to cover refinancing risk and collateral value reduction given the real estate risk, which might impact the ability of Commercial Real Estate clients to repay their credit exposures giving the steadily higher interest rates and lower price of real estate assets; such overlay is applied to clients having Commercial Real Estate Financing business or belonging to Real Estate Industry;
- a Geopolitical overlay was recognised since 31 December 2022 in order to consider in that context the sharp rise in energy costs, inflation and interest rates for both Corporate and private individuals following up the outbreak of Russia-Ukraine crises. As of June 2025, the following portfolios are affected from the application of the overlay:
  - Corporate industry sectors more exposed to U.S. export. Indeed, considering the recent tensions linked to U.S. tariffs, a fine-tuning to the geo-political overlay has been applied since 30 June 2025 in light of the changing global trade environment and the sectors vulnerability to trade tariffs;
  - Retail clients, for: (i) floating rate mortgages (not having overdue instalments), given the sensitiveness to steadily higher interest rate environment, and (ii) at least 1 unpaid instalment on their exposures, the latter indicative of counterparties with already difficulties in payments and as such particularly vulnerable in this specific contingency.

With reference to both overlays, as far as calculation is concerned:
- the credit exposures belonging to the above categories were identified according to their specific features;
- satellite models were run by applying, as macro-economic conditions, the Alternative Scenario[35];
- then, the resulting adjusted default rate is applied to the relevant categories to estimate the expected new inflows of defaulted exposures;
- eventually, additional LLPs are calculated by applying to the expected new inflows of defaulted exposures the average coverage rate applied to Unlikely to Pay.

As at 30 June 2025, as a result of the approach here outlined the total amount of overlays (including "in-model calibration" factor) is equal to €1,772 million, of which UniCredit S.p.A. €877 million.

35 For the geopolitical overlay and the CREF one the alternative scenarios were kept equal as at 31 December 2022 and 31 December 2023 respectively as such scenarios were still deemed to be appropriate. In addition, specifically for commercial real estate overlay, the alternative scenario was adjusted to neutralize the components favorably affecting the creditworthiness of the Commercial Real Estate portfolio by implicitly lowering the default rate. In detail: (i) the short-term interest rates used in the baseline scenario were applied; (ii) the upside on the House Price Index (HPI) foreseen by the recessive scenario as a result of lower interest rate was neutralized.

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2.3.2 Non-performing exposures

With reference to impaired exposures (Stage 3) the expected recoverable amount, and therefore the expected credit loss, is the present value of future cash flows expected to be recovered, discounted at the original interest rate.
Therefore, the main determinants of this value are:

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

Expected cash flows on defaulted exposures are calculated on an individual basis for individually significant exposures.
Expected cash flows on already defaulted exposures that are not individually significant are calculated either on an individual or a collective basis.
Where a Legal Entity has several individually significant exposures towards one single counterparty, each loan is individually assessed while also considering the overall position of the counterparty.
Future cash flows must be estimated considering the historical trend of recovery for exposures having similar credit risk features. The historical trend in any case is adjusted so to embeds the current economic environment and the expected economic outlooks.

2.3.3 Selling scenarios

In the assessment of impaired exposures (Stage 3), possible sales scenarios are also considered where the Group's NPE strategy envisages experiencing recovery through their sale to the market.
For this purpose, the presumed recovery value of credit exposures classified as Bad Loans and Unlikely to Pay is determined as weighted average between two scenarios:

- internal recovery scenario, whose expected recovery value is estimated assuming an internal restructuring or work-out process according to what has previously been described;
- sale scenario, whose expected recovery value is estimated assuming the sale of the exposures on the market. The expected sale price is determined considering market or internal information based on the following hierarchy:
  - prices deriving from past sales of impaired loans with homogeneous characteristics with those evaluated;
  - prices observable on the market for impaired loans with homogeneous characteristics with those evaluated;
  - internal evaluation models.

In line with the strategy to maximize the value of non-performing portfolio through all possible levers, also during the first six months of the 2025 deleveraging actions on non-performing positions for which the sale was considered the solution optimizing.

The residual perimeter under IFRS9 “selling scenario” evaluation approach as at 30 June 2025 is €198 million. There was no impact on this perimeter in terms of provisions as no material changes in prices, probabilities of migration and disposal or perimeter were applied.

2.3.4 Scenarios and Sensitivity

In line with the IFRS9 standard and group internal regulation, the IFRS9 parameters have been calibrated considering updated macro-economic scenarios as at second quarter 2025.
Specifically, the Group selected three macroeconomic scenarios to determine the forward-looking component of expected credit loss (ECL):

- Baseline scenario, which assumptions are aligned with the scenario used for the Shareholding Impairment Test and the Deferred Tax Assets Sustainability Test. It represents the reference central scenario with the higher probability of realization (60%);
- Adverse scenario, which is based on the alternative scenario released by UniCredit group Investment Strategy in May 2025 (presented to Group Financial and Credit Risk Committee in May 2025) and embedding a worsened evolution of macro-economic context, but with a lower probability of realization vis-à-vis the baseline (35%);
- Positive scenario, reflecting better macroeconomic forecast than the baseline scenario, with a lower probability than the other two scenarios (5%).

For a description of main assumptions behind “baseline”, “adverse” and “positive” scenarios refer to Part A - Accounting policies, A.1 General, Section 2 - General preparation criteria.

The probability weights of 60% for the baseline, 35% for the adverse, and 5% for the positive scenario reflect a macroeconomic outlook still marked by significant uncertainty. While the baseline assumes a gradual recovery supported by stabilizing inflation, resilient labor markets, and moderately accommodative financial conditions. The adverse scenario is given a higher probability than the positive due to the greater perceived likelihood of adverse shocks. The upside scenario, though plausible, depends on a less probable alignment of favorable global and regional developments. This asymmetric distribution supports a cautious approach to risk assessment and planning, in line with current macro-financial conditions.

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For purposes of calculating the IFRS9 ECL which is determined as weighted average of ECL underlying each scenario, the interest rate trend of the positive scenario has been capped at the values of the baseline to ensure consistent outcomes in terms of ECL (i.e. ECL Positive lower than ECL Baseline and ECL Adverse).

Besides the update of macroeconomic scenarios, the default rates and recovery rates, underlying IFRS9 PD and LGD calibration, have been updated accordingly, in line with ordinary process.

The update of the macro-economic scenarios under the rules reported above has determined, in the first half 2025, the recognition of write-downs for €30 million as result of update on macro-economic factors and weights assigned to scenarios, with the following break-down by geography:
- Germany: €19 million of write-downs;
- Central & Eastern Europe: €8 million of write-downs;
- Italy: €3 million of total net write-downs to which UniCredit S.p.A. contributes for €3 million of net write-downs.

Sensitivity of Expected Credit Losses (ECL)
The sensitivity of IFRS9 ECL to macroeconomic scenarios change is estimated by comparing the ECL calculated alternatively weighting at 100% the adverse, baseline and positive scenarios.

With respect to the baseline in the adverse scenario the ECL would increase by 4.2% (3.3% for UniCredit S.p.A.) equivalent to €176 million (of which €58 million for UniCredit S.p.A.). While the ECL in the positive scenario would decrease by 1.9% (2.0% for UniCredit S.p.A.) equivalent to €78 million (of which €34 million for UniCredit S.p.A.).

Furthermore, a sensitivity factor to 1 point of GDP change cumulated over the reference time horizon (2025-27) has been calculated. More in details ECL sensitivity to GDP change is calculated as the ratio of:
- the difference between ECL estimated under the alternative scenarios (positive and adverse) vis-à-vis the baseline;
- the GDP points deviations (on 3 years cumulative basis) between alternative scenarios and baseline scenario.

Implied assumptions are:
- GDP change is assumed to be the most relevant economic factor as indicator of scenario severity;
- for each Legal Entity the GDP of the reference country is considered for the calculation of the respective sensitivity (e.g., for UniCredit S.p.A. the Italian GDP was considered, for UniCredit Bank GmbH the German GDP, etc.).

The results considering the current IFRS9 scenarios (baseline, adverse and positive) and portfolio are the following:
- for 1 point of increase in GDP (cumulated over 3 Years) the ECL at Group level is estimated to decrease by -0.8% (-1.0% for UniCredit S.p.A.);
- for 1 point of GDP drop (cumulated over 3 years) the ECL at Group level is estimated to increase by +0.8% (+0.6% for UniCredit S.p.A.).

Inclusion of Climate Risk in provisioning (ECL)
Starting from 2024 the potential impacts of climate change related to both transition and physical risk have been incorporated into the estimation of Expected Credit Losses (ECL).
The approach envisages to model both transition and physical risk directly in the evolution of forward-looking parameters (PD/LGD) and use them to calculate the IFRS9 Expected Credit Losses.

In line with industry best practices and IFRS9 standards impacts of C&E risk have been calibrated considering different assumptions in terms of implementation of transition policies and severity on physical risk. The climate scenarios relevant for IFRS9 which are based on those defined by Network for Greening the Financial System (NGFS) are:
- Net Zero 2050 - this scenario limits global warming to 1.5 °C through stringent climate policies and innovation, reaching global net zero CO_2 emissions around 2050. Some jurisdictions reach net zero for all greenhouse gases by this point. Physical risks are relatively low, but transition risks are high;
- Delayed Transition - that assumes global annual emissions do not decrease until 2030 as new climate policies are not introduced until that year. Strong policies are then needed to limit warming to below 2 °C. The level of action differs across countries and regions based on currently implemented policies. This leads to both higher transition and physical risks than the Net Zero 2050;
- Current Policies - that assumes that only currently implemented policies are preserved, leading to limited transition risk but severe physical risks.

In the second quarter of 2025, the scenarios remain unchanged compared to the fourth quarter of 2024. The related impacts are primarily driven by changes in portfolio composition, which are negligible. The ECL stock allocated to cover climate risks remains broadly stable at approximately 106 million, consistent with the level observed in fourth quarter 2024.
The next update of the ECLs for climate risks is expected by the end of the year, to include possible changes in climate scenarios.

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2.4 Credit risk mitigation techniques

UniCredit group uses various credit risk mitigation techniques to reduce potential credit losses in case of the obligor default. Consistent with the "Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (CRR)", and subsequent updates or amendments, UniCredit group is firmly committed to satisfy the requirements for the correct application of credit risk mitigation techniques, according to the different approaches adopted, Standardised, Foundation IRB (F-IRB) or Advanced IRB (A-IRB), for both operational and regulatory purposes.

Specific Group guidelines are in force, issued by the Parent Company, defining group-wide rules and principles with the aim to steer the credit risk mitigation management, in accordance with the relevant regulatory requirements.

Integrating these guidelines, Legal entities have adopted local regulations, specifying processes, strategies, and procedures for collateral management. In particular, such internal regulations detail, according to each Country's local legal system, collateral eligibility, acquisition, valuation and monitoring rules and ensure the soundness, legal enforceability and timely liquidation of valuable collateral.

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

According to the credit policies, collaterals or guarantees can be accepted to support loans but cannot serve as a substitute for the borrower's ability to meet its obligations. For this reason, in addition to the overall analysis of the borrowers' credit worthiness and of his repayment capacity, collaterals are subject to specific assessment with the aim to verify their viability to support the repayment of the exposure[36].

Collaterals accepted to support credit lines granted by the Legal entities, primarily include:

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

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

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

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

Personal guarantees can be provided by Banks, government, central Banks and other public entities, insurance and others.

The last category includes the personal guarantees provided by natural persons, whose eligibility for CRM depends on the approach used by the different Legal Entities.

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

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

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

In the collateral acquisition phase, UniCredit group emphasises the importance of processes and controls of the legal certainty requirements of the protection, as well as the assessment of the suitability of the collateral or guarantee. In case of personal guarantees, the protection provider (or the protection seller in case of credit default swap) has to be assessed in order to measure his/her credit worthiness and risk profile and assess the degree of correlation between the guarantor and the obligor. Monitoring processes of credit risk mitigation techniques ensure that general and specific requirements set by credit policies, internal and regulatory rules are met over the time.

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

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Among such processes, it is worth to mention the one connected to concentration risk, which occurs when the major part of Group-wide collateral financial assets (at portfolio level) are concentrated in a small number of collateral types, protection instruments, or specific providers of collaterals. Such concentration is monitored and controlled by the following processes/mechanisms:

- in case of personal guarantees/credit derivatives, a contingent liability (indirect risk) is charged to the protection provider. In the evaluation of the credit application, a secondary commitment is added to the guarantor, and it is reflected in the guarantor's total credit exposure, calculated and approved consistently with the delegation of duties of each Group Entity;
- in case the protection provider, directly or indirectly, is a Central Bank or a Sovereign country, a specific credit limit has to be defined; if the guarantor is a foreign subject, it is necessary to evaluate case by case the definition of a country limit.

3. Non-performing credit exposures

3.1 Management strategies and policies

In order to ensure a homogeneous approach in the classification of credit exposures for regulatory and reporting purposes, UniCredit has defined guidelines at Group level for the classification of non-performing exposures that refer to the principles reported in the Implementing Technical Standards issued by the Authority European Banking in 2014. This definition of non-performing exposures complements the definition of "default" exposures, disciplined by EBA Guidelines on default definition in line with article 178 of Regulation (EU) 575/2013 of the European Parliament and of the Council (EBA/GL/2016/07) in force since 1 January 2021, and "impaired" exposures defined by IFRS9 Accounting Standards. A substantial alignment within the Group has been pursued between the three definitions, providing the Supervisory Authorities with a harmonised view of these concepts, and strengthening the tools available to the Authorities for assessing the asset quality.

The default classification criteria in force since 1 January 2021 include, among the main aspects, harmonized thresholds at European level for past due materiality and additional Unlikely to Pay triggers further regulated by EBA/GL/2016/07 with respect to the high-level provisions of article 178 of Regulation (EU) 575/2013. In this regard, it is highlighted the Distressed Restructuring for credit obligation object of concession, where a maximum threshold for decreasing the Net Present Value of 1% has been set, as well as specific requirements on the contagion effects of default in the case of connected customers (mainly, groups of companies, joint headings between individuals and links between individuals and companies with unlimited liability). In addition, a mandatory minimum probation period before returning to the non-defaulted status has been defined.

Furthermore, in accordance with the provisions of Banca d'Italia in Circular 272/2008, non-performing credit exposures of each Group entity must be classified in one of the following risk classes:

- past-due and/or overdue exposures: problematic exposures that are more than 90 days past due on any material obligation (the latter assessed in line with article 178 (2d) of Regulation (EU) 575/2013 and the Technical Standards of the EBA);
- unlikely to pay: the classification in this category is the result of the judgment of the bank about the unlikeliness, without recourse to actions such as realising collaterals, that the obligor will pay in full (principal and/or interest) its credit obligations. This assessment should be carried out independently of the presence of any (or rate) past due and unpaid amount;
- bad loans: exposures to borrowers in a state of insolvency (even when not recognised in a court of law) or in an essentially similar situation, regardless of any loss forecasts made by the bank.

According to the Group rules, all debtors in the bank's portfolio must be mapped in the classes defined by Banca d'Italia, regardless of local reporting which has to be performed according to local accounting standards and/or local supervisory regulations or instructions.

These classification rules are further integrated by accounting principles defined in IFRS9, according to which credit exposures must be allocated in three "stages" (for details refer to section "2.3 Expected loss measurement method"). With regard to non-performing exposures, the allocation to "Stage 3" occurs when the customer's status changes into "non-performing". This is a classification at counterparty level and not at transaction level based on specific regulations on the classification of non-performing exposures.

In accordance with Art.156 EBA ITS, an exposure must remain classified as non-performing[37] as long as the following criteria (exit criteria) are not met simultaneously:

- the situation of the debtor has improved to the extent that full repayment of the original due amount is likely to be made;
- the debtor does not have any amount past-due by more than 90 days.

37 The regulatory framework for the transition from performing to non-performing exposures ("criteria for a return to a non-defaulted status ") has been integrated with the entry into force of the "Guidelines on the application of the definition of default under Art.178 of Regulation (EU) 575/2013"(EBA/GL/2016/07) as at 1 January 2021.

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Part E - Information on risks and related hedging policies

Specific exit criteria must be applied in case the Forbearance measures are extended to non-performing exposures, listed below:
- the starting date of the observation period of one year is the latest between the adoption of Forbearance measures and the classification as non-performing;
- any past due amount is verified if no past due occurs at debtor level;
- from a judgmental evaluation by the empowered Body, there are no doubts regarding the "full repayment" of the amount owed by the debtor.
- In the non-performing credit exposures management, UniCredit group adopts certain strategies that operationally define the activities necessary to achieve the targets defined yearly.

The aforementioned strategies concerning impaired loans include:
- an effective internal restructuring activity, aiming at bringing fully back to bonis the portfolio thanks to qualified resources with specific skills dedicated to the management of loans classified as unlikely to pay;
- proactive portfolio management through judicial and extra-judicial procedures managed by internal Workout professionals or assigned to external agencies specialised in credit recovery;
- optimization of recovery performance thanks to formalised partnerships with specialised servicers
- disposal of impaired loans as further strategy for internal recovery both for individual positions and for portfolios of impaired loans, already classified as bad loans and unlikely to pay.

A successful NPE Strategy execution requires effective interaction between the Group Risk Management structure and the functions dedicated to the management of non-performing exposures directly reporting the local CROs of the Legal Entities.
More specifically, within Group Risk Management, the Group NPE structure was set-up to ensure on the one hand an adequate control over the execution and monitoring of the NPE Strategy.

In the all Legal Entities dedicated functions to the management of non-performing exposures are in place; they cover all the phases of the NPEs life cycle, take into account local regulations and the specific characteristics of portfolios, monitor and manage the amount of NPEs coherently with both European Central Bank Guidelines and Group organisational model.
The structures dedicated to the operational management of non-performing exposures are therefore tailored to each state of the life cycle of non-performing loans, starting from a careful monitoring of the performing portfolio, up to the recovery activity that includes the disposal of credit or the "repossession" of the collateral.
In particular, the monitoring activity is aimed at preventing flows to default and reducing the amount of past due exposures by detecting signals of risk of deterioration and early warning, as well as identifying the needed corrective measures to manage the potential deterioration of exposures starting from the early signs of worsening of the counterparties' credit quality.
Soft collection, door-to-door and re-management activities which pertain both performing (though already overdue) counterparties and already defaulted clients are carried out through the use of multiple channels, also using outsourcing solutions to third-party companies (in particular for door-to-door recovery activities). These activities also aim at preventing flows to default and facilitating the back-to-performing classification (main focus), thus contributing to a reduction of the overall amount of non-performing exposures.
In some Legal Entities the aforementioned activities can be managed within either the Monitoring, or Restructuring or Workout units; with reference to UniCredit S.p.A. these responsibilities are allocated to the Credit Monitoring unit within which an ad hoc department was created (i.e. Customer Recovery) exclusively dedicated to soft collection and re-management for retail portfolio.

As part of the overall management of deteriorated exposures, the Restructuring activity is aimed at mitigating the risk of insolvency and the quality of exposures with restructuring agreements and company reorganisation plans as well as reducing the amount of unlikely to pay with recoveries and performing re-classification, by means of forbearance measures. Specifically, among the strategies for managing unlikely to pay loans to corporate counterparties, there are also restructuring platforms (up to now limited to the Italian market), the disposal of individual exposures and extraordinary finance transactions.
The coordination and implementation of recovery strategy on positions classified as bad loans fall instead within the responsibility of the "Workout" unit, whose reporting structures identify the optimal strategies for maximising recoveries, including the timely enforcement of collaterals.
In some Group legal entity the activity is also implemented by leveraging on service agreements with external agencies.

As pertains the disposal activities, these refer to the organisation, management and execution of sales processes (both credit portfolios and individual positions), through the application of a transparent and competitive methodology based on market criteria. At Group level, these activities are performed by Group NPE, which evaluates various disposal options alternatives, in cooperation with the legal entity's peer function where deemed necessary to handle specific local cases.
More in general, Group NPE oversees the relationships with external partners and is responsible of the services and of the contracts among UniCredit S.p.A. and the servicers in charge of the recovery activity for the NPE portfolios.

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Part E - Information on risks and related hedging policies

3.2 Write-off

Group guidelines for write-offs on financial assets provide that whenever a loan is deemed to be uncollectable/unrecoverable it needs to be identified at the earliest possible opportunity and properly dealt with in accordance with financial regulations. Write-offs can relate to a financial asset in its entirety, or to a portion of it.

In assessing the recoverability of non-performing exposures (NPE) and in determining internal NPE write-off approaches, the following cases, in particular, are considered:

- exposures with prolonged arrears: it is assessed the recoverability of an exposure that presents arrears for a prolonged period. If, following this assessment, an exposure or part of an exposure is deemed as non-recoverable, it should be written-off in a timely manner, adopting different thresholds predefined on the basis of the different portfolios;
- exposures under insolvency procedure: where the collateralization of the exposure is low, legal expenses often absorb a significant portion of the proceeds from the bankruptcy procedure and therefore estimated recoveries are expected to be very low;
- a partial write-off may be warranted where there are reasonable elements to demonstrate the debtor's inability to repay the full amount of the debt, i.e., a significant level of debt, even following the implementation of a forbearance treatment and/or the execution of collateral.

Below a non-exhaustive list of hard evidences implying, with high likelihood, the not recoverability of the exposure to be assessed for the potential (total or partial) write-off:

- the Bank cannot call the guarantor(s), or his assets are not sufficient for the recovery of the debtor's exposures;
- negative outcome of the judicial and/or out-of-court initiatives with absence of other assets that can be called in the event of un-recoverability of the debtor's exposures;
- impossibility to initiate actions to recover credit;
- current insolvency procedure, from which the procedure itself states that the unsecured exposures will not have redress;
- loans not backed by mortgage security older than 3 years that have not registered repayments/collections during the first 3 years after the NPE classification.

Specifically, as at 30 June 2025 write-offs on financial assets at amortised cost still subject to an enforcement procedure amount to €8,202 million, of which partial write-offs amount to €663 million and total write-offs amount to €7,539 million. The amount of write-offs (both partial and total) related to the 2025 first half financial year is €110 million. The write-offs as at 30 June 2025 cannot be compared to write-offs amount reported in gross changes in non-performing exposures, because the latter includes "debt forgiveness" as well as portfolios other than financial assets at amortised cost.

3.3 Acquired or originated impaired financial assets

Purchased or Originated Credit Impaired (POCI) are credit exposures that are already impaired on initial recognition. Consequently, every purchase of credit assets of Non Performing obligors or significant new origination done on obligors already in Non-Performing status, considering the full alignment between impaired status and Non-Performing one, shall be considered as POCI Assets (though, in general, POCI classification is the result of the restructuring of impaired exposures which has led to the provision of significant new finance, either in absolute or in relative terms, compared with the among of the original exposure).

These exposures are subject to management, measurement and control according to the principles described in the paragraph "2.2 Credit risk management, measurement and control", Explanatory notes, Part E - Information on risks and related hedging policies, Section 2 - Risk of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information, 2. Credit risk management policies.

In particular, the expected credit losses recorded at initial recognition within the carrying amount of the instrument are periodically reviewed on the basis of the processes described in the previous paragraphs.

The expected credit loss calculated for these credit exposures is always determined considering their residual life, and such exposure are conventionally allocated into Stage 3, or in Stage 2 if, as a result of an improvement in the creditworthiness of the counterparty following the initial recognition, the assets are performing.

These assets are never classified under Stage 1 because the expected credit loss must always be calculated considering a time horizon equal to the residual duration.

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Part E - Information on risks and related hedging policies

4. Commercial renegotiation financial assets and forborne exposures

Renegotiations of existing financial instruments which determine a modification of contractual conditions might be the result of either:

- commercial initiatives, which may be specific for each customer or applied to portfolio of customers also as a result of dedicated initiatives sponsored by public authorities or banking associations;
- concessions granted in light of debtor's financial difficulties (Forbearance).

Such changes are accounted on the basis of whether the modification is considered significant or not. In this regard, reference is made to paragraph "A.2 - Main items of the accounts", Explanatory notes, Part A - Accounting policies.

The concessions granted due to debtor's financial difficulties, so-called Forbearance initiatives, are usually considered not significant from an accounting perspective.

4.1 Loan categorisation in the risk categories and forborne exposures

In July 2014, the European Banking Authorities issued the "Implementing Technical Standards" (ITS) on non-performing and Forborne exposures, with the aim to allow a closer supervisory monitoring of banking forbearance practices. In line with the mentioned ITS, a transaction has to be considered as forborne when both of the following conditions are simultaneously met:

- a concession in favour of the debtor exists, in the form of either (i) a contractual modification or (ii) refinancing aimed at ensuring the repayment of pre-existing obligation;
- the debtor is facing or about to face financial difficulties.

To comply with EBA ITS, since 2015 UniCredit S.p.A., has worked on the definition of a common methodological framework for Forbearance process, issuing group's guidelines on forbearance management and setting up a shared IT infrastructure (i.e., Forbearance engine). Specifically, the Forbearance engine automatically performs, on the basis of a set of a pre-defined criteria, an assessment of the overall financial difficulty of the client subject to a concession (Trouble Debt Test). In coherency with the overall solution, the different Group's legal entities adopted some fine tunings to adapt the Group's framework to the local IT tools and credit practices.

Starting from 2017, the regulatory framework relating to the management of Forborne exposures has been integrated with the following papers:

- "Guidance to Banks on Non-Performing Loans", issued by European Central Bank in March 2017, which require to Banks to define a clear NPL strategy aiming at the reduction of NPE Stock;
- "Guidelines on management of non-performing and forborne exposures", issued by European Banking Authority in October 2018, which are overall aligned with the ECB Guidance;
- "Guidelines on disclosure of non-performing and forborne exposures", issued by European Banking Authority in December 2018, which is focused on the disclosure templates to be used for Group's supervisory reporting purposes.

In order to ensure ongoing alignment with the regulatory and supervisory requirements mentioned above regarding Bank's forbearance practices, the Parent Company finalised the following activities:

- review of the list of the potential Forbearance measures to acknowledge: (i) with the split between short-term measures (duration less than 24 months) and long-term measures (duration higher than or equal to 24 months), (ii) with the possibility of granting combinations of short and long-term FBE measures and (iii) with the "*viability criteria*" defined by Supervisory for each FBE measure;
- reinforcement of the affordability assessment of the client prior to the Forbearance concession taking care to the case of multiple forbearance measures on the same exposure;
- extension of financial difficulty criteria in order to better capture significant increase in credit risk deterioration and to be more sensitive to credit monitoring managerial evidence;
- collection and monitoring of the relevant information within FINREP Reporting with disclosure on:
  - performing and non-performing portfolio;
  - guarantees;
  - default inflows and outflows;
  - list of the FBE Measures granted.

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Part E - Information on risks and related hedging policies

Quantitative information

In the following tables, the volume of impaired assets according to the IFRS definition is equivalent to the one for non-performing exposures referred to in the EBA standards.

A. Credit quality

For the purposes of the disclosure of quantitative information about credit quality, the term "credit exposures" does not include equity instruments and units in investment funds.

A.1 Non-performing and performing credit exposure: amounts, writedowns, changes, distribution by business activity

A.1.1 Regulatory consolidation - Breakdown of financial assets by past-due buckets (carrying value)

(€ million)

PORTFOLIOS/RISK STAGES	STAGE 1			STAGE 2			STAGE 3			PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS		
	FROM 1 TO 30 DAYS	OVER 30 AND UP TO 90 DAYS	OVER 90 DAYS	FROM 1 TO 30 DAYS	OVER 30 AND UP TO 90 DAYS	OVER 90 DAYS	FROM 1 TO 30 DAYS	OVER 30 AND UP TO 90 DAYS	OVER 90 DAYS	FROM 1 TO 30 DAYS	OVER 30 AND UP TO 90 DAYS	OVER 90 DAYS
1. Financial assets at amortised cost	4,058	180	179	2,196	767	162	874	386	2,386	5	6	51
2. Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	31	-	-	-	-	-
3. Financial instruments classified as held for sale	10	-	-	-	2	-	76	8	106	-	-	-
Total 30.06.2025	**4,068**	**180**	**179**	**2,196**	**769**	**162**	**981**	**394**	**2,492**	**5**	**6**	**51**
Total 31.12.2024	**4,304**	**689**	**183**	**1,814**	**543**	**162**	**1,200**	**358**	**2,338**	**20**	**4**	**16**

The amounts past due over 90 days and related to Stage 1 and Stage 2 exposures refer to loans that do not meet the definition of non-performing past due (below the materiality threshold).

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Part E - Information on risks and related hedging policies

Regulatory consolidation - On-Balance sheet credit exposures with banks: gross and net values

(€ million)

EXPOSURE TYPES/VALUES	AMOUNTS AS AT 30.06.2025											
	GROSS EXPOSURE					OVERALL WRITE-DOWNS AND PROVISIONS					NET EXPOSURE	OVERALL PARTIAL WRITE-OFFS(*)
		STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS		STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS		
On-Balance sheet credit exposures												
A.1 At Sight	**38,311**	**37,688**	**518**	**73**	**33**	**83**	**4**	**-**	**54**	**24**	**38,228**	**-**
a) Non-performing	106	X	-	73	33	79	X	-	54	24	27	-
b) Performing	38,205	37,688	518	X	-	4	4	-	X	-	38,201	-
A.2 Other	**93,159**	**83,317**	**4,915**	**37**	**-**	**38**	**20**	**10**	**8**	**-**	**93,121**	**-**
a) Bad exposures	4	X	-	4	-	4	X	-	4	-	-	-
of which: forborne exposures	-	*X*	-	-	-	-	*X*	-	-	-	-	-
b) Unlikely to pay	33	X	-	33	-	4	X	-	4	-	29	-
of which: forborne exposures	-	*X*	-	-	-	-	*X*	-	-	-	-	-
c) Non-performing past due	-	X	-	-	-	-	X	-	-	-	-	-
of which: forborne exposures	-	*X*	-	-	-	-	*X*	-	-	-	-	-
d) Performing past due	14	14	-	X	-	-	-	-	X	-	14	-
of which: forborne exposures	-	-	-	*X*	-	-	-	-	*X*	-	-	-
e) Other performing exposures	93,108	83,303	4,915	X	-	30	20	10	X	-	93,078	-
of which: forborne exposures	-	-	-	*X*	-	-	-	-	*X*	-	-	-
Total A	**131,470**	**121,005**	**5,433**	**110**	**33**	**121**	**24**	**10**	**62**	**24**	**131,349**	**-**

Note:
(*) Value shown for information purposes.

On-Balance sheet exposures to Banks include all financial assets regardless of their belonging portfolio (held-for-trading, assets designed and mandatorily at fair value through profit or loss, assets at fair value through other comprehensive income, assets at amortised cost and assets held for sale).

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Part E - Information on risks and related hedging policies

Regulatory consolidation - On-Balance sheet credit exposures with customers: gross and net values

(€ million)

	AMOUNTS AS AT 30.06.2025											
	GROSS EXPOSURE					OVERALL WRITE-DOWNS AND PROVISIONS						
EXPOSURE TYPES/VALUES		STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS		STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS	NET EXPOSURE	OVERALL PARTIAL WRITE-OFFS(*)
On-Balance sheet credit exposures												
a) Bad exposures	3,480	X	-	3,448	21	2,334	X	-	2,322	2	1,146	653
of which: forborne exposures	*745*	*X*	-	*738*	*3*	*463*	*X*	-	*458*	*1*	*282*	*15*
b) Unlikely to pay	8,124	X	-	7,810	176	3,096	X	-	2,983	4	5,028	10
of which: forborne exposures	*3,431*	*X*	-	*3,270*	*153*	*1,281*	*X*	-	*1,271*	*2*	*2,150*	*2*
c) Non-performing past due	708	X	-	685	18	241	X	-	236	1	467	-
of which: forborne exposures	*22*	*X*	-	*18*	*4*	*7*	*X*	-	*7*	-	*15*	-
d) Performing past due	8,165	4,652	3,508	X	-	436	55	381	X	-	7,729	-
of which: forborne exposures	*425*	*1*	*424*	*X*	-	*34*	-	*34*	*X*	-	*391*	-
e) Other performing exposures	581,690	518,008	45,759	X	8	3,294	884	2,410	X	-	578,396	-
of which: forborne exposures	*5,420*	*94*	*5,290*	*X*	*1*	*387*	-	*387*	*X*	-	*5,033*	-
Total A	**602,167**	**522,660**	**49,267**	**11,943**	**223**	**9,401**	**939**	**2,791**	**5,541**	**7**	**592,766**	**663**

Note:
(*) Value shown for information purposes.

On-Balance sheet exposures to customers include all financial assets regardless of their belonging portfolio (held-for-trading, assets designed and mandatorily at fair value through profit or loss, assets at fair value through other comprehensive income, assets at amortised cost and assets held for sale).

For a description of the rules for identification of forborne exposures reference is made to the paragraph “4. Commercial renegotiation financial assets and forborne exposures”, Explanatory notes, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter, 2.1 Credit risk, Qualitative information.

B. Distribution and concentration of credit exposures

B.4 Large exposures

	30.06.2025
a) Amount book value (€ million)	259,065
b) Amount weighted value (€ million)	39,562
c) Number	17

In compliance with Art.4.1 39 of Regulation (EU) 575/2013 (CRR), in case of exposures towards a group of connected clients formed by a Central Government and other groups of connected clients, such exposure towards the Central Government is reported for each group of connected clients when remitting regulatory reporting; despite the abovementioned regulatory approach, both the amounts shown in letter a), b), and the number in letter c) in the attached table above disclose only once the exposure towards the Central Government.
It should be noted that deferred tax assets towards Central Government were considered as fully exempted and, consequently, the weighted amount reported is null.
Carrying and weighted amounts also include the indirect exposures towards the issuers of securities used as collateral under reverse repurchase agreement transactions included in master netting agreements, in compliance to EBA Q&A n. 5496.

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Other transactions

With reference to the indications of Banca d'Italia/Consob/IVASS document No.6 of 8 March 2013 - Booking of "long-term structured repos" instructions, there are no transactions of this kind to report.

Information on structured trading derivatives with customers

The business model governing OTC derivatives trading with customers provides for the centralisation of market risk in Group Client Risk Management, while credit risk is assumed by the Group company which, under the divisional or geographical segmentation model, manages the relevant customer's account.

The Group's operational model provides for customer trading derivatives business to be carried on, as part of each subsidiary's operational independence:

- by the commercial Banks and divisions that close transactions in OTC derivatives in order to provide non-institutional clients with products to manage currency, interest-rate and price risks. Under these transactions, the commercial Banks transfer their market risks to the Group Client Risk Management by means of equal and opposite contracts, retaining only the relevant counterparty risk. The commercial Banks also place or collect orders on behalf of others for investment products with embedded derivatives (e.g., structured bonds);
- by CE and EE Banks, which transact business directly with their customers (and possibly manage market risk associated with specific products and/or risk factors).

UniCredit group trades OTC derivatives on a wide range of underlying, e.g., interest rates, currency rates, share prices and indexes, commodities (precious metals, base metals, petroleum and energy materials) and credit rights.

OTC derivatives offer considerable scope for personalisation: new payoff profiles can be constructed by combining several OTC derivatives (for example, a plain vanilla IRS with one or more plain vanilla or exotic options). The risk and the complexity of the structures obtained in this manner depend on the respective characteristics of the components (reference parameters and indexation mechanisms) and the way in which they are combined.

Credit and market risk arising from OTC derivatives business is controlled by the Chief Risk Officer competence line (CRO) in the Parent Company and/or in the Division or subsidiary involved. This control is carried out by means of guidelines and policies covering risk management, measurement and controls in terms of principles, rules and processes, as well as by setting VaR limits.

The business with non-institutional clients does not (usually) entail the use of margin calls, whereas with institutional counterparties recourse may be made to 'credit-risk mitigation' (CRM) techniques, by using netting and/or collateral agreements.

Write-downs and write-backs of derivatives to take account of counterparty risk are determined in line with the procedure used to assess other credit exposure, specifically:

- performing exposure to customers are mapped by deriving EAD (Exposure at Default) with simulation techniques that take into account the Wrong-Way Risk and measured with PD (Probability of Default) and LGD (Loss Given Default) implied by current market default rates obtained from credit & loan-credit default swaps, in order to obtain a value in terms of 'expected loss' (EL) to be used for items designated and measured at fair value maximising the usage of market's inputs;
- non-performing positions are valued in terms of estimated expected future cash flows according to specific indications of impairment (which are the basis for the calculation of the amount and timing of the cash flow).

Here follows the breakdown of balance-sheet asset item "20. Financial assets at fair value through profit or loss: a) financial assets held for trading" and of balance-sheet liability item "20. Financial liabilities held for trading".
For the purpose of the distinction between customers and banking counterparties, the definition contained in Circular 262 of 22 December 2005 of Banca d'Italia and subsequent amendments (which was used for the preparation of the accounts) was used as a reference.
Structured products were defined as derivative contracts that incorporate in the same instrument forms of contracts that generate exposure to several types of risk (with the exception of *Cross-Currency Swap*) and/or leverage effects.

Fair values of OTC derivatives managed through Central Clearing counterparts are reported on a net basis. The related reduction of balances is €125,888 million and €128,357 million on trading asset (item "20. Financial assets at fair value through profit or loss: a) financial assets held for trading") and liabilities ("20. Financial liabilities held for trading"), respectively.

The balance of item "20. Financial assets at fair value through profit or loss: a) financial assets held for trading" of the Consolidated accounts with regard to derivative contracts totaled €30,760 million (with a notional value of €3,913,341 million) including €17,940 million with customers.

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The notional value of derivatives with customers amounted to €1,988,471 million including €1,970,908 million in plain vanilla (with a fair value of €16,703 million) and €17,562 million in structured derivatives (with a fair value of €1,237 million).
The notional value of derivatives with banking counterparties totaled €1,924,871 million (fair value of €12,840 million) including €10,283 million relating to structured derivatives (fair value of €653 million).

The balance of item "20. Financial liabilities held for trading" of the Consolidated accounts with regard to derivative contracts totaled €26,880 million (with a notional value of €3,870,533 million) including €14,339 million with customers. The notional value of derivatives with customers amounted to €1,963,972 million including €1,949,564 million in plain vanilla (with a fair value of €13,807 million) and €14,408 million in structured derivatives (with a fair value of €532 million).
The notional value of derivatives with banking counterparties totaled €1,906,560 million (fair value of €12,541 million) including €12,779 million relating to structured derivatives (fair value of €893 million).

E. Prudential perimeter - Credit risk measurement models
As at 30 June 2025, the expected loss on the credit risk perimeter[38] was 0.36% of total Group credit exposure. The result does not include the exposures which have migrated to default and therefore do not enter in the calculation of expected loss. Besides, since risk measurement systems tend to be anti-cyclical, this may result in a smaller elasticity to the swift changes of the macroeconomic scenario.
As at 31 March 2025[39], the ratio between credit economic capital (including a component to cover migration risk) and its relative credit exposure amount is 1.94%.

2.2 Market risks

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

From a regulatory perspective, market risk stems from all the positions included in Banks' trading book as well as from commodity and foreign exchange risk positions in the whole Balance sheet.
Therefore, the risks subject to market risk capital requirements include but are not limited to:
- default risk, interest rate risk, credit spread risk, equity risk, foreign exchange (FX) risk and commodities risk for trading book instruments;
- FX risk and commodities risk for banking book instruments.

From a managerial perspective, the Group extends the definition of Market Risk to include Fair value through Profit and Loss (i.e., FVtPL) and Other Comprehensive Income (i.e., FVtOCI assets, net of Micro Fair Value Hedges) portfolios, which are therefore monitored and limited through a set of market-risk specific metrics.
Amortised Cost (AC) securities are also included in the scope with the aim to check the consistency with the Investment Plan.

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

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

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

38 Exposures towards Central Banks, exposure in debt securities issued by central governments or other sovereign entities, and the non-performing portfolio are excluded from the calculation.
39 Latest available data.

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Part E - Information on risks and related hedging policies

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

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

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

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

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

Trading Book

In accordance with the Capital Requirements Regulation, and as defined in the current policy "Group Market Risk Governance Guidelines", the Trading book is defined as all positions in financial instruments and commodities held either with trading intent, or in order to hedge positions held with trading intent.
Books held with trading intent are composed of:
- positions arising from client servicing and market making;
- positions intended to be resold in the short term;
- positions intended to benefit from actual or expected short-term price differences between buying and selling prices or from other price or interest rate variations.

In addition, Trading book may include internal or intra-group hedging derivatives transferring risk from Banking book into Trading book, entitled to manage the relevant risk and having access to the derivatives market.
The essential requirement for the Regulatory Trading book assignment is a clear "trading intent", as defined above, which the trader has to commit to and has to confirm on an ongoing basis. Additionally, the so-called "tradability", "marketability" and "hedge-ability" requirements have to be assessed in order to evaluate the appropriateness for the Trading book assignment:
- tradability refers to positions free of restrictions on their tradability and coherently reflected within the "Trader Mandate" of the risk taker;
- marketability refers to the positions for which a reliable Fair Value can be evaluated based to the largest extent on independently verified observable market parameters;
- hedge-ability refers to positions for which a hedge could be put in place. The hedge-ability is meant to concern the "material" risks of a position which implies not necessarily that all the various risk features are to be hedge-able.

When opening a new book, the book manager makes the proposal whether the book should be managed as a Trading book, or a Banking book based on the planned trading activity. This has to be in line with the Bank's internal rules and criteria for the assignment to either Trading book or Banking book. The book manager is required to clearly declare the trading intent and therefore to explain the business strategy behind the request for the Regulatory Trading assignment. The book manager is then responsible for all the positions held in his book and the eligibility criteria are expected to be fulfilled on an ongoing basis.
Concerning the monitoring phase, to demonstrate adequate trading intent, the following minimum criteria must be fulfilled at book level and are checked at least on a quarterly basis:
- minimum of 5 trades during the past 90 trading days;
- minimum of 5% of the volume of each book traded during the past 90 trading days with reference to the last day of the period.

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

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

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Part E - Information on risks and related hedging policies

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

- Credit risk: the risk that the value of the instrument decreases due to credit spreads changes, issuer correlation and recovery rates;
- Equity risk: the risk that the value of the instrument decreases due to increase/decrease of index/stock prices, equity volatilities, implied correlation;
- Interest rate risk: the risk that the value of the instrument decreases due to interest rates changes, basis risk, interest rates volatility;
- Currency risk: the risk that the value of the instrument decreases due to foreign exchange rates changes, foreign exchange rates volatility;
- Commodity risk: the risk that the value of the instrument decreases due to changes of the commodity prices, for example gold, crude oil, commodity prices volatility.

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

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

The consistency must be checked whenever a level for a Broad Market Risk Measure is defined. The legal entity Market Risk Function needs to provide evidence of such consistency when required. Broad Market Risk measures are:

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

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

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

The main objectives of Granular Market Limits are:

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

The Granular Market Limits must be consistent with limitations on Broad Market Risk measures.

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

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Part E - Information on risks and related hedging policies

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

Finally, the Group is exposed to FX risk in relation to the holding of subsidiaries, associates and joint ventures presenting their financial statements in currencies different than EUR (Structural FX Risk). To limit the impacts of the FX rates movements on the Capital ratios volatility, a RAF KPI on Structural FX risk is set at Group level to identify an appropriate level of risk the Group is willing to maintain and thresholds that in case of breaches require the activation of the proper escalation mechanisms. Group risk management strategy could envisage the steering of the FX risk exposure in the LEs or the booking in the Holding of positions deliberately taken to hedge the Total capital ratio from FX volatility. On a yearly basis, this strategy is presented to the relevant Group committees and approved by the BoD. The potential losses deriving from the implemented strategy is limited through the market risk metrics. The general policy is to hedge the foreign currency exposures from dividends and contributions to consolidate profit (loss) considering hedging cost and market circumstances. The FX exposure is hedged using forwards and options. This general rule is valid for the Parent Company. The hedge strategy is reviewed by the relevant risk committees on a regular basis.

Banking Book

The main components of market risk in the banking book are: credit spread risk, FX risk and interest rate risk.

As for the first two components (Credit Spread risk and exchange rate risk), please refer to what is reported in this paragraph in the Trading Portfolio section.

With regards to the third component (interest rate risk), the exposure is measured and monitored as defined in the RAF framework in terms of sensitivity of the economic value and of the net interest income.

The Group Financial and Credit Risk Committee (GFRC) is responsible for the definition of the interest rate risk strategy for the strategic position of the banking book, including the strategic management of the capital and structural gap between non-interest rate sensitive assets and liabilities.

The main objective of the interest rate management in the banking book is the reduction of the adverse impacts on net interest income due to interest rate volatility in a multiyear horizon, in order to achieve a flow of earnings and a return on capital coherent with the strategic plan. The strategy does not imply any intended directional or discretionary positioning to generate additional earnings, unless approved by the relevant bodies and separately monitored. The only exception is for those functions authorized to carry interest rates positions within an approved level of limitations from the relevant risk committees.
The Treasury functions manage the interest rate risk deriving from commercial transactions maintaining the exposure within the limits set by the relevant risk committees and optimizing the natural hedging opportunities between assets and liabilities. Exposure is measured and monitored daily by the risk management functions.
The interest rate management strategy takes also into account the main impacts from clients' behavior, which may impact on the value of interest margins or on the economic value of the banking book. Such are for instance the loans prepayment and the stability of sight deposits.

The prepayment risk is managed through the adaptation of the contractual profile on the basis of behavior of clients inferred from historical data, where relevant across the Group.

The stability of sight deposits is assessed by means of an internal model that estimates the stable volume and non-sensitive interest rate portion of it ("Core deposits").

Hedging strategy for core deposits is proposed by Finance and approved by GFRC. Such strategy aims to stabilize the NII over time within IRRBB RAF framework; a prudential stance is kept in determining the volume and duration of the hedging strategy to limit over-hedging risk.

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Part E - Information on risks and related hedging policies

Structure and organisation

The Group Financial Risk department is responsible for the governance, control and evaluating the exposure of financial risk of the Group through the definition of the framework and the related methodologies. The structure is also responsible for defining strategies to be submitted to the competent functions/bodies in order to mitigate such risks, containing the related losses and risk weighted assets as well as for setting their continual and independent monitoring and controlling. Furthermore, it ensures that the control activities of the risk in charge of the UniCredit S.p.A. Foreign Branches are monitored and reported to the Group Risk Officer and to the Top Management.
Finally, the structure governs the Group activities aimed at ensuring the independent control of the process and on the Front Office relevant parameters, for the fair value calculation.

The structure breaks down as follows:

GROUP FINANCIAL RISK

- "**Trading & Investment Risk**", responsible to govern and control either at Group level and UniCredit S.p.A. level (with the inclusion of the Foreign Branches) and of the Regional Center Italy (when applicable), collateral and counterparty credit risk (CCR) as well as to govern and control market risk and credit spread risk of the non-trading book.
- "**Risk Methodology & Valuation**", responsible to develop and maintain Group methodologies, models and architectures regarding financial risks and to provide adequate evaluation of financial instruments of banking and trading book either at Group level and UniCredit S.p.A. level.
- "**Asset & Liability Risk**", responsible for the governance and control of the liquidity risk, balance sheet interest rate risk, credit spread risk of the non-trading book and Structured Entities Risk, either at Group level and UniCredit S.p.A. level (with the Foreign Branch included) and the Country Italy (when applicable), as well as preparing and coordinating the Internal Liquidity Adequacy Assessment Process (ILAAP).

The relevant Committees of reference are:
- Group Financial and Credit Risks Committee (GFRC) - Market Risk session;
- Group Executive Committee (GEC) - Risk Session.

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

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

The Parent Company's governing bodies delegate to the Group Financial and Credit Risk Committee (GFRC) the development of detailed internal regulations with the goal of establishing an integrated and consistent IRRBB management framework within the Group with the goal of facilitating an effective decision-making process and governance.
Local relevant committee of the liquidity reference Banks (LRBs) or Legal Entities (LEs) (in accordance with local rules in force), within the scope of their responsibilities and delegated powers, are responsible for implementing the IRRBB management framework established by GFRC, also considering the peculiarities of each LRB or LEs and given the guidelines and indications of their respective governing bodies (both those responsible for strategic supervision and management).
The GFRC is also responsible for the Group-wide monitoring of Interest Rate Risk, with a broad perspective which includes also market risks. Having regard to the overall operations and risk exposures of the Group, it involves the Group Executive Committee (GEC) within its responsibilities and delegated powers.

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Part E - Information on risks and related hedging policies

The committee's involvement in interest rate risk management includes:
- the initial approval and fundamental modifications for the measurement and control system of Banking book interest rate risks with the support of internal validation function (where necessary);
- the definition of the operational strategies of Balance sheet (e.g., replicating portfolio).

Risk measurement and reporting systems

Trading Book

UniCredit group continued to improve and consolidate market risk models to properly measure, represent and control the Group risk profile, reflecting these changes in the reporting activity. As regards market risk measurements, further details can be reported in paragraph "Internal Model for Price, Interest Rate and Exchange Rate Risk of the Regulatory Trading book", while for both monthly and daily reporting process, Global Process Regulation are periodically updated.
Within the organisational context described above, the policy implemented by UniCredit group within the scope of market risk management is aimed at gradually adopting and using common principles, rules and processes in terms of appetite for risk, limit calculations, model development, pricing and risk model scrutiny.
The Group Financial Risk department is specifically required to ensure that principles, rules, and processes are in line with industry best practice and consistent with standards and uses in the various countries in which they are applied.
The main tool used by UniCredit group to measure market risk on trading positions is Value at Risk (VaR), calculated using the historical simulation method. Further details on risk valuation models are included in the following chapter.
Group Financial Risk defines market risk reporting standards, both in terms of contents and recurrence, and provides timely information to the Senior Management and regulators regarding the market risk profile at consolidated level.
In addition to VaR and Basel 2 risk measures, stress tests represent an important risk management tool that provides UniCredit with an indication of how much capital might be needed to absorb losses in case of large financial shocks. Stress testing forms an integral part of the Internal Capital Adequacy Assessment Process (ICAAP), which requires UniCredit to undertake rigorous, forward-looking stress testing that identifies possible events or changes in market conditions that could adversely impact on the Bank.

Banking Book

The primary responsibility of the monitoring and control of the risk management for market risk in the Banking book lies in the Bank's competent bodies. For instance, the Parent company is responsible for the process of monitoring the market risks on the Banking book at consolidated level. As such, it defines structure, data, and frequency of the necessary Group reporting.

The Banking book interest rate risk measure covers both the economic value and net interest income risk aspects. In particular, these two perspectives are complementary and involve:
- Economic Value: variations in interest rates can affect the economic value of assets and liabilities. The economic value of the Bank can be viewed as the present value of the Bank's expected net cash flows, defined as the expected cash flows on assets minus the expected cash flows on liabilities; a relevant risk measure from this perspective is the economic value sensitivity per time bucket for a 1 bp rate shock. This measure is reported to the relevant committees to assess the economic value impact of possible changes in the yield curve. In addition, the economic value sensitivity is computed also for the regulatory scenarios ("Supervisory Outlier Test" described in EBA/GL/2022/14);
- Net Interest Income: the focus of the analysis is the impact of changes of interest rates on Net Interest Income. An example of a measure of risks used is Net Interest Income sensitivity for a 200 bps parallel shock of rates. This measure is reported to the competent committees to the end of evaluating its impact on the interest income over the next 12 months under constant Balance sheet assumption as prescribed by relevant regulation ("Supervisory Outlier Test" described in EBA/GL/2022/14).

As for other sources of market risk, such as Credit Spread risk and FX risk, please refer to the information in the paragraph Risk management strategies and processes, relating to the Trading Book section.

Hedging policies and risk mitigation

Trading Book

The mitigation of Trading book risk is performed through the Market Risk Strategy, where broad and granular Limits are defined. The effective limit utilisation is provided to "Group Financial and Credit Risks Committee" (through the Market Risk Overview report) and related breaches are escalated to the competent body, according to the severity assigned by the Market Risk Strategy. The escalation process is ruled by the Global Policy "Group Market Risk Governance Guidelines" which defines the nature of the various thresholds/limits applied, as well as the relevant bodies to be involved establishing the most appropriate course of action to restore exposure within the approved limits.
A set of risk indicators is also provided to the Group Executive Committee (and subsequently to the Internal Control & Risk Committee and to the Board of Directors) on a quarterly basis through the Group Risk Appetite Framework (RAF) and Integrated Risk Report (IRR).
If required, focus is provided to relevant committees on the activity of a specific business line/desk to ensure the highest level of understanding and discussion of the risks in certain areas which are deemed to deserve particular attention.

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Part E - Information on risks and related hedging policies

Banking Book

On a regular basis, at least quarterly, the relevant IRR exposure, complemented by the analysis of the compliance to the limits, must be reported to Management bodies and internal committees. As a general principle, the compliance to the limits must be reported to Boards and committees depending on their role in limit setting and it is proportionate to the severity hierarchy.

The Group Financial and Credit Risk Committee (GFRC) receives reporting with respect to RAF KPIs and Overall Group and LRB Granular Limits and Triggers with the same frequency of the committee's meetings. The same reporting process must be implemented within LRBs with respect to Local relevant committees (in accordance with local rules in force).

Breaches of limits and warning levels are reported, upon occurrence, to the relevant bodies. Consequently, the escalation process is activated in line with the procedures set in relative Policy, to establish the most appropriate course of action to restore exposure within the approved limits.

The execution of structural hedges to mitigate the interest rate risk exposure on client business is responsibility of the treasury functions. The strategic transactions in the Banking book are managed by the CFO department.

Internal model for price, interest rate and exchange rate risk of the regulatory trading book

The current Market Risk internal model is based on Value-at-Risk (VaR) framework, integrated with other risk measures: incremental risk capital charge (IRC) and stressed Value-at-Risk (SVaR) aimed at reducing the pro-cyclicality of the minimum capital requirements for market risk, in line with the European directives in force.

All the regulatory requirements in the contest of Market Risk have been addressed via internal development of the necessary model and IT infrastructure as opposed to the external acquisition of ready-made solutions.

This enabled UniCredit to craft solutions that in many aspects can be considered on the sophisticated end of the spectrum of practices that can be found in the industry. In this respect one distinctive feature of the market (and counterparty) risk frameworks implemented in UniCredit group is the full revaluation approach employing the same pricing libraries used in the Front Office.

UniCredit group calculates both VaR and SVaR for market risk on trading positions using the historical simulation method.

Under the historical simulation method positions are revaluated (in full revaluation approach) based on trends in market prices over an appropriate observation period. The empirical distribution of profits/losses deriving therefrom is analysed to determine the effect of extreme market movements on the portfolios.

For a given portfolio, probability and time horizon, VaR is defined as a threshold value so that the probability that the mark-to-market loss on the portfolio, over the given time horizon, not exceeding this value (assuming no trading in the portfolio) has the given confidence level. Current configuration of the internal model defines VaR at a 99% confidence level on the 1-day P&L distribution obtained from equally weighted historical scenarios covering the last 250 days.

Historical scenarios are built relying on proportional shocks for Equities and FX rates, and on absolute shocks for Interest Rates and Credit Spreads.

UniCredit VaR Model simulates all the risk factors, both referring to general and specific risk, thus providing diversification in a straightforward approach. The model is recalibrated daily. The use of a 1-day time horizon makes the immediate comparison with realised profits/losses possible and such comparison is the core of the back-testing exercise.

The VaR measure identifies a consistent measure across all the portfolios and products, since it:

- allows a comparison of risk among different businesses;
- provides a means of aggregating and netting position within a portfolio to reflect correlation and offset between different assets classes;
- facilitates comparisons of market risk both over time and against daily results.

Although a valuable guide to risk, VaR should always be viewed within its limitations:

- historical simulation relies on past occurrences to forecast potential losses. In case of extreme shifts this might not be appropriate;
- the length of the time window used to generate the forecasted distribution will necessarily embed a trade-off between the responsiveness of the metric to recent market evolutions (short window) and the spectrum of scenarios that will embed (long window);
- assuming a constant one/ten-day horizon there is no discrimination between different risk-factor liquidity.

Stressed VaR calculation is based on the very same methodology and architecture of the VaR, and it is analogously calculated with a 99% confidence level and 1-day time horizon on a weekly basis, but over a stressed observation period of 250 days. The chosen historical period identifies the 1-year observation window which produces the highest resulting measure for the current portfolio.

Stress windows are recalibrated monthly and are tailored to the portfolio of each legal entity of the Group subject to the internal model, plus the Group itself that is relevant for RWEA calculation on a consolidated level. The SVaR window for UniCredit S.p.A. at Group level and for UniCredit Bank GmbH is the "Sovereign Tension" period (2011-2012), while for UniCredit S.p.A. at solo level and for UniCredit Bank Austria AG is the "Lehman Crisis" period (2008-2009).

The 10-day capital requirement is however obtained by extending the 1-day risk measure to the 10-day horizon taking the maximum of the square root of time scaling and a convolution approach that turns the one-day distribution into a 10-day distribution for both the VaR and the Stressed VaR. The 1-day measures are instead actively used for market risk management.

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Part E - Information on risks and related hedging policies

In order to validate the consistency of VaR internal models used in calculating capital requirements on market risks, back-testing is performed by comparing the internal model risk estimates with the portfolio profit and loss, to check if the 99% of the trading outcomes is covered by the 99th percentile of the risk measures.
The test is based on the last twelve months data (250 daily observations). In case the number of exceptions in the previous year exceeds what forecasted by the confidence level assumed, a careful revision of model parameters and assumptions is initiated.
Group Internal Validation performed the periodic validation of the VaR/SVaR framework to assess the compliance with regulatory requirements including an independent back-testing analysis complemented with different parameterisations and detailing the results for a set of representative portfolios of the Bank.

The IRC capital charge captures default risk as well as migration risk for un-securitised credit products held in the Trading book. The internally developed model simulates via multivariate version of a Merton-type model the rating migration events of all the issuers relevant to the Group trading positions over a capital horizon of one year. The transition probabilities and the sector correlations are historically calibrated, while idiosyncratic correlations are derived from the IRB correlation formula. Simulated migration events are turned into credit spread scenarios while default events are associated to a simulated recovery rate. In doing so a constant position assumption is employed and products are conservatively all attributed a common liquidity horizon of 1 year.
In each scenario all the relevant product inventory is revaluated under such spread and default events producing a simulated profit or loss (P&L) that fully reflects convexity, basis risk, portfolio effects and portfolio concentration risks. In this way a high number of paths Monte Carlo simulation generates a P&L distribution for the Group (and each leaf of its portfolio tree).
IRC is defined as the 99.9 percentile of such loss distribution.
Additional capital charge for securitisations and credit products not covered by IRC is evaluated through the standardised approach.

The following table summarises the main characteristics of the different measures that define the capital requirement for market risk in UniCredit.

MEASURE	RISK TYPE	HORIZON	QUANTILE	SIMULATION	CALIBRATION
VaR	All Market Risk Factors	10d	99%	Historical	1Y window, equally weighted
SVaR	All Market Risk Factors	10d	99%	Historical	1Y window, equally weighted
IRC	Rating Migration & Default	1Y	99.9%	Monte Carlo	Through-the-cycle (min 16Y)

The IRC Model is subject to a quarterly program of Stress tests aimed at evaluating the robustness of the model. The relevant parameters as Recovery Rates, Transition Probabilities, idiosyncratic correlation, Credit Spread shocks are stressed and the impact on the IRC measure is computed.

“Group Internal Validation” performed its analyses to evaluate the conceptual soundness of the IRC model, to supplement the available analyses on that topic and to ensure the compliance of the resulting risk management environment with all the relevant regulatory requirements and internal standards. As already remarked by the regulation, traditional back-testing procedures, regarding the 99.9% one-year soundness standard for IRC, are not applicable due to the 1-year time horizon of the measure.
Consequently, while validation of the IRC model relied heavily on indirect methods (including stress tests, sensitivity analysis and scenario analysis) in order to assess the qualitative and quantitative reasonableness of the model, special focus has indeed been given to the specific situation of UniCredit portfolios.

“Group Internal Validation” Department kept the scope of their analyses as wide as possible in order to comprise the many diverse issues that are acting concurrently in such a model (general model design, regulatory compliance, numerical implementation, outcomes explanation). Group Internal Validation performed a full spectrum of validation analyses on the IRC measure calculation using its internal replica libraries. The replica allows a simple verification of the results provided by the productive environment, and in addition opens the door to a more dynamical and tailored implementation of the needed tests. The spectrum of analysis encompassed Monte Carlo stability, correlation analysis and stressing, assessment on portfolio concentration, calculation of parameters sensitivity, marginal contribution analysis, alternative models’ comparisons. All major parameters were tested, i.e., correlation matrices, transition probabilities matrices, transition shocks, recovery rates, probabilities of default, number of scenarios.
To understand the overall performance of the model in replicating the real-world migration and default phenomena, Group Internal Validation also performs a historical performance exercise comparing the migrations and defaults predicted by UniCredit IRC model with the ones actually observed since 1981 (due to data availability).

Banca d’Italia authorised UniCredit group to use internal models for the calculation of capital requirements for market risk. As of today, the Group legal entities within CEE countries are the ones that are mainly using the standardised approach for calculating capital requirements relating to trading positions. However, the VaR measure is used for the management of market risk in the abovementioned entities.

For Trading book VaR the Bank differentiates between regulatory and managerial views. The managerial measure is used for Risk monitoring and Business steering purposes as prescribed by Market Risk Framework: in particular VaR limits represent the main metric translating the Risk Appetite into the Market Risk framework.

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Part E - Information on risks and related hedging policies

The managerial VaR has a wider scope: it is used to monitor both Trading book and Banking book perimeter (specifically FVtPL and FVtOCI positions), also including legal entities for which the standardised measurement method is applied for Regulatory purposes, in order to have a complete picture of risk through PL and capital.
Furthermore, the exposure coming from hedges of the XVA sensitivities is excluded from managerial VaR monitoring but included in the Regulatory VaR limits in order to allow a proper steering of Market Risk RWEA; additionally, respective sensitivities are closely monitored against XVA risk.

The standardised measurement method is also applied to the calculation of capital covering the risk of holding Banking book exposure in foreign currencies for UniCredit S.p.A., which does not have an approval for FX Risk simulation under Internal Model. In this respect the FX risk for both Trading and the Banking book is included in VaR and SVaR for Regulatory purposes as for the approved legal entities (UniCredit Bank GmbH and UniCredit Bank Austria AG); as regards the managerial view the FX Risk of Banking book is included in the Overall (Trading book and Banking book) VaR. UniCredit Internal Model Approach includes the Risk Not In Model Engine framework, that provides an estimate on the completeness of the risk factors included in VaR, SVaR and IRC. Although RNIME program shows that UniCredit IMA captures adequately the material price risks, since fourth quarter 2019 UniCredit computes via Stress Test a prudential capital add-on.

To sum up, the Internal Model approach is used for Regulatory purposes for UniCredit S.p.A., UniCredit Bank GmbH, UniCredit Bank Austria AG, and UniCredit Bank Austria sub-group, while it is used for all legal entities (including CEE countries) for managerial purposes.
Finally Trading portfolios are subject to Stress tests according to a wide range of simple and complex scenarios. Simple scenarios which envisage the shock of single asset classes, are defined in the context of Interest Rate Risk/Price Risk/Exchange Rate Risk/Credit Spread Risk Sensitivity. Complex scenarios apply simultaneous changes on several risk factors. Both simple and complex scenarios are applied to the whole Trading book. Detailed descriptions are included in the paragraph on the Stress test.

Stress tests results are calculated in the Group Market Risk system, thus ensuring a common methodological approach across the Group. Results are calculated applying a full revaluation approach meaning that all positions are revalued under stressed conditions; no ad hoc models or pricing functions are applied for stress testing.

According to national regulations, some relevant scenarios are also a matter of regulatory reporting on a quarterly basis.
In addition, a set of scenarios is run monthly on overall Group perimeter, thus covering both Trading and Banking book positions. Results are discussed monthly in Market Risk Stress Test Open Forum involving Market Risk function's representatives of all the legal entities and Business' representatives.
Results are analysed in depth in the monthly report "Monthly Overview on Market Stress Test".
Stress test Warning levels Usage is monitored monthly. More details on Warning Levels and Strategy are given in the previous paragraph Risk management strategies and processes.

VaR, SVaR and IRC

Diversified VaR, SVaR and IRC are calculated considering the diversification arising from positions taken by different entities within the I-mod perimeter (i.e., for which the use of the internal model for the risk calculation is approved). VaR is however in place for all the Legal Entities and its value is reported in Managerial VaR section for information purpose.
The VaR and SVaR reduction observed in the first quarter of 2025 is mainly driven by portfolio changes in the Trading book of UniCredit Bank GmbH and UniCredit S.p.A., affecting several asset classes, particularly, Equity, Credit Spread and Interest Rates. While the SVaR increase observed in the second quarter is mainly due to new position in UniCredit Bank GmbH.
The IRC trend observed in the first half of 2025 is mainly driven portfolio changes in the Trading book of UniCredit Bank GmbH.

Risk on trading book

Daily VaR on Regulatory Trading book (*)

(€ million)

		AVERAGE	2025			2024
I-MOD PERIMETER	26 JUNE 2025	LAST 60 DAYS	AVERAGE	MAX	MIN	AVERAGE
Diversified UniCredit group	5.8	5.4	5.5	7.9	3.5	7.2

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Part E - Information on risks and related hedging policies

Risk on trading book

SVaR on Regulatory Trading Book (*)

(€ million)

		AVERAGE	2025			2024
I-MOD PERIMETER	26 JUNE 2025	LAST 12 WEEKS	AVERAGE	MAX	MIN	AVERAGE
Diversified UniCredit group	13.5	11.6	12.6	23.1	6.7	15.4

Risk on trading book

IRC on Regulatory Trading Book (*)

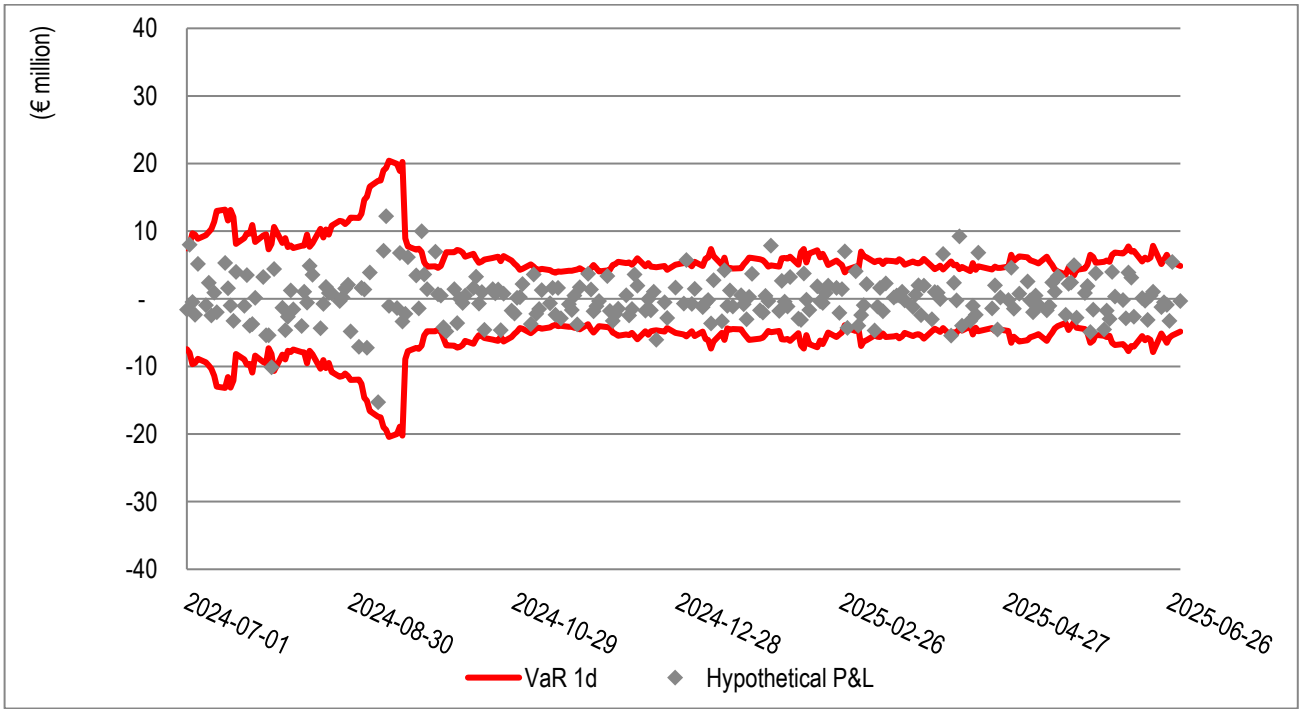
(€ million)

		AVERAGE	2025			2024
I-MOD PERIMETER	26 JUNE 2025	LAST 12 WEEKS	AVERAGE	MAX	MIN	AVERAGE
Diversified UniCredit group	48.9	63.7	64.9	106.6	34.3	55.8

Note:
(*) End of month for Regulatory risk metrics refers to last Thursday of the month, differently from managerial metrics

EU MR4 Comparison of VaR estimates with gain/losses

The following graph shows back-testing results referred to the market risk on the Trading book, in which VaR results for the last twelve months are compared to the hypothetical "profit and loss" results for Group (I-Mod Perimeter).
During the first half of 2025, no overdraft occurred at UniCredit group level.



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Part E - Information on risks and related hedging policies

Managerial VaR

Below are reported the Managerial Diversified Trading book VaR as at end of June 2025 at Group and Regional Centre levels and the Undiversified Trading book VaR at Group level, calculated as sum of the values of all Legal Entities (without considering diversification benefit). Difference with Regulatory Trading book was described above.

Daily VaR on Managerial Trading Book

(€ million)

TRADING BOOK	30 JUNE 2025
Diversified UniCredit group as per internal model	**4.6**
Germany	3.7
Italy	2.0
Central Europe	0.9
Austria	0.1
Czech Republic	0.9
Hungary	0.1
Slovenia	0.0
Eastern Europe	0.3
Bosnia	0.0
Bulgaria	0.1
Croatia	0.0
Romania	0.2
Russia	0.3
Serbia	0.1
Undiversified UniCredit group	**7.4**

Marginal Regulatory VaR

The table below provides a breakdown of 10-days VaR figure (i.e., referred to a 10-days' time horizon) according to the different market risks (debt, equity, FX, commodities) and its evolution during the year, in the form of template C24 of COREP.

Risk on Trading book by instruments classes

10-days VaR on Regulatory Trading book

(€ million)

	2025		2024
	Q1	Q2	Q4
Traded Debt Instruments	17.8	12.6	16.0
TDI - General Risk	18.0	11.1	14.2
TDI - Specific Risk	4.1	8.5	7.0
Equities	6.4	10.3	6.9
Equities - General Risk	-	-	-
Equities - Specific Risk	6.4	10.3	6.9
Foreign Exchange Risk	4.4	5.3	4.7
Commodities Risk	5.1	5.7	5.0
Total Amount For General Risk	**18.9**	**12.0**	**14.7**
Total Amount For Specific Risk	**8.5**	**12.6**	**9.7**

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Part E - Information on risks and related hedging policies

CVA

The CVA charge data values for the Group are reported below (considering diversification benefit across the Group). The charge accounts for the volatility affecting regulatory CVA, related to movements in credit spreads of the counterparties and market risk factors underlying the exposures. Since the first quarter of 2025, it is computed as per CRR3 Regulatory prescriptions via:

- Standardised (SA-CVA) model for exposures covered by the CCR internal model;
- Full Basic Approach (BA-CVA) model for exposures outside the CCR internal model.

Until end of 2024, the CVA charge was computed under CRR via credit spread VaR models: VaR figure computed over the current window (CVA VaR) and a VaR figure computed over a stressed window (CVA SVaR) for position under CCR internal model, while exposure outside the internal model were treated under the Standardised approach (SA).

The mitigation of the CVA exposure across UniCredit group is managed by a dedicated XVA Desk, whose mandate is to provide a centralised Front Office service function with the responsibility for XVA pricing & exposure management for OTC derivatives. The XVA Desk actively hedges the exposure to risk factors within the prescribed limit framework in UniCredit S.p.A., UniCredit Bank GmbH and UniCredit Bank Austria AG.

Overall CVA RWEA was affected by the methodological change (SA-CVA and BA-CVA replacing CVA VaR, CVA Stressed VaR and SA charge) with respect to 2024 Q4 figures. Within 2025, the evolution of the figures was driven by business activity.

CVA Regulatory Capital Charge (€ million)

	2025		2024
	Q1	Q2	Q4
CVA	72.8	85.9	-
Standardised approach (SA)	59.2	71.6	-
Full Basic approach (F-BA)	13.6	14.3	-

2.2.1 Interest rate risk and price risk - Regulatory trading book

Qualitative information

Interest rate risk

A. General aspects

Interest rate risk arises from financial positions taken by Group specialist centres holding assigned market risk limits within certain levels of discretion. Regardless of use of the internal models in calculating capital requirements on market risks, risk positions in the Group are monitored and subject to limits assigned to the portfolios on the basis of managerial responsibilities and not purely on regulatory criteria.

B. Risk management processes and measurement methods

For both a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyse exposure, also refer to the introduction on internal models.

As regards Stress Test refer to the introduction on Risk Management Strategies and Processes and for the complex scenarios' description to Stress Test paragraph.

In addition to the monitoring of Granular Market Limits, Group Market Risk functions conduct sensitivity analysis at least on monthly basis, in order to determine the effect on the Income statement of changes in the value of individual risk factors or several risk factors of the same type.

Additionally, to the sensitivity of financial instruments to changes in the underlying risk factor, the sensitivity to the volatility of interest rates is also calculated assuming positive and negative shifts of 30% in volatility curves or matrices.

Price risk

A. General aspects

Price risk relating to equities, commodities, C.I.U and related derivative products included in the Trading book originates from positions taken by Group specialist centres holding assigned market risk limits within certain levels of discretion.

Price risk deriving from own trading of these instruments is managed using both directional and relative value strategies via direct sale and purchase of securities, regulated derivatives and OTCs and recourse to security lending. Volatility trading strategies are implemented using options and complex derivatives.

B. Risk management processes and measurement methods

For both a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyse exposure, refer to the introduction on internal models.

As regards stress test refers to the introduction on "Risk management strategies and processes" and for the complex scenarios' description to the "Stress test" paragraph.

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Part E - Information on risks and related hedging policies

Quantitative information

1. Regulatory trading portfolio: distribution by residual duration (re-pricing date) of financial assets and liabilities for cash and financial derivatives

The table is not reported since a table showing Interest Rate sensitivity is described below, in accordance with Internal Model.

2. Regulatory trading portfolio: distribution of equity exposures and equity indices for the main listing countries

The table is not reported since a table showing price risk sensitivity is described below, in accordance with Internal Model.

3. Regulatory trading portfolio: internal models and other methods for sensitivity analysis

For both a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyse exposure, also refer to the introduction on internal models.

Interest rate risk

Interest Rate Risk Sensitivity

Sensitivity to changes in interest rates is determined using both parallel shifts of interest-rate curves, and changes in the curve itself.
The curves are analysed using parallel shifts of ±1 bp/±10 bps and ±100 bps.
For each 1 bp shift, sensitivity is calculated for a series of time-buckets. Sensitivity for changes in the steepness of the rate curve is analysed by clockwise turning (Turn CW), i.e. an increase in short-term rates and a simultaneous fall in long-term rates, and by counter-clockwise turning (Turn CCW), whereby short-term rates fall and long-term rates rise.
In particular, clockwise and counter-clockwise turning use the following changes in absolute terms:

- +50 bps/-50 bps for the one-day bucket;
- 0 bps for the one-year bucket;
- -50 bps/+50 bps for the 30-year plus bucket;
- for buckets between the above ones, the change to be set is found by linear interpolation.

The Group also calculates sensitivity to the volatility of Interest Rate assuming a positive shift of 30% or negative change of 30% in volatility curves or matrixes.

The tables below show trading book sensitivities.

(€ million)

INTEREST RATES	+1BP LESS THAN 1 MONTH	+1BP 1 MONTH TO 6 MONTHS	+1BP 6 MONTHS TO 1 YEAR	+1BP 1 YEAR TO 5 YEARS	+1BP 5 YEARS TO 10 YEARS	+1BP 10 YEARS TO 20 YEARS	+1BP OVER 20 YEARS	+1 BP TOTAL	-10 BP	+10 BP	-100 BP	+100 BP	CW	CCW
Total	**0.0**	**-0.1**	**0.1**	**-0.7**	**1.1**	**-0.9**	**0.1**	**-0.4**	**2.3**	**-1.5**	**52.8**	**-2.1**	**3.3**	**11.3**
of which:														
EUR	0.0	0.0	0.0	-1.0	1.0	-1.0	0.0	**-0.3**	1.1	-0.2	41.4	10.9	12.3	2.2
USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**	-0.5	0.5	-4.7	5.1	-11.0	11.0
GBP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**	0.4	-0.4	3.6	-3.9	0.2	-0.2
CHF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**-0.1**	0.5	-0.5	5.4	-5.4	0.6	-0.6
JPY	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**	-0.1	0.1	-1.1	0.8	0.0	0.0

(€ million)

	-30%	+30%
Interest Rates	**-19.9**	**12.6**
EUR	-19.2	11.9
USD	-0.6	0.7

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Part E - Information on risks and related hedging policies

Price risk

Share-price sensitivity
Share-price sensitivity is expressed in two ways:
- as a "Delta cash-equivalent", i.e. the euro equivalent of the quantity of the underlying that would expose the Bank to the same risk arising from its actual portfolio;
- as the economic result of a rise or fall in spot prices of 1%, 10% and 20%.

The Delta cash-equivalent and the Delta 1% (i.e. the economic impact of a 1% rise in spot prices) are calculated both for each geographical region (assuming that all stock markets in the region are perfectly correlated) and on the total (assuming therefore that all stock markets are perfectly correlated). The sensitivity arising from changes of 10% and 20% is calculated solely on the total.
The Group also calculates sensitivity to the volatility of equities assuming a positive shift of 30% or negative change of 30% in volatility curves or matrixes.
In addition, sensitivity to commodity price changes is calculated according to the above criteria. Given its secondary importance as compared to other risk exposures, this is calculated as a single class.

The tables below show Trading book sensitivities.

(€ million)

EQUITIES ALL MARKETS	DELTA CASH-EQUIVALENT	-20%	-10%	-1%	+1%	+10%	+20%
Europe	-26.5	-	-	-	-0.3	-	-
USA	27.7	-	-	-	0.3	-	-
Japan	0.1	-	-	-	0.0	-	-
Asia ex-Japan	1.3	-	-	-	0.0	-	-
Latin America	-0.1	-	-	-	0.0	-	-
Other	-20.3	-	-	-	-0.2	-	-
Total	**-17.7**	**18.4**	**-1.3**	**0.2**	**-0.2**	**12.6**	**31.5**
Commodity	**-49.3**	**6.2**	**4.1**	**0.4**	**-0.5**	**-4.4**	**-9.1**

(€ million)

	-30%	+30%
Equities	**-10.1**	**2.4**

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Part E - Information on risks and related hedging policies

2.2.2 Interest rate risk and price risk - Banking book

Qualitative information

Interest rate risk

A. General aspects, operational processes and methods for measuring interest rate risk

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

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

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

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

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

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Part E - Information on risks and related hedging policies

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

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

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

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

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

i) The average repricing maturity assigned to non-maturity deposits is 3.1 years (the longest repricing maturity is up to 40 years for a residual part of the portfolio naturally hedging assets in some countries).

Price risk

A. General aspects, operational processes and methods for measuring price risk
Banking Book price risk primarily originates from equity interests held by the Parent Company and its subsidiaries as stable investments, as well as units in mutual investment funds not included in the Trading Book as they are also held as stable investments.
For Stress Test refer to the introduction on Risk Management Strategies and Processes paragraph and for the complex scenarios' description to Stress Test paragraph.

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Part E - Information on risks and related hedging policies

2. Banking book: internal models and other methods for sensitivity analysis

Interest Rate Risk

The economic value and net interest income sensitivity to a change in interest rate is computed as described in EBA guidelines (EBA/GL/2022/14) and in regulation update (2024/856) that adopts the Regulatory Technical Standard on SOTs.

The EU IRRBB1 template reported below, contains the interest rate risk exposure metrics as at 30 June 2025 and 31 December 2024. For the descriptions of the scenarios refer to Qualitative information - Interest rate risk section. Regarding the sensitivity of the economic value of shareholders' equity the worst of the six SOT scenarios is the Parallel up and for that scenario a sudden change in interest rates, differentiated by currencies, is applied. The sensitivity of the economic value of shareholders' equity of the worst of the six SOT scenarios as at 30 June 2025 was equal to -€2,763 million. The economic value of shareholders' equity sensitivity change in first half of 2025 is mainly driven by the evolution of replicating strategy.

At 30 June 2025, the net interest income sensitivity (with annual time-horizon and constant balance sheet) for the worst of two SOT scenarios (Parallel down) was equal to -€2,039 million. The Parallel down scenario applies immediate and parallel change in interest rates differentiated by currencies (e.g. -200 bps for EUR and USD, -300 bps for HUF etc.). The net interest income sensitivity change in the first half of 2025 is mainly driven by the sight deposits floor activation for Parallel down scenario.

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

(€ million)

		a	b	c	d
		CHANGES OF THE ECONOMIC VALUE OF EQUITY		CHANGES OF THE NET INTEREST INCOME	
	SUPERVISORY SHOCK SCENARIOS	30.06.2025	31.12.2024	30.06.2025	31.12.2024
1	Parallel up	(2,763)	(2,025)	547	600
2	Parallel down	1,170	124	(2,039)	(1,706)
3	Steepener	1,176	1,090		
4	Flattener	(838)	(1,776)		
5	Short rates up	(1,466)	(2,038)		
6	Short rates down	734	722		

Note:
The template above is prepared according to Regulation (EU) 631/2022 of 13 April 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 637/2021 as regards the disclosure of exposures to interest rate risk on positions not held in the trading book.

At 30 June 2025 the net interest income sensitivity to an immediate and parallel change in interest rates of +100 bps was equal to +€602 million, while the sensitivity to an immediate and parallel change in interest rates of -100 bps was equal to -€802 million.

Sensitivity of the net interest income to the +/-100 bps scenarios

(€ million)

		a	b
		CHANGES OF THE NET INTEREST INCOME	
	INTEREST RATE RISK SCENARIOS	30.06.2025	31.12.2024
1	NII +100 bps	602	610
2	NII -100 bps	(802)	(711)

2.2.3 Exchange rate risk

Qualitative information

A. General information, risk management processes and measurement methods

Exchange rate risk originates both from Banks in the Group operating in currency areas other than the Eurozone and from positions taken by specialist centres holding the Group's market risk within the limits assigned.

Risk deriving from own trading of these instruments is managed using both directional and relative value strategies via direct sale and purchase of securities, regulated derivatives and OTC. Volatility trading strategies are implemented using options. Exchange rate risk is constantly monitored and measured by using internal models developed by Group companies.

For both a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyse exposure, refer to the introduction on internal models. These models are also used to calculate capital requirements on market risks due to the exposure to such risk.

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Part E - Information on risks and related hedging policies

As regards stress test refer to the introduction on “Risk management strategies and processes” paragraph and for the complex scenarios’ description to “Stress test” paragraph.

B. Hedging exchange rate risk
The exchange risk hedging activity within the Trading book is aimed at keeping the FX risk within the defined Granular and Global limits.
Regarding banking book, the Group adopts hedge strategies for profits and dividends arising from its subsidiaries not belonging to the euro zone, considering market circumstances for the hedging strategies.

Credit spread risk

Qualitative information

A. General aspects
Risk relating to credit spreads and related credit derivative products included in Trading book originates from positions taken by Group specialist centres holding assigned market risk limits within certain levels of discretion.
Risk deriving from own trading of these instruments is managed using both directional and relative value strategies via direct sale and purchase of securities, regulated derivatives and OTC.

B. Risk management processes and measurement methods
For both a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyse exposure, refer to introduction on internal models, Explanatory notes, Part E - Information on risks and related hedging policies, 2.2 Market risk.
As regards Stress Test refer to the introduction on “Risk management strategies and processes” and for the complex scenarios’ description to “Stress test” paragraph, Explanatory notes, Part E - Information on risks and related hedging policies, 2.2 Market risk.

Quantitative information

Credit spread sensitivity
Credit spread sensitivity is calculated by assuming a worsening of creditworthiness seen in a parallel shift of +1 bp/+10 bps/+100 bps in the credit spread curves.
These sensitivities are calculated both inclusively, assuming a parallel shift of all the credit spread curves, and in respect of specific rating classes and economic sectors.

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Part E - Information on risks and related hedging policies

The table below shows Trading book sensitivities.

(€ million)

	+1BP LESS THAN 1 MONTH	+1BP 1 MONTH TO 6 MONTHS	+1BP 6 MONTHS TO 1 YEAR	+1BP 1 YEAR TO 5 YEARS	+1BP 5 YEARS TO 10 YEARS	+1BP 10 YEARS TO 20 YEARS	+1BP OVER 20 YEARS	+1 BP TOTAL	+10BP	+100BP
Total	**0.0**	**0.0**	**0.0**	**0.9**	**0.1**	**-0.2**	**0.0**	**1.0**	**9.8**	**96.3**
Rating										
AAA	0.0	0.0	0.0	-0.1	-0.1	0.0	0.1	0.0	-0.4	-6.3
AA	0.0	0.0	0.0	0.0	0.1	-0.1	0.0	0.0	0.2	3.4
A	0.0	0.0	0.0	0.4	0.0	-0.1	0.0	0.4	4.4	45.5
BBB	0.0	0.0	0.0	0.5	0.1	0.0	0.0	0.5	4.7	44.2
BB	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.7	6.5
B	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	2.5
CCC and NR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Sector										
Sovereigns & Related	0.0	0.0	0.0	0.0	0.0	-0.1	0.1	0.0	-0.2	-1.2
ABS and MBS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial Services	0.0	0.0	0.1	0.2	0.0	-0.1	0.0	0.2	1.6	16.2
All Corporates	0.0	0.0	0.0	0.8	0.1	0.0	0.0	0.8	8.4	81.4
Basic Materials	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.5	4.9
Communications	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	1.0	10.0
Consumer Cyclical	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.3	2.7	26.5
Consumer Non cyclical	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	1.3	12.7
Energy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	3.3
Technology	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.8
Industrial	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.2	1.9	17.7
Utilities	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.6	5.5
All other Corporates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.4	62.3

Stress test

Stress tests complement the sensitivity analysis and VaR results in order to assess the potential risks in a different way. A stress test performs the evaluation of a portfolio under both simple scenarios (assuming change to single risk factors) and complex scenarios (assuming simultaneous changes in a number of risk factors).

The description of complex scenarios, which combine changes in interest rate, price, exchange-rate and credit spread risk factors is reported below. For the description of simple scenarios, refer to the previous paragraphs.
As far as complex scenarios are concerned, different scenarios have been applied to the Trading book and Banking book (specifically FVtPL and FVtOCI positions) on a monthly basis and reported to the Top Management.

Recession Scenario

In this scenario, we assume an intensification of trade tensions as bilateral negotiations between the US and its main trading partners aimed at avoiding “reciprocal” tariffs fail. This leads the US Administration to impose duties that are in line or above those announced on 2 April 2025, and which remain in place throughout the forecast horizon.
US-China tit-for-tat keeps tariffs above 100% for both countries, de facto halting bilateral trade flows.
Outside China, retaliation against US tariffs is relatively contained. Tariffs and the associated uncertainty hit global trade, supply chains, capex and the labor market globally. We also assume rising geopolitical tensions in the Middle East and Ukraine, which prevent energy prices from adjusting downwards despite the negative growth shock.
Inflation in the US accelerates in the short run but the shock is ultimately disinflationary as weaker activity dampens price pressure over the medium term. Cheap Chinese goods previously shipped to the US are diverted towards other countries, adding to disinflationary pressures globally.
Risk aversion in markets rises. We assume the USD weakens compared to the baseline as Trump’s controversial agenda fuels doubts about the international role of the US currency and triggers reorientation of financial flows away from the US. In terms of timing, we assume that the shock starts in the second quarter 2025.

In the eurozone, activity starts contracting in 2025 (-0.1%) and the recession deepens in 2026 (-1.6%). This is followed by stabilization in 2027 (+0.1%) as rate cuts feed through while the tariff shock gradually fades.
The cumulative hit to GDP growth is 4.8 pp.
Eurozone inflation declines below the ECB’s 2% goal throughout the forecast horizon, as the effects of demand weakness and a widening of the output gap prevail over supply-side frictions.
Overall, inflation settles a cumulative 1 pp below the baseline.
Inflation expectations drift lower, increasing pressure on the ECB to continue to cut rates.

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The ECB stops quantitative tightening (QT) and cuts the deposit rate to 0.75% by next year, hence pushing rates clearly below the level that we regard as neutral. Monetary policy would then remain unchanged in 2027. The Fed looks through the initial inflation shock and cuts the fed funds rate to 2.75% by 2027.
Sovereign credit spreads would be under moderate widening pressure due to lower growth outlook, only in part countered by accommodative monetary policy. BTPs are expected to widen 90 bps in ASW once the shock materializes.

Corporate credit spreads would also be under widening pressure, especially at the lower end of the rating scale. Pharma, telecoms and consumer goods, notably staples, should benefit from their defensive nature and strong credit metrics.
Cyclicals such as energy, industrials and automobiles would suffer particularly. Policy easing by the ECB would in part mitigate the adverse market conditions.

Equity markets are expected to post significant losses, of about 15-30%, reflecting the recessionary environment.

In FX, we expect EUR-USD to rise as we assume the USD will weaken compared to the baseline due to reorientation of financial flows.
By contrast, both the CHF and the JPY will continue to work as safe-haven currencies, although the rise in EUR-USD will probably reduce the fall expected in EUR-CHF and EUR-JPY.
GBP-USD is expected to rise reflecting the assumed weakness of the USD.

Severe Recession & Low Rates Scenario
In this scenario, we assume an escalation of trade tensions as bilateral negotiations between the US and its main trading partners fail and significant retaliatory measures are implemented. Tit-for-tat pushes US tariffs on the rest of the world well above levels announced on 2 April 2025, and we assume that such tariffs will remain in place throughout the forecast horizon. Trade flows between the US and its trading partners decline massively, while bilateral trade between US and China comes to a complete halt.
In order to avoid being flooded by cheap Chinese goods previously shipped to the US, the rest of the world imposes tariffs on China, which retaliates.

The surge in tariffs and the associated uncertainty hit global trade, supply chains, capex and the labour market globally.
Adverse sentiment effects are substantially larger than in “Recession” scenario. The ensuing deep global recession puts heavy downward pressure on commodity prices, including energy commodities.
Inflation in the US accelerates in the short run as tariffs bite but the shock is ultimately disinflationary because weaker activity dampens price pressure over the medium term. Retaliation makes eurozone inflation sticky in the short term, after which disinflationary forces gain momentum. Risk aversion in markets surges.
Central Banks look through temporary inflation pressures and cut interest rates well below neutral levels to keep inflation expectations from de-anchoring to the downside. We assume the USD weakens significantly amid mounting doubts about the international role of the US currency, which triggers reorientation of financial flows away from the US.
In terms of timing, we assume that the shock starts in second quarter 2025.

Eurozone GDP contracts by 0.8% in 2025 and by a massive 3.5% in 2026, followed by a more moderate contraction in 2027. On a cumulative basis, GDP growth is projected to be 8 pp lower than in the baseline scenario.

Eurozone inflation falls well below the ECB’s 2% goal in 2026-27 amid faltering economic activity and rising unemployment. The drop in commodity prices and EUR-USD appreciation add to downward price pressure.

Central Banks respond to the shock, focusing on the disinflationary impact at the policy-relevant horizon. The ECB stops QT and cuts rates to 0.25% by 2027. We assume they do not do QE, but they resort to forward guidance to compress the term premium. The Fed follows a similar pattern, cutting the Fed funds rate all the way to 1%.

Sovereign credit spreads are expected to come under moderate pressure, due to slower growth. Policy easing is factor expected to provide some support. We pencil in a widening of BTP ASW spreads of 130 basis point once the shock materializes overshooting the widening expected over the medium term.

Corporate credit spreads would be under strong widening pressure, especially at the lower end of the rating scale.
Energy intensive sectors, e.g. utilities, industrials and automobiles should be under stronger pressure in this scenario, due to massive slump in domestic and external demand.

In FX, we assume a depreciation of the USD beyond the recession levels. Both the CHF and the JPY will continue to work as safe-haven currencies, the fall expected in EUR-CHF and EUR-JPY will be more intense than in the recession scenario. GBP-USD is expected to rise more than in the recession scenario.

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Equity markets are expected to post very significant losses of over 30%, reflecting the adverse economic environment and higher interest rates.

Stress Test on Trading book (*)

(€ million)

	26 JUNE 2025	
	RECESSION SCENARIO	SEVERE RECESSION & LOW RATES
UniCredit group total	**49**	**-121**
Germany	46	-113
Italy	6	-3
Central Europe	-3	-3
Eastern Europe	0	-1

Note:
(*) End of month for Stress Test results refers to last Thursday.

Conditional results of Managerial Trading book, as defined above, have been reported. Conditional losses in Severe Recession & Low Rates scenario are mainly coming from UCB GmbH due to structured Funds products in Equity & Brokerage Trading business line.
Conditional profits in Recession scenario are mainly coming from UniCredit Bank GmbH due to structured Equity products in Equity & Brokerage Trading business line, partially offset by conditional losses from structured Funds products.

2.4 Liquidity risk

Qualitative information

A. General aspects, operational processes and methods for measuring liquidity risk
Liquidity risk is defined as the risk that the Group may find itself unable to fulfil its expected or unexpected payment obligations (by cash or delivery), current and future, without jeopardising its day-to-day operations or its financial condition.

The key principles

The liquidity reference Banks
The Group aims at maintaining liquidity at a level that enables to perform the main operations in safe mode, fund its operations at the best rate conditions under normal operating circumstances, and to remain always in a position to meet payment obligations.
To this end, the Group complies accurately with the legal and regulatory provisions imposed by the national Central Banks and by the national authorities of each country where it operates.

In addition to local legal and regulatory requirements, the Parent Company, under the responsibility of the Group Risk Management, defines policies and metrics to be applied at Group level, to ensure that liquidity position of any entity meets the requirements of the Group.

For these reasons, the Group is organised on a managerial perspective, according to the concept of the liquidity reference Bank.
The liquidity reference Banks are legal entities that act in their responsibility as liquidity hub. They are in charge:
- of the liquidity management and concentration process of liquidity flows of the legal entities falling within their perimeter of responsibility;
- of the funding optimisation carried out on the relevant local markets and are responsible to coordinate the access to short-term and medium-long-term markets of the Legal Entities belonging to their perimeter;
- finally, of the implementation of the Group's liquidity rules at local level in line with Group's Governance Guideline and Policy and with local regulations.

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A particularly important role is played by the Parent Company, as a "supervisory and overarching liquidity reference ank" with its role of steering, coordinating, and controlling all the aspects regarding liquidity for the whole Group.
The Parent Company has the responsibility to set the overall Group risk appetite and sub-allocate the limits in agreement with the liquidity reference Banks and/or Legal Entities. In particular, the Parent Company functions are responsible for the following:

- outlining Group overall liquidity risk management strategies;
- developing liquidity risk metrics and methodologies;
- setting specific limits for liquidity risk exposures, in line with the Group risk appetite;
- optimising liquidity allocation amongst Legal Entities, in compliance to the local regulations and transferability limitation;
- coordinating access to financial markets for liquidity management;
- outlining the yearly Group funding and contingency funding plan, coordinating and monitoring their execution;
- assessing the adequacy of the liquidity reserves buffers at Legal Entity and Group level;
- coordinating the refinancing transactions with the European Central Bank;
- defining, periodically reviewing the Group ILAAP and approving the Group ILAAP Report on yearly basis.

The Parent Company moreover, acts as the liquidity reference Bank for the Italian perimeter.

The principle of "self-sufficiency"
This organisational model allows self-sufficiency of the Group by accessing the local and global markets for liquidity in a controlled and coordinated way. According to Group Policies, structural liquidity surpluses can be up streamed to the Parent Company, unless legal requirements prevent it.
The liquidity available at country level could be subject to restrictions due to legal, regulatory, and political constraints.
The so-called "Large Exposure Regime", applied throughout Europe, along with specific national laws like the "German Stock Corporation Act", are examples of legal constraints to the free circulation of funds within a cross-border banking Group[40].

As a general rule, the large exposure regime, ruled by the CRR 575/2013 (from Art.387 on) partially amended by CRR 876/2019, limits interbank exposures to a maximum of 25% of the institution's Tier 1 capital: this rule is also applicable to intra-group exposures.

However, there are significant differences in the way in which this EU regulation has been implemented in the various countries. In many CE&EE countries the 25% limit is valid, with some countries showing even stricter rules; in Austria, according to the National law, the 25% limit is not applied to exposures towards the Parent Company, if located in the European Economic Area; finally, in Germany the national Regulator has set up a process to apply for a waiver, exempting intra-group exposures from the large exposure limitation.
In the absence of official limits valid at national level, Austrian and German Regulators reserve the right to judge the exposure level on a case-by-case basis. In the current economic environment, in many of the territories in which the Group operates, Banking Regulatory Authorities are adopting measures aimed at reducing the exposure of their national banking system towards foreign jurisdictions with potential negative impacts on the ability of the Group to finance its activities.
For these reasons, the "Group Liquidity Management & Control Policy" provides for a further principle in order to enhance a sound liquidity risk management; each Legal Entity with market access has to increase its liquidity self-sufficiency, fostering in this way the exploitation of its strengths.
In addition, the Group rule states that each LE (including the liquidity reference Bank) should be self-sufficient in terms of liquidity in its local currency, either on its own or by leveraging on the relevant liquidity reference Bank.
This self-sufficiency principle is reflected in a specific "limit structure": limits are set both at Group and at individual level, with the purpose of avoiding/controlling significant imbalances among legal entities.

This type of organisation promotes the self-sufficiency of the legal entities, by allowing them to access the local and global markets for liquidity in a controlled and coordinated way, whilst optimising: i) the liquidity surpluses and deficits within the Group's Legal Entities ii) the overall costs of funding across the Group.

The adoption of the Single Point of Entry by the Group implies that the Holding provides internal MREL to all the other subsidiaries within Europe, representing the only exception to the self-sufficiency principle.

Roles and responsibilities
At Group level, three main functions are identified in the management of the liquidity: the Group Risk Management competence line, the Group Finance competence line, and the Group Treasury function, each with different roles and responsibilities.
In particular, the operational responsibilities reside in the Finance and the Treasury functions, while the Risk Management function has responsibilities of independent controls and independent reporting compared to the operational functions (in line with the current requirements of Banca d'Italia).

40 Also, Banca d'Italia Rules, Circular 285, foresees that the Group should ensure the maintenance through the time of adequate reserves in each Legal Entity, in order to take into account possible regulatory constraints (First Part, Title IV, Chapter 6, Section III, paragraph 7).

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Specifically, the Risk Management function is responsible for the independent control of liquidity risk and of Balance sheet interest rate and FX risk at Group level and for the internal and regulatory stress testing.
In detail:

- defining policies and methodologies for measuring and controlling the liquidity risk and developing, updating and presenting the independent internal risk reports/assessments to internal competent functions (second level controls);
- putting in place a strong and comprehensive internal limit and control framework to mitigate or limit the liquidity risk in line with the risk tolerance in order to monitor the different material drivers of liquidity risk;
- contributing to the setting of the risk appetite framework;
- assessing and monitoring liquidity risk exposure trends at Group and Country level and confronting them with the respective limits and triggers;
- verifying the correct implementation of the agreed mapping rules;
- performing an independent assessment of the Funding Plan and of the Contingency Funding Plan as well as monitoring their execution;
- developing and performing the liquidity stress test at Group level, analysing the outcome, delineating new scenarios to be taken into account and centralising the action plan relating to the stress test results; it is also responsible of periodically reviewing the liquidity stress test framework;
- monitoring the liquidity risk and producing regular risk reporting at Group level in alignment with Basel Committee's "Principles for effective risk data aggregation and risk reporting", setting common standards in terms of presentations and communications.
- performing internal validation activities at Group level on systems for measuring liquidity risks on related processes and data quality and IT components, as well as on models for pricing financial instruments in order to check that they are conform to regulatory requirements and in-house standards;
- developing and back-testing the behavioural models for the measurement of the liquidity risk;
- validating, controlling the implementation and releases independent assessments on the models to map the liquidity profile of Balance sheet items (i.e. behavioral models on deposit stickiness, on loans prepayment, ecc.).

Group Treasury acts as main coordinator in the management of infra-group flows, stemming from liquidity deficits or surplus of the various Group's Legal Entities, and applies the appropriate transfer prices to such fund's movements. By doing so, Group Treasury ensures a disciplined and efficient access to the markets.

Group Finance competence line is responsible for the coordination of the overall financial planning process at Group, liquidity reference Banks and relevant Legal Entities level, aiming to efficiently ensure the stability and the sustainability of the financial structure through time, addressing assets and liabilities composition and maturities, in compliance with the limits and triggers set for liquidity and Balance sheet metrics.
It is also responsible for the execution of the medium long term Group's funding strategy (including securitisation operations), coordinating the access to national and international capital markets for all the liquidity reference Banks and relevant Legal Entities, exploiting local market opportunities in order to reduce the costs of funding and diversify the financing sources.
In addition to this, the function performs first level controls on liquidity positions managed by Group Finance and Group Treasury aimed at ensuring the proper P&L and liquidity workflow of the operations and defines conditions and rules for transfer price application.

All the relevant issues that concern the liquidity risk and management perspective of the Group are discussed in GFRC (Group Financial & Credit risks committee - ALCO session).
The Committee is responsible for approving strategies, policies and methodologies for Financial Risks and for the monitoring of risks related to Fund Transfer Pricing, across Liquidity Reference Banks, Business Functions and Legal Entities, with the aim to optimize the usage of financial resources (e.g., liquidity and capital) in coherence with Risk Appetite and Business Strategies.
It is also responsible for the approval of the Financial Plan, Funding Plan, Ordinary Counterbalancing Capacity Plan and Contingency Funding Plan to be submitted to the Board by the CEO as well as for evaluating the impact of transactions significantly affecting the overall financial risk portfolio profile.

The optimisation of liquidity risks is pursued through the setting of specific limits on the standard banking activity of transforming short, medium and long-term maturities. This is implemented in accordance with legal and regulatory framework in each country and internal rules and policies of the Group companies through management models in place within the individual liquidity reference Banks.

Such models are subject to analyses carried out by the local Risk Management or equivalent structure with the same responsibilities in coordination with the Group's Risk Management to ensure that they comply with the metrics and the objectives of the Group's liquidity framework.
In addition, the regional rules must comply with national laws and regulatory requirements.

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Part E - Information on risks and related hedging policies

Risk measurement and reporting systems

Techniques for risk measurement

The different types of liquidity risk managed by the Bank are:

- short term liquidity risk refers to the risk of non-conformity between the amounts and/or the maturities of cash inflows and cash outflows in the short term (below one year);
- market liquidity risk is the risk that the Bank may face a considerable (and unfavourable) price change generated by exogenous or endogenous factors and incur losses as a result of the sale of assets deemed to be liquid. In the worst case, the Bank might not be able to liquidate such positions;
- intraday liquidity risk appears when a Bank is not able "to meet payment and settlement obligations on a timely manner basis under both normal and stressed conditions";
- structural liquidity risk is defined as the inability to raise the necessary funds to maintain an adequate ratio between medium to long-term (over one year) assets and liabilities at reasonable pricing level, in a stable and sustainable way, without affecting the daily operations or the financial condition of the Bank. It could have a potential impact on the cost of funding (own credit and market funding spreads), affecting future income of the institution;
- contingency risk, or stress liquidity relates to future and unexpected obligations (i. e. draw on committed facilities, deposits withdrawal, increase in collateral pledging) and could require the Bank a greater amount of liquidity compared to what is considered the amount to run the ordinary business;
- intragroup liquidity risk, that might generate from an excessive exposure or dependency towards/from specific Group counterparts;
- funding concentration risk arises when the Bank leverages on such a limited number of funding sources, that they become so significant that the withdrawal of one or few could trigger liquidity problems;
- foreign exchange liquidity risk, generated by the current and projected liquidity mismatch between cash inflows and cash outflows in foreign currencies (refinancing risk) or related with the maturity distribution of the assets and liabilities in foreign currencies (foreign currency structural mismatch risk).

The exposure of the Group and its Legal Entities to any of these risks is measured by associating to any of them a metric or a set of metrics.
Every legal entity of the Group is exposed to the above-mentioned risks at a different extent: a materiality analysis is performed in order to define the perimeter of the liquidity risk management and control.

Liquidity risk, for its particular nature, is addressed by means of gap analyses, liquidity stress testing, and complementary measures (mainly through a set of indicators, among which: loans to deposits ratio, liquidity coverage ratio).

In particular, gap analyses are performed within two distinct time horizons:

- liquidity imbalance mismatch approach on a daily basis, which controls the short-term liquidity risk arising from the overnight up to a 12 months maturity;
- gap ratios on a monthly basis, which control the medium to long-term risk (structural liquidity) from the 1-year maturity onwards.

Strategies and processes to manage the liquidity risk

The Group's liquidity framework is based upon the Liquidity Risk Mismatch Model which is characterised by the following fundamental principles:

- short-term liquidity risk management (operational liquidity), which considers the events that will impact upon the Group's liquidity position from 1 day up to one year. The primary objective is to maintain the Group's capacity to fulfil its ordinary and extraordinary payment obligations while minimising the relevant costs;
- structural liquidity risk management (structural risk), which considers the events that will impact upon the Group's liquidity position over one year. The primary objective is to maintain an adequate ratio between medium/long term liabilities and medium to long-term assets, with a view to avoid pressures on short-term funding sources (both current and future), while in the meantime optimising the cost of funding;
- stress tests: Liquidity crisis is a low probability, high impact event. Therefore, stress testing is an excellent tool to reveal potential vulnerabilities in the Balance sheet. The Bank uses several scenarios ranging from general market crisis to idiosyncratic crisis, and a combination hereof.

In this context, the models to manage the liquidity take into account all assets, liabilities, off-Balance sheet positions and also both present and future events which generate certain or potential cash flows for the Group, thereby protecting the Group Banks/Companies from risks relating to the transformation of maturity.
In addition, the liquidity risk is included in the Group's risk appetite framework through some specific liquidity indicators.

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Part E - Information on risks and related hedging policies

Short-term liquidity management

Short-term liquidity management aims at ensuring that the Group remains in a position to fulfil its cash payment obligations, whether expected or unexpected, focused on the exposure for the first twelve months.
The standard measures taken for such purposes are the following:

- management of the access to payment systems (operational liquidity management);
- management of cash payments to be made and monitoring of the level of liquidity reserves and the extent of their utilisation (analysis and active management of the maturity ladder).

These principles are applicable at Group level and have to be used across the *liquidity reference Banks*.

The *operative maturity ladder* is composed by the net contractual cash flows (*in/outflows*) affecting the cash position at Central Banks or "Nostro Account".
Therefore, these flows impact directly the "*core liquidity*" of the Bank, over pre-defined time *buckets*.
The *operative maturity ladder* is composed of:

- primary gap, which shows the net wholesale refinancing requirements over the various time-buckets of the horizon.
- counterbalancing capacity, which shows the amount of unencumbered securities that are accepted as collateral by Central Banks and/or market counterparties. The counterbalancing capacity is considered at its "liquidity value" (i.e. the market value minus the applicable haircut).
- cumulative gap, which is the sum of the previous components;
- reservation for unexpected flows, which consists of liquidity adjustment to the operative maturity ladder, to consider a buffer that can be used by the Treasury to refinance unexpected outflows impacting the Central Bank position (included in the short-term buckets). The reservation for unexpected flows takes into account the volatility of the funding needs of the commercial asset portfolio, the volatility of the commercial funding sources, including potential concentration effects, the change of liquidity value of the counterbalancing capacity due to observed market price changes.

The operative maturity ladder is included in the Group risk appetite framework, with a limit of 0 on the 3 months bucket.

The Group also adopts the cash horizon as a synthetic indicator of the short-term liquidity risk levels.
The cash horizon identifies the number of days after which the relevant entity is no longer able to meet its liquidity obligations as expressed in the operative maturity ladder, after having exhausted the available counterbalancing capacity.

Structural liquidity management

The Group's structural liquidity management aims at limiting refinancing exposures above one year and thus reducing refinancing needs in the shorter term.
The maintenance of an adequate ratio between medium to long-term liabilities and assets aims at avoiding pressures on short-term sources, whether present or future.
The standard measures taken for such purposes are the following:

- the spreading of the maturity of funding operations in order to reduce the usage of less stable funding sources, while in the meantime optimizing the cost of funding (integrated management of strategic liquidity and tactical liquidity);
- the financing of growth through strategic funding activities, setting the most appropriate maturities (yearly funding plan);
- the balancing of medium/to long-term wholesale funding requirements with the need to minimise costs, by diversifying sources, national markets, currencies of issuance and instruments used (realisation of the yearly funding plan).

The main metric used to measure the medium/long-term position has been the net stable funding ratio, as described by CRR2.
In general, the net stable funding ratio is calculated as the ratio between the stable portion of liabilities and assets.
All the Balance sheet items are mapped according to their contractual maturity. In addition, they are assigned a weight that reflect, for the liabilities, their stability within the Balance sheet and, for the assets, the portion that is rolled over by the Bank or that, more in general, cannot be traded on the market in exchange of liquidity that would generate relief to the institution.
The internal limit, set at 102.30% for 2025, means that stable liabilities have to fully cover the requirements of funding generated by the stable assets.
In addition to the regulatory perspective offered by the net stable funding ratio, an internal metric, named structural liquidity ratio, is adopted to steer structural liquidity risk from an economic point of view, i.e. taking into account the liquidity risk stemming from different Balance sheet items under the perspective of internal models.
Another key structural metric, aimed at measuring the funding needs originated from the commercial activity of the Bank, is the loans to deposits ratio.
It measures the need of funding the Bank has to finance on the wholesale market. The indicator is integrated in the risk appetite framework with the aim of monitoring and managing the level of funding coverage of net loans to customers, coming from funding sources not exclusively obtained through Treasury/Finance activity.

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Part E - Information on risks and related hedging policies

Liquidity under stress

Stress testing is a risk management technique used to evaluate the potential effects on an institution's financial condition of a specific event and/or movement in a set of financial variables.
As a forward-looking tool, liquidity stress testing diagnostics the institution's liquidity risk. In particular, the results of the stress tests are used to:

- determine liquidity limits both in quantitative and qualitative terms;
- plan and carry out alternative funding transactions for purposes of off-setting liquidity outflows;
- structure/modify the liquidity profile of the Group's assets;
- provide support to the development of the liquidity contingency plan.

In order to execute stress tests that are consistent across the liquidity reference Banks, the Group has a centralised approach, requiring each local liquidity reference Bank to run the same scenario set under the coordination of the Group risk management.
The Group runs liquidity scenarios and sensitivity analyses on a regular basis, the latter by assessing the impact on an institution's financial condition of a move in one particular risk factor, whereas scenario tests tend to consider the impact of simultaneous moves in a number of risk factors, based on a hypothetical, well defined and consistent stress scenario.

The Group identifies three different types of potential liquidity crisis:

- market (systemic, global or sector): market downturn scenario. This scenario consists of a sudden turmoil in a monetary and capital market, which may be caused by closure (or limited access) to market/settlement system, critical political events, country crisis, credit crunch, etc.;
- specific to the Group, or part of it (idiosyncratic): name crisis; the assumptions could be operational risk, events relating to the worsened perception of the Group reputational risk and a downgrade in UniCredit S.p.A. rating or another legal entities;
- a combination of market and specific crisis: combined scenario.

These scenarios are expected to cause a substantial reduction in the funding coming from rating-sensitive customers, CD/CPs' investors and inter-Bank markets. In addition, a possible usage of the undrawn portion of the committed lines is considered.

The *combined scenario* is defined as a general negative development in the market environment and also as a factual or market-hypothesised problem specific to the Group.

In the first half of 2025 the Group liquidity stress test result on the combined scenario was always positive on the time horizon relevant for the internal limit system.

In addition to the internal stress test, the Bank adopts and monitors the liquidity coverage ratio (LCR), calculated in accordance with the provisions of Implementing Regulation (EU) 2016/322 in force from 1 October 2016 as amended by DR (EU) 2018/1620.
It is the ratio between the high-quality liquid assets (HQLA) and the net cash outflows expected over the coming 30 days, under stress test conditions.
The compliance with this regulatory requirement is constantly monitored by setting, in the risk appetite framework, internal limitations above the binding minimum level of 100%.

Among the liquidity outflows that occur in a stress scenario, the Bank monitors on a monthly basis the impact in terms of additional collateral that the Bank may be required to provide given a downgrade of its own credit rating. All the relevant rating agencies are taken into account. The testing is carried out on a Legal Entity level, but consolidated reporting is available to analyse the impact on group wide basis. Specific attention is dedicated to exposures towards special purpose vehicles (SPV).

At Group level the amount of material outflows due to deterioration of own credit quality, included in the components of the Liquidity Coverage Ratio, amount to €2,278 million as at 30 June 2025.

Risk mitigation

Monitoring and reporting

In the Group the governance and control of liquidity risk is mainly performed through the setting and monitoring of operating restrictions managerial and regulatory aimed at preventing potential vulnerabilities in the Bank's ability to meet its cash flow obligations that are embedded in risk metrics limits or warning/trigger levels.
The short-term liquidity limits are monitored and reported on a daily basis.
The structural liquidity ratios and their exposure against limits are monitored and reported on a monthly basis. The survival period and the result of the liquidity stress test are reported and monitored on a monthly basis.

In case of limit breach or warning level activation at Group level, the Group risk management function investigates the rationale of the events, triggering the proper escalation and reporting them to the relevant committees.

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Part E - Information on risks and related hedging policies

Mitigation factors

Liquidity risk is considered a relevant risk category for the risk appetite determination of the Group.
The practices and processes are included in the "Group Liquidity Management & Control Policy", that defines the principles that the Parent Company and the Legal Entities have to apply for hedging and mitigating this risk and the roles to be interpreted by the different committees and functions.
In addition to an adequate liquidity buffer to face unexpected outflows and robust and regular up-to-date stress testing performed, the main liquidity mitigation factors for UniCredit group are:

- an accurate plan of short-term and medium to long-term liquidity needs, to be monitored on a monthly basis;
- an effective contingency liquidity policy with feasible and up-to-date contingency action plan to be executed in case of crisis;
- a system of early warning indicators such to anticipate any potential liquidity crisis and give enough time to the Group to restore its safe liquidity profile.

Funding plan

The funding plan plays a fundamental role in the overall liquidity management, influencing both the short-term and the structural position.
The funding plan, defined at each level (i.e., Group, liquidity reference Bank and Legal Entity level), is developed consistently with a sustainable analysis of uses and sources, both on short-term and structural positions.
One of the objectives of accessing the medium and long-term channels is to avoid the pressure on the short-term liquidity position.
The funding plan is updated at least on a yearly basis and is approved by the Board of Directors. In addition, it is aligned with the budgeting process and the risk appetite framework.
The Parent Company accesses the market for Group capital instruments.

The Parent Company coordinates the market access of the liquidity reference Banks and legal entities, while the liquidity reference Banks coordinate the access of the legal entities falling within their perimeter.
Each legal entity or liquidity reference Bank can access the markets for medium and long-term funding, in order to increase its self-sufficiency, exploit market opportunities and functional specialisation, safeguarding the optimisation of cost of funds of the Group.
Group Finance competence line is responsible for the elaboration of the funding plan. Risk management is responsible for providing an independent assessment of the funding plan.

Group contingency liquidity management

The liquidity crisis usually develops quickly and the relevant signals may be either difficult to interpret or may even be lacking; it is, therefore, important to clearly identify players, powers, responsibilities, communication and reporting criteria, in order to increase significantly the probability of overcoming the state of emergency successfully. A liquidity crisis could be classified as systemic (e.g., overall capital and money market disruption) or specific (e.g., specific to the Bank), or a combination of both.
The ability to act in time is essential to minimise the potentially disruptive consequences of a liquidity crisis.
The analysis of the stress tests will form a valuable tool to identify the expected consequences and to define up front the most suitable actions in a certain crisis scenario.
In combination with the early warning Indicators the organisation may be able to reduce the negative liquidity effects in the initial stages of a crisis.
Therefore, a crisis-mode operating model, that can be activated effectively in case of crisis according to an approved procedure, has been defined.
In order to be able to proceed timely, a set of mitigating actions have been pre-defined.
Depending on the situation some of these actions can then be approved for execution.
The *Group contingency liquidity management* rules have the objective of ensuring effective interventions starting from the very outset (initial hours) of the liquidity crisis, through the definition of specific guidelines on activation, meetings, decisions, actions and communications.

This is achieved through:

- a set of early warning indicators that may help to identify emerging vulnerabilities in the Group liquidity risk position;
- activation of extraordinary liquidity governance and operating model linked to indicators included in both the risk appetite and recovery and resolution plan framework;
- a set of available standby mitigating liquidity actions;
- consistent internal and external communication.

A relevant part of the contingency liquidity management is the contingency funding plan. This plan consists of a set of potential but concrete management actions to be performed in time of crisis.
These actions are described in terms of size, instrument, and timing of execution aimed at improving the Bank's liquidity position during time of crisis. The contingency funding plan is developed on the basis of the annual Funding Plan.

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A specific early warning indicators dashboard is in place, both at Group and Legal Entities level, in order to continuously monitor situations of stress, which may, among others, be originated by market, sector or name specific events.
They are based either on macroeconomic or market indicators that also reflect the monetary policy stance of the Central Banks variables, or on specific internal metrics. The system of early warning indicators helps to identify emerging vulnerabilities in the Group's liquidity risk position or potential funding needs, triggering a potential response by the Senior management.
A "traffic light approach" is adopted for each metric in order to have sufficient time to inform senior management of a deteriorating situation and allow to put in place adequate actions aimed at restoring the business-as-usual state.

Adequacy of the Liquidity Risk Management
In the yearly process of the ILAAP, the Senior management is requested to give a judgement on the adequacy of the liquidity position and stability of funding, called Liquidity Adequacy Statement (LAS). This assessment aims at showing the main drivers that had modified the liquidity position throughout the year and provides comment also on the evolution of the main metrics that are used to steer the different aspects of the liquidity risk.
In the first half of 2025, the Group liquidity situation is deemed adequate, and the liquidity risk management arrangements of the institution ensure that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy.

The framework of measurement systems and of limits in place aims to ensure that the Group has always an internal liquidity buffer/reserve that allows it to face expected and unexpected payments.

In the daily Treasury activity, the (managerial) liquidity reserve is represented by the Counterbalancing Capacity (CBC).
Group Treasury, in its role of operational liquidity management function is entitled to monetise also the bonds belonging to the trading book, if this is necessary to restore the liquidity positions, prevailing on any existing business or risk management strategies.

From a regulatory perspective, the liquidity reserve is represented by the amount of high-quality liquid assets (HQLA).
This is the numerator of the LCR and is made of assets, which can be easily and immediately converted into cash at little or no loss of value even in periods of severe idiosyncratic and market stress. These assets are unencumbered, which means free of legal, regulatory, contractual or other restrictions on the ability of the Bank to liquidate, sell, transfer, or assign them.

The adequacy of the liquidity reserve under both perspectives is monitored and controlled through the limitations set on the operative maturity ladder (managerial) and on the liquidity coverage ratio (regulatory), as described above.
In the first half of 2025, the operative maturity ladder of the Group, measured considering the impediments in the transfer of liquidity among Legal Entities, was constantly above the Risk Appetite Trigger, defined at a level that ensures that the Group would have enough liquidity to survive to a period of stress.

Similarly, the Group liquidity coverage ratio (LCR) was always well above the trigger (set above the minimum regulatory requirement of 100%), confirming that its liquidity reserve was large enough to cover one month of stress designed according to the regulatory hypothesis.

While the operative maturity ladder and the LCR restrictions ensure that the liquidity reserves are adequate, the respect of the loans to deposits ratio and other structural liquidity metrics restrictions ensure that the Bank maintains an appropriate balance between assets and liabilities in the medium-long term (beyond one year), preventing additional pressure on the short-term liquidity position.
In the first half of 2025, the net stable funding ratio, the loans to deposits ratio and the structural liquidity ratio were above the limitations set in the risk appetite framework, thus confirming the relative stability of the funding source of the Group.

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Part E - Information on risks and related hedging policies

2.5 Operational risks

Qualitative information

A. General aspects, operational processes and methods for measuring operational risk

Operational risk definition
Operational risk is the risk of loss due to errors, infringements, interruptions, damages caused by internal processes or personnel systems or caused by external events. This definition includes legal and compliance risks but excludes strategic and reputational risk.
For example, losses arising from the following can be defined as operational: internal or external fraud, employment practices and workplace safety, client claims, products distribution, fines and penalties due to regulation breaches, damages to the company's physical assets, business disruption and system failures, process management.

Group operational risk framework
UniCredit group sets the operational risk management framework as a combination of policies and procedures for the identification, the assessment and measurement, the addressing and mitigation, the monitoring and reporting of the operational risk of the Group and of the controlled entities. In order to ensure that the Operational Risk framework is consistently applied throughout the Group, guaranteeing that an adequate and proportional oversight mechanism is adopted also with reference to smaller Entities the "Group Operational Risk Oversight "model has been defined.
The operational risk policies, applying to all Group Legal Entities, as defined by the Group Operational Risk Oversight model, are common principles defining the roles of the company bodies, the operational risk management function, as well as the relationship with other functions involved in the process.
The Parent Company coordinates the Group Legal Entities according to the internal regulation, Governance Mechanisms and Managerial Accountability and Organizational Book and Application. A specific Risks Committee, the Group Non-Financial Risks and Controls Committee (GNFRC) is set up to monitor risk exposure, mitigating actions, measurement, and control methods within the Group. With particular reference to UniCredit S.p.A. the Italy Non-Financial Risks and Controls Committee (INFRCC) supports the Head of Italy in the role of steering and monitoring of the Non-Financial Risks (NFRs) at Italy level, also overseeing the related Internal Control System (ICS). The methodologies for data classification and completeness verification, scenario analysis, risk indicators, monitoring and reporting, capital at risk measurement, Risk and Control Self Assessments and Mitigation Strategies are set by the Group Non-Financial Risks (GNFR) structure and applied by all Legal Entities. A pivot element of the risk control framework is the operational risk management application, allowing the collection of the data required for operational risk control and capital measurement.

The compliance of the Group Operational risk control and measurement system with external regulations and Group standards is assessed through an internal validation process, which is under the responsibility of the Group Internal Validation department of the Parent Company and is independent from the Group Non-Financial Risks structure.

Since March 2025 the UniCredit group applies the Basel IV standardised approach (SA) for calculating operational risk capital for Group and Legal Entities.

Organisational structure
Senior Management is responsible for approving all aspects related to the Group operational risk framework and verifying the adequacy of the measurement and control system; it is regularly updated on changes to the risk profile and operational risk exposure, with the support of the appropriate risk committees if required.

The Group Non-Financial Risks and Controls Committee (GNFRC) supports the CEO in the role of steering and monitoring the Non-Financial Risks (NFRs, including Climate & Environmental risks) at Group level, also overseeing the related internal control system (ICS).
The GNFRC enables the coordination among the "three lines of defence" with the aim to identify and share Group priorities concerning Non-Financial Risks (e.g., events, regulations or emerging risks), assessing and monitoring the effectiveness of initiatives put in place in order to address them.
Without prejudice to the role reserved to the Board of Directors by the provisions in being at the time, the GNFRC, in order to support the CEO in implementing the strategic guidelines and the Group general Risk Management policies is responsible for:

- defining and approving policies, operational limits and methodologies for the measurement, management and control of Non-Financial Risks, as well as for the definition of the methodologies for the measurement, management, and control of Non-Financial Risks (Operational and reputational Risk) on the internal capital;
- evaluating and providing guidelines for the management of risks related to ICT, Security, Cyber, a third party contracts and business continuity plan;
- evaluating and providing guidelines for the management of reputational risk also on single customer transactions.

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With particular reference to the operational risk, GNFRC committee meets with approval, consulting, and information functions for:
1) Approving:
- Group Non-Financial Risk priorities and mitigation strategies;
- general governance policies for the different types of NFRs;
- Group policies and methodologies for the measurement, management and control of the NFRs as well as for the measurement and control of the related internal capital;
- Group insurance strategies proposed by the competent functions.

2) Consulting and information concerning:
- the main NFRs, for the industry and for the Group, and overall strategies for their optimisation;
- the relevant Group and local Legal Entities issues (also emerging by the activities carried out by local NFR Committees) concerning NFR and ICS topics, evaluating weaknesses and shortcomings and, if needed, recommending and prioritising corrective actions, as well as monitoring main implementation plans milestones;
- external events having potential impact on Group NFRs profile, and best practices and/or lessons learned deriving from events, assessments and action plans defined by the Group Legal Entities;
- the periodical reporting provided by Risk Management on operational losses (with particular focus on events having relevant financial impacts), near misses, Risk Weighted Exposure Amounts (RWEA), Indicators and Scenario Analysis;
- the Compliance and Risk Management evidences on second level controls carried out, as well as on current and expected impacts of regulations;
- the Group relevant risks/criticalities highlighted by Internal Audit function, for specific cases and in relation to specific areas or geographies;
- Regulatory Report on operational risk significant or critical elements emerging from reports produced by External Regulators, other Group functions with control duties or operating within the ICS and External Auditors.

Group Non-Financial Risks structure (GNFR) is responsible for the governance and control of non-financial risks of the Group and for evaluating its exposure to them, through the definition of the framework and the related methodologies. The structure is also responsible for defining strategies to be submitted to the competent functions/bodies, in order to mitigate non-financial risks and to limit the related losses and risk weighted assets, as well as for setting their continual and independent monitoring and control. The structure is responsible for ensuring integrated analysis and reporting, in alignment with the other control functions (i.e. Compliance, Audit, Group Internal Validation) on the main non -financial risks of the Group.
The structure is also responsible for the digital risks governance and control leveraging on the established framework methodology (i.e. the "Framework"), for the evaluations on mitigation measures' adequacy on digital processes for UniCredit S.p.A., for the oversight of the Framework's implementation across the Group Entities as well as for the periodic reporting to the Group Top Management to support risk-based decision making.

The structure is organised as follow:
- Operational and Reputational Risk Management is responsible to define principles and rules at Group level for identification, assessment, control and reporting of operational and reputational risks, monitoring their correct application by Legal Entities. The structure is also responsible for defining operational and reputational risk economic capital measurement methodologies, conducting analysis of the Group's exposure to operational risk also based on operational risks analytics models. Furthermore, the structure identifies the operational risk strategic priority areas, coordinating and monitoring the definition and planning of related relevant risks mitigation actions by the Legal Entities of the Group and it is responsible for the definition of Risk Appetite Framework/RAF metrics of competence as well as for the related periodical monitoring. The structure is also responsible for the definition of the principles and minimum requirements necessary to identify and address the risks deriving from the development of new products, together with the competent Compliance function. It also provides oversight and challenge on the execution of the operational risk assessments for the Holding and Global functions perimeter, ensuring a specific presidia on the identification, ruling and management of Group activities connected to Reputational Sensitive Sectors. Finally, the structure is responsible to define the methodologies for assessing the reputational risk related to activities performed by the Group, providing reputational risk assessments for UniCredit S.p.A. and Non-Binding opinions for the other Legal Entities of the Group;
- Digital and Third party Risk Management is responsible to define principles and rules at Group level for identification, assessment, control and reporting - leading to a group-wide evaluation, monitoring and supervision - of digital and Third Parties risks, with the aim to enable the Group as a safe, secure and resilient digital Bank. Determines the most relevant areas within the operational risk framework in regard to the Group Digital perimeter of activity, in coherence with the Risk Appetite Framework/RAF and Group strategic objectives, as well as defines the guidelines for the control of the Digital risks (i.e. IT and Cyber) and Third Parties performed by the Group Legal Entities, monitoring their execution. The Structure is also responsible to identify, assess, respond, monitor and report Digital risks affecting processes belonging to the Group Digital & Information area.

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Reporting
A reporting system has been developed by the Parent Company to keep senior management and the Management Body regularly informed on the Group operational risk exposure and the risk mitigation actions.
In particular, weekly reports are provided on operational losses trend, the main initiatives undertaken to prevent or mitigate operational risk in the various business areas and main operational risk events. Quarterly updates are provided on capital-at-risk estimations and RAF metric monitoring.
Operational loss reports, submitted to Group Non-Financial Risks and Controls Committee are periodically provided to Regulators.

Risk addressing and mitigation
On a yearly basis, NFR priorities are defined at Group and local level on the basis of both internal data (losses, scenarios, incidents, risk indicators) and external information (external events, market trends and emerging risks).
To address the identified NFR Priorities, the Mitigation Strategies are defined through the identification of Strategic Guidelines aimed at ensuring an effective presidium on Group and Local priorities.
NFR Priorities represent the basis for the identification and planning of the related Mitigation Strategies. NFR Priorities are yearly defined by GNFR and Local NFR functions through a qualitative evaluation on selected forward-looking key risk drivers, arising from internal and external data such as industry, market trends evolution and additional Group or Local drivers.
The defined NFR Priorities are analysed by GNFR and local NFR functions to identify the proper Group and Local Strategic Guidelines to mitigate such priorities and their main weaknesses/points of concern (overall referring to Group and Local Mitigation Strategies).
Group NFR Priorities and Mitigation Strategies, particularly, are aligned with Risk Appetite Framework (RAF), shared with the other Control Function for overall coherence and are provided to the local NFR Functions as reference for their further analysis and setting (with the goal to define the Group NFR Priorities and Strategies applicable at local level and to identify any specific NFR Priority and Strategy locally relevant).

The local NFR function analyses the relevance of each Group NFR Priority at local level to define if it is applicable also in its Legal Entity, consistently with the Group approach and any other methodological instructions potentially provided by GNFR.
Additionally, the local NFR management functions should identify and evaluate additional priorities affecting their own Legal Entity, considered relevant on the basis of the local market trends, the business evidences of the last and ongoing year and the specificities of the Legal Entity. For each locally relevant NFR Priority, the NFR function defines the local second level control activities (i.e. local Mitigation Strategies) addressing the related risk. Group/Local NFR Priorities and Mitigation Strategies are then submitted the Group/Local Non-Financial Risk Committee or designated risk Committee for approval.
Afterwards, the status of the related Group and Local mitigation actions is regularly monitored on a risk-based approach by GNFR and local NFR Functions, reporting any relevant deviation to the designated Committees. In particular, the monitoring is performed through:

- the second Level Controls, aimed at verifying that the actions defined through the NFR Strategic Guidelines in scope are effectively and timely carried out and in case of significative changes concerning the implementation timeline, mitigation action effectiveness or risk exposure, the local NFR function is responsible for finding the proper recovery, involving the relevant functions as needed, and/or escalating the issue to the designated Risk Committee. Same role is acted by GNFR for Group mitigation action. Local NFR function has also to timely inform GNFR;
- the oversight, during which GNFR checks the actions reported by NFR functions on a risk-based approach and in case of criticalities detected during the monitoring phase of Local and Group mitigation actions, GNFR and local NFR functions can agree on any recovery action and/or any escalation to local or Group designated Risk Committees.

Operational Risk Permanent Work Group (PWG)
The Global Operational Regulation Operational Risk Monitoring and Control rules the PWG, an inter-functional working group established in the Legal Entities, which aims at identifying the root causes of Operational Risks and reduce the Operational Risk exposure of the Group Legal Entities, leveraging mainly on the expertise of the NFR management function and the other competent functions (e.g., Compliance, Security, Business functions, etc.) involved time by time.
The meetings, called at least quarterly, contribute to identify the risks, propose the mitigation actions, and monitor their implementation status.

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Insurance as risk mitigation
GNFR/local NFR management function, respectively at Group/Local level, is involved in the decision process related to insurance coverage with analyses regarding the exposure to operational risks, effectiveness of deductibles and of policy limits. Such functions regularly inform management on insurance related matters connected to operational risks. The role of GNFR and the local NFR management function in insurance management is defined in in the Global Operational Regulation Operational Risk Monitoring and Control.
Any proposal of relevant change in the risk transfer strategy through insurance is submitted to the competent functions/Bodies for approval.
The operational risks commonly insured in the Group are damages to physical assets, frauds, and liability toward third parties.

On the basis of a risk classification, the Group has insurance policies according to the following forms:
- internal fraud: “Bankers Blanket Bond” (BBB) policy, according to Employee Dishonesty insuring clause;
- external fraud: BBB policy, according to the following insuring clauses premises and transit (including loss of property resulting directly from theft & robbery), forgery or alteration, computer manipulation, included the cases of “fraudulent impersonation of counterparty” aimed at the execution of fraudulent transactions (e.g., “the so-called CEO frauds”);
- ICT and cyber breach: Cyber policy, coverage for liability claims (including legal expenses and customer notification costs) and business interruption costs (included also damages to UniCredit group caused by the system failure of the external IT providers). The coverage is extended also to Group multimedia liability (i.e., infringement of the copyright, defamation and general negligence in the course of publication);
- protection for the personal liabilities of the management including legal expenses: Directors and Officers Liability (D&O) policy;
- Employer’s Liability: protection for the Bank’s liability against claims for damages suffered by employees (compared to third-parties);
- third Party Liability Policy: protection for the Bank’s general liability against claims for damages suffered by third parties;
- external occurrences: “Property all risks” policy as well as “EDP (Electronic Data Processing) all risks” policy are provided in respect of buildings and other assets, extended to natural events, catastrophic losses, vandalism and terrorism, Fine Art policy to cover entrusted or owned works of art.

Non-Financial Risks Appetite (NFRs Appetite)
Non-Financial Risks Appetite metrics (Key Performance Indicators - KPIs) are reviewed annually and quarterly monitored; KPIs are cascaded to Legal Entities (in line with the perimeter defined by RAF).
ELOR (Expected Losses on Revenues) is an overarching NFRs metrics within Risk Appetite framework; in addition, ICT Security Risk, ICT Risk, Financial Crime, Third Parties Risks and Reputational Risk are monitored through dedicated KPIs and/or qualitative statements covering the main identified risk factors.
ELOR is a ratio estimated with a statistical model, based on the historical losses time series and forward-looking factors, as numerator, and the budget revenues, as denominator.
ELOR is monitored using the actual losses on actual revenues booked until end of quarters. The comparison between the thresholds estimated at the beginning of the year and the actual calculated on each quarter allows a close monitoring by the Parent Company of changes or reactions put in place by the legal entities to reduce and prevent risks. These analyses are also used to evaluate the impact of mitigation actions implemented in the past and as a base for future strategies and mitigation activities, as well as the improvement of existing ones.
A disciplined approach in monitoring expected losses and implementing remedial actions will ensure consistency with best practice standards, increasing accountability and alignment between business and risk control functions.

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Risk capital measurement and allocation mechanism
The capital requirement is calculated by applying the Business Indicator Component (BIC) as provided by the CRR3 and the EBA/CP/2024/05.
It means that the operational risk capital requirement and the corresponding OpRisk RWEA are quantified using the Business Indicator (BI) and the proper scaling factor. Therefore, as a first step, the Business Indicator is determined by relying on the Group's P&L item sources as reported in Tagetik (i.e., the IT platform used by Finance departments as the internal accounting system). The calculations are performed in ARGO (i.e., the IT platform used by the Group Non-Financial Risks department).

More in detail, the Business Indicator (BI) is calculated as the sum of the items in the last three years: BI = ILDC + SC + FC

where:
ILDC = Interest, Lease, and Dividend Component,
SC = Service Component,
FC = Financial Component.

The requirement is calculated as the Business Indicator Component (BIC) by applying an increasing % (12%, 15%, 18%) to the Business Indicator in brackets as defined below:

$$BIC = \begin{cases} 0.12 \cdot \text{BI}, & \text{where BI} \leq 1 \\ 0.12 + 0.15 \cdot (\text{BI} - 1), & \text{where } 1 < \text{BI} \leq 30 \\ 4.47 + 0.18 \cdot (\text{BI} - 30), & \text{where BI} > 30 \end{cases}$$

The equivalent RWEA amount for Operational Risk (i.e., the risk exposure amount) is obtained as follows: OpRisk RWEA = 12.5 * BIC

According to the Group Finance functions, all the Group OpRisk RWEA have to be allocated to the Legal Entities, according to the Group-view (not related to individual or sub-consolidated regulatory requirements). Therefore, an allocation has been defined in cooperation between the OpRisk function and the Group Finance functions, taking into consideration that:

- The BI is not additive due to the rules for its construction (i.e., minimum between NI and 2.25% of AC, max between FI and FE, max between OOI and OOE, absolute values of financial P&L for trading book and banking book)
- The BIC is, in general, hyper-additive (i.e., BIC(Group) ≥ ∑BIC(LEs)) due to its increasing scaling coefficients (i.e., 12% of BI until €1 billion, 15% between €1 billion and €30 billion, and 18% above €30 billion)

The allocation mechanism has been defined to be additive (i.e., BIC(Group) = ∑ Capital Requirement (LEs)) as follows:

$$Capital\ Requirement\ (LE_i) = BI(LE_i) \times \frac{BIC(Group)}{\sum_{j=1}^{n} BI(LE_j)}$$

And then: OpRisk RWEA (LEi) = 12.5 * Capital Requirement (LEi)

Stress test
Since 2017, the Group has regularly conducted stress analyses for operational risks. These include the stress test exercise for the Group, aimed at verifying, through the use of a statistical-econometric model, the impact in terms of operating losses, as well as the consequent repercussions on capital at risk, of changes in the underlying macro-economic factors, using articulated economic scenarios discussed and defined by the Group Stress Test Council at the proposal of the Research Department. This exercise is carried out twice a year, or upon request, whenever such an analysis of this type is needed to assess the risks arising from a possible worsening of the macro-economic environment.

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B. Legal risks

The parent company UniCredit S.p.A. and other UniCredit group companies are named as defendants in several legal proceedings. In particular, as at 30 June 2025, the parent company UniCredit S.p.A. and other UniCredit group companies were named as defendants in 31,760 legal proceedings, of which 5,171 involving the parent company UniCredit S.p.A. (excluding labour law cases, tax cases and credit recovery actions in which counterclaims were asserted or objections raised with regard to the credit claims of Group companies). In addition, from time to time, past and present directors, officers and employees may be involved in civil and/or criminal proceedings, the details of which UniCredit group may not lawfully know about or communicate.

The Group is also required to fulfil appropriately various legal and regulatory requirements in relation to certain aspects of its activity, such as conflicts of interest, ethical issues, anti-money laundering laws, EU, US and international sanctions, client assets, competition law, privacy and information security rules and others. Actual or alleged failure to do so may lead to additional litigation and investigations and subject the Group to damages claims, regulatory fines, other penalties and/or reputational damages. In addition, one or more Group companies and/or their current and/or former directors are subject or may in the future be subject to investigations by the relevant supervisory or prosecutorial authority in a number of countries in which the Group operates. These include investigations and/or proceedings relating, inter alia, to aspects of systems and controls and instances of actual and potential regulatory infringement by the relevant Group companies and/or its clients.

Given the nature of UniCredit group's business and its reorganisation over time, there is a risk that claims or matters that initially involve one Group company may affect or involve other Group entities.

In many cases, there is substantial uncertainty regarding the outcomes of the proceedings and the amount of possible losses. Where it is possible to estimate reliably the amount of possible losses and the loss is considered as more likely than not, provisions have been made in the financial statements to the extent the parent company UniCredit S.p.A., or any of the Group companies involved, deemed appropriate based on the circumstances of the case and in compliance with the International Accounting Standards (IAS).

To provide for possible liabilities and costs that may result from pending legal proceedings (excluding labour law and tax cases), as at 30 June 2025, UniCredit group set aside a provision for risks and charges of €735.08 million, of which €454 million for the parent company UniCredit S.p.A.

As at 30 June 2025, the total amount of claimed damages relating to judicial proceedings other than labour, tax and debt collections proceedings amounted to € 6.7 billion, of which €4.2 billion for the proceedings involving the parent company UniCredit S.p.A.

This figure is affected by both the heterogeneous nature of the pending proceedings and the number of involved jurisdictions and their corresponding characteristics in which UniCredit group companies are named as defendants.

The estimate for reasonably possible liabilities and the provisions are based upon the available information, however, given the many uncertainties inherent in legal proceedings, they involve significant elements of judgment.

Therefore, any provision may not be sufficient to meet entirely the legal costs and the fines and penalties that may result from pending legal actions.

Set out below is a summary of information, including, if material and/or indicated, the single requests of the plaintiffs, relating to matters involving UniCredit group which are not considered groundless or in the ordinary course of the Group companies' business.

This section also describes pending proceedings against the parent company UniCredit S.p.A. and/or other UniCredit group companies and/or employees (even former employees) that the parent company UniCredit S.p.A. considers relevant and which, at present, are not characterized by a defined claim or for which the respective claim cannot be quantified.

Unless expressly mentioned below, labour law and tax claims or debt collections proceedings are excluded from this section and are described elsewhere in the notes of this section. In accordance with IAS37, information that would seriously prejudice the relevant company's position in the dispute may be omitted.

Proceedings which involve the parent company UniCredit S.p.A.

Proceedings arising out of the purchase of UniCredit Bank GmbH (UCB - formerly UniCredit Bank GmbH) by the parent company UniCredit S.p.A. and the related Group reorganisation

Squeeze-out of UCB minority shareholders (Appraisal Proceeding)

In 2008, approximately 300 former minority shareholders of UCB filed a request before the District Court of Munich to have a review of the price paid to them by the parent company UniCredit S.p.A., equal to €38 per share, in the context of the squeeze out of minority shareholders (Appraisal Proceeding). The dispute mainly concerns the valuation of UCB, which is the basis for the calculation of the price to be paid to the former minority shareholders. On 22 June 2022, the competent court in Munich rejected all applications for a higher compensation than that which the parent company UniCredit S.p.A. paid to the former minority shareholders of UCB hence dismissing all claims. Certain claimants have filed appeals.

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Squeeze-out of UniCredit Bank Austria AG's minority shareholders (Appraisal Proceeding)
In 2008, approximately 70 former minority shareholders of UCB Austria commenced proceedings before the Commercial Court of Vienna claiming that the squeeze-out price paid to them, equal to €129.4 per share, was inadequate, and asking the court to review the adequacy of the amount paid (Appraisal Proceeding). In April 2025, the Vienna Commercial Court handed down its first-instance decision, determining that the appropriate cash compensation which should have been paid to the minority shareholders excluded from the squeeze-out should be set at €154 per share. Consequently, UniCredit S.p.A., as the principal shareholder, should make an additional payment of €24.60 per share (i.e. the difference between €154 and €129.40). Interest at roughly 4% p.a. from 2007 until the date of the final decision, plus costs, increase UniCredit S.p.A.'s exposure. The court's decision is not enforceable and has been appealed by UniCredit S.p.A. and certain applicants who are requesting an even higher cash compensation. In parallel, one contentious proceeding in which the plaintiff claims damages is still pending, involving however only insignificant amounts in dispute. At present, the parent company UniCredit S.p.A. has made provisions that it deems appropriate for the risks associated with the proceedings.

Fino Arbitration proceedings
In July 2022 Fino 1 Securitisation S.r.l. (Fino 1) commenced an ICC arbitration seeking damages in relation to, inter alia, the alleged breach of certain representations and warranties included in a transfer agreement for the sale of receivables entered into in 2017.
In March 2023, Fino 2 Securitisation S.r.l. (Fino 2) also commenced an ICC arbitration seeking damages in relation to another transfer agreement for the sale of receivables also entered into in 2017. In May 2025, the parties agreed to fully and finally settle the two ICC arbitrations, mutually waiving all claims arising from the representations, warranties, and indemnity provisions under the transfer agreements.

Euro-denominated bonds issued by EU countries
On 31 January 2019, the parent company UniCredit S.p.A. and UCB received a Statement of Objections from the European Commission referring to the investigation by the European Commission of a suspected violation of antitrust rules in relation to European government bonds. The subject matter of the investigation extended to certain periods from 2007 to 2011 and included activities by UCB between September and November 2011. The European Commission concluded its investigation by issuance of its decision on 20 May 2021. The decision provides for the imposition of a fine of €69 million on the parent company UniCredit S.p.A. and UCB. The parent company UniCredit S.p.A. and UCB contested the European Commission's findings and brought an action for the annulment of its decision before the General Court of the European Union on 30 July 2021. On 26 March 2025, the General Court of the European Union issued a decision which reduced the amount of the fine previously imposed, but otherwise upheld the Commission's decision. In June 2025, the parent company UniCredit S.p.A. and UCB submitted an appeal to the European Court of Justice, contesting the General Court's judgment.

Proceeding relating to certain forms of banking operations
The UniCredit group is named as a defendant in several proceedings in matters connected to its operations with clients, which are not specific to UniCredit group, rather affect the financial sector in general.
In this regard, as at 30 June 2025 (i) proceedings against the parent company UniCredit S.p.A. pertaining to compound interest, typical of the Italian market, had a total claimed amount of €767 million, mediations included; (ii) proceedings pertaining to derivative products, mainly affecting the Italian market (for which the claimed amount against the parent company UniCredit S.p.A. was €310 million, mediations included); and (iii) proceedings relating to foreign currency loans, mainly affecting the CE&EE countries (for which the claimed amount was around €271 million).
The proceedings pertaining to compound interest mainly involve damages requests from clients arising from the alleged unlawfulness of the calculation methods of the amount of interest payable in connection with certain banking contracts. At present, the parent company UniCredit S.p.A. has made provisions that it deems appropriate for the risks associated with these claims.

With regard to the litigation connected to derivative products, several financial institutions, including UniCredit group companies, entered into a number of derivative contracts, both with institutional and non-institutional investors. In Germany and in Italy there are a number of pending proceedings against certain Group companies that relate to derivative contracts concluded by both institutional and non-institutional investors. The filing of such litigations affects the financial sector generally and is not specific to the parent company UniCredit S.p.A. and its Group companies. At present, the parent company UniCredit S.p.A. and the involved Group companies have made provisions deemed appropriate based on the best estimate of the impact which might derive from such proceedings.

With respect to proceedings relating to foreign currency (FX) loans, in the last decade, a significant number of customers in the Central and Eastern Europe area took out these types of loans and mortgages denominated in a foreign currency. In a number of instances customers, or consumer associations acting on their behalf, have sought to renegotiate the terms of such FX loans and mortgages, including having the loan principal and associated interest payments redenominated in the local currency at the time that the loan was taken out, and floating rates retrospectively changed to fixed rates. In addition, in a number of countries legislation that impacts FX loans was proposed or implemented. These developments resulted in litigation against subsidiaries of the parent company UniCredit S.p.A. in a number of CE&EE countries including Croatia, Slovenia and Serbia.

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In 2015, the Republic of Croatia enacted amendments to the Consumer Lending Act and Credit Institutions Act mandating the conversion with retroactive effect of Swiss franc (CHF)-linked loans into Euro-linked (the "Conversion Amendments").
In 2019, the Supreme Court of the Republic of Croatia ruled that the CHF currency clause contained in certain loan and mortgage documentation was invalid (standing confirmed by the Constitutional Court in March 2021). In March 2020, the Supreme Court ruled that agreements entered into following the Conversion Amendments whereby customers converted their CHF mortgages and/or loans into EUR are valid and accordingly no additional payments are due. In May 2022, the European Court of Justice (ECJ) rendered a preliminary ruling in the court case against Zagrebacka banka d.d. (Zaba) taking the stand that the Directive on unfair terms in consumer contracts is not applicable in cases in which the conversion was based on national law (as it was in Croatia). The ECJ also referred to the local Croatian courts to decide on the conversion agreements and their effects. In December 2022, the Supreme Court publicly announced three legal standings related to CHF loan conversions:
- Customers who converted their loans under the Conversion Amendments are not entitled to damages;
- Customers who converted their loans are fully entitled to claim both interest and principal;
- Customers who converted their loans are entitled to penalty interest on overpayments made prior to the conversion.

The third legal standing, supported by a majority of 13 judges, was officially confirmed, and provisions were booked accordingly. In July 2024, the European Court of Justice (ECJ) issued its decision in the Hann Invest case (C-554/21) challenging the Croatian Supreme Court's procedure of withholding final judgments on its December 2022 rulings. In response, between October 2024 and January 2025, the Croatian Supreme Court issued binding rulings on its December 2022 legal standings.
These rulings introduced additional legal uncertainty and increased the risk of outflows for the Bank. Provisions have been adjusted to reflect these developments and are deemed appropriate.

Lawsuit brought by Paolo Bolici
In May 2014, the company wholly owned by Paolo Bolici sued the parent company UniCredit S.p.A. in the Court of Rome asking for the return of €12 million for compound interest (including alleged usury component) and €400 million for damages. The company then went bankrupt. The parent company UniCredit S.p.A. won the case in the first instance and, in the course of the appeal, the parties reached a settlement, following which the case was definitively discontinued, also after the intervention by Mrs Beatrice Libernini, Mr Bolici's business partner, was declared inadmissible.
On 31 July 2020, Mrs Libernini sued the parent company UniCredit S.p.A., seeking damages based on analogous facts to those alleged in the 2014 proceedings. The Court ruled in favour of the parent company UniCredit S.p.A. The appeal filed by the other party is pending.
In February 2023, Mr Bolici and Mrs Libernini commenced new proceedings before the Court of Rome, in which, recalling most of the claims already put forward by both of them and identifying the Bank as the main architect of the Group's financial collapse, they claim further damages for various reasons, invoking new allegations whose merits are currently being assessed. In January 2023 the Court of Rome ruled in favour of the Bank, fully dismissing the claims by the plaintiffs. The appeal filed by the other party is pending.

Giovanni Lombardi Stronati
In June 2023 Mr Giovanni Lombardi Stronati commenced proceedings before the Court of Rome seeking a declaration that the Bank is contractually liable for having ordered the sale of securities in his name, which had been seized in the context of criminal proceedings in which he was charged and then acquitted for embezzlement and fraudulent bankruptcy. The claim amounts to €420 million. In September 2024, the Court ruled in favor of the Bank, rejecting the claimant's arguments. The claimant has since appealed the decision, and the appeal is currently pending.

Mazza
In 2005 the parent company UniCredit S.p.A. filed a criminal complaint against a Notary, Mr. Mazza, representatives of certain companies and disloyal employees of the parent company UniCredit S.p.A. in relation to unlawful lending transactions in favour of certain clients for €84 million. The criminal court of first instance acquitted the defendants.
The Court of Appeal of Rome reversed this decision and found all the defendants guilty. Following a further appeal, while stating that some accusations were time-barred, the Supreme Court confirmed the decisions of the Court of Appeal in respect of the damages sought by the Bank. In May 2022, the insurance company indemnified the parent company UniCredit S.p.A. under the applicable policy, paying an amount of €33 million in relation to the losses suffered by the Bank.
Following the acquittal in the first-instance criminal proceedings, Mr. Mazza and other persons involved in the criminal proceedings filed two lawsuits for compensation claims against the parent company UniCredit S.p.A.: (i) the first (commenced by Mr. Mazza with a claimed amount of €15 million) was won by the Bank at first-instance and the judgment is now final; (ii) in the second (commenced by Como S.r.l. and Mr. Colella with a claimed amount of €379 million) case the Court of Rome ruled in favour of the parent company UniCredit S.p.A. Plaintiffs have appealed and reduced the claimed amount to €100 million.

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Criminal proceedings

Certain entities within UniCredit group and certain of its representatives (including those no longer in office), are involved in various criminal proceedings and/or, as far as the parent company UniCredit S.p.A. is aware, are under investigation by the competent authorities with regard to various cases linked to banking transactions.

At present, these criminal proceedings have had no significant negative impact on the operating results and capital and financial position of the parent company UniCredit S.p.A. and/or the Group, however there is a risk that, if the parent company UniCredit S.p.A. and/or other UniCredit group entities or their representatives (including those no longer in office) were to be convicted, these events could have an impact on the reputation of the parent company UniCredit S.p.A. and/or UniCredit group.

In relation to the criminal proceedings pertaining to the Diamonds offer topic reference is made to the paragraph “E. Other claims by customers - Diamond offer”, Explanatory notes, Part E - Information on risks and related hedging policies, Section - 5 Operational risks, Qualitative information.

Other proceedings

Claims in relation to guarantee payments and sanctions

In August 2023, UCB was named as a defendant in a lawsuit pertaining to guarantee claims commenced by a Russian energy company before a court in Saint Petersburg, Russia. UCB had issued part of a guarantee package in favour of the Russian company on behalf of a German guarantee client. The Russian company had drawn down the guarantees by making payment claims to UCB, which UCB could not fulfil under the applicable EU sanctions. Notwithstanding an anti-suit injunction obtained by UCB in the English courts (English ASI) in January 2024, the Russian company continued the litigation in Russia, and joined AO UniCredit Bank (a member of the UniCredit group and a Bank operating in Russia, AO Bank) as a co-defendant in the lawsuit. On 26 June 2024, the Russian court fully satisfied the Russian company’s claims. The appeals filed by UCB and AO Bank were rejected in February 2025. UCB and AO Bank filed a further appeal. Furthermore, in December 2024, the Russian company obtained an anti-suit injunction (Russian ASI) from a Russian court obliging UCB to refrain from taking legal action against the Russian company in any jurisdiction, and to take steps to annul the English ASI. If the Russian ASI were to be violated, UCB could be liable for a court fine payable to the Russian company. In light of this obligation, in February 2025, UCB obtained an order from the English Court of Appeal to amend its January 2024 order and remove the English ASI. UCB appealed against this decision in the Russian Supreme Court, but the appeal was rejected in June 2025.

Claims in relation to counter guarantees and sanctions

In April 2024, UCB was named as a defendant in a lawsuit brought by AO Bank before a court in Moscow, Russia, in connection with guarantee claims. UCB issued counter-guarantees to AO Bank for guarantees issued by AO Bank to a Russian company. When AO Bank made a payment under the guarantees to the Russian company, AO Bank demanded payment under the counter-guarantees from UCB, which UCB was unable to perform due to applicable EU sanctions. In October 2024, the Russian court ordered UCB to pay the guarantee amounts plus interest. UCB has appealed against the ruling. In January 2025 the appeal was rejected. UCB filed a further appeal, which does not affect the enforceability of the existing judgment. In March 2025, AO Bank initiated measures to secure enforcement against UCB.

Proceedings related to claims for withholding tax credits

On 31 July 2014 the Supervisory Board of UCB concluded its internal investigations into the so-called “cum-ex” transactions (the short selling of equities around dividend dates and claims for withholding tax credits on German share dividends) at UCB. In this context, criminal investigations have been conducted against current or former employees of UCB and UCB itself as an ancillary party by the Prosecutors in Frankfurt/Main, Cologne and Munich. With respect to UCB, all proceedings originally initiated by the aforesaid prosecution offices were finally closed with payment of a fine or the payment of a forfeiture.

In December 2018, in connection with an ongoing investigation against other financial institutions and former Bank employees, UCB was informed by the Cologne Prosecutor of the initiation of a new investigation in connection with an administrative offence regarding “cum-ex” transactions involving Exchange Traded Funds (ETF). In April 2019 these investigations were extended to so-called ex/ex-transactions, in which an involvement of the Bank in the sourcing of cum/ex transactions of other market participants on the ex-day is suspected. The facts are being examined internally. UCB is cooperating with the authorities.

On 28 July 2021, the Federal Criminal Court (BGH) rendered a decision through which the principle of criminal liability of cum/ex structures was determined for the first time. With its decisions of 6 April 2022, 17 November 2022, 20 September 2023, 29 October 2024 and 27 May 2025, the BGH confirmed five criminal judgements in other cum/ex cases of the Regional Court of Bonn and the Regional Court of Wiesbaden, thus further solidifying its case law. The Federal Constitutional Court rejected several complaints against decisions of the BGH, thereby confirming the case law of the BGH. UCB is monitoring the development.

In June 2023, the Munich tax authorities completed a regular field audit of UCB for the years 2013 to 2016 which includes, among other things, a review of transactions in equities around the dividend record date (so-called cum/cum transactions). During these years UCB performed, among other things, securities-lending transactions with different counterparties which include, but are not limited to, different types of cum/cum transactions. It still remains to be clarified whether, and under which circumstances, tax credits can be obtained or taxes refunded with regard to different types of cum/cum transactions. However, the Federal Tax Court (BFH) has provided some clarification through its case law, most recently in its decision of 13 November 2024. Some of the taxes credited from the cum/cum transactions are currently not recognised for tax purposes by the tax audit. UCB appealed against the tax assessments for 2013 to 2015, which were amended based on the findings of the tax audit regarding

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cum/cum transactions. Moreover, with respect to cum/cum transactions in which the counterparty of UCB claimed tax credits in the past, it cannot be ruled out that UCB might be exposed to third party claims under civil law.

Claims in relation to a syndicated loan
UCB, together with several other financial institutions, has been named as a defendant in complaints filed by the judicial administrator and foreign representative of a Brazilian oil and gas conglomerate in July 2021 in the United States before the Southern District of New York court claiming damages in connection with the repayment of a syndicated loan for two oil drilling rigs in which UCB participated that defendants are alleged to have unlawfully obtained. In March 2025, the district court granted the defendants' motions to dismiss the complaints, subsequently entering judgment for UCB and its co-defendants. The plaintiff has appealed against the judgements to the U.S. Court of Appeals for the Second Circuit.

VIP 4 Medienfonds
Various investors in "Film & Entertainment VIP Medienfonds 4 GmbH & Co. KG" to whom UCB issued loans to finance their participation, brought legal proceedings against UCB. In the context of the conclusion of the loan agreements, the plaintiffs claim that the Bank provided inadequate disclosure about the fund structure and the related tax consequences. A settlement was reached with the vast majority of the plaintiffs. An outstanding final decision with respect to the question of UCB's liability for the prospectus in the proceeding pursuant to the Capital Markets Test Case Act (Kapitalanleger-Musterverfahrensgesetz) which is pending at Munich Higher Regional Court, will affect only a few pending cases.

Alpine Holding GmbH
Legal proceedings against UCB Austria arose from bondholders' claims commenced in June/July 2013. The claims stemmed from the insolvency of Alpine Holding GmbH, as UCB Austria acted as joint lead manager, together with another Bank, for the undertaking of Alpine Holding GmbH bond issues in 2010 and 2011. Bondholders' claims are mainly referred to prospectus liability of the joint lead manager, whereas a minority of the cases is based on misselling due to allegedly unlawful investment advice. The damage claims amount to €18.3 million in total. These proceedings are mainly pending in the first instance and may be adverse to UCB Austria.
In the proceedings, the courts of first and second instance confirmed the legal position of UCB Austria and the other issuing Banks that the prospectuses were correct and complete and fully rejected the bondholders' claims based on prospectus liability. To date, the Supreme Court has not issued any legally binding decisions against UCB Austria regarding prospectus liability. Therefore, the final outcome of the lawsuits cannot be assessed as of yet.
In addition to the ongoing proceedings against UCB Austria stemming from the Alpine insolvency, further Alpine-related actions have been threatened and may be filed in the future. The pending or future actions may have negative consequences for UCB Austria. Despite the favourable developments mentioned above, at the moment it is impossible to estimate reliably the timing and results of the various lawsuits, nor determine the level of liability, if any.

Bitminer litigation in the Republic of Srpska, Bosnia and Herzegovina
In 2019, a local customer, Bitminer Factory d.o.o. Gradiška (Bitminer), filed a lawsuit before the District Commercial Court in Banja Luka claiming damages for unjustified termination of its current Bank accounts by UniCredit Bank a.d. Banja Luka (UCBL), a subsidiary of the parent company UniCredit S.p.A. in Bosnia and Herzegovina, Republic of Srpska. Bitminer alleged that termination of the accounts obstructed its Initial Coin Offering (ICO) relating to a start-up renewable-energy-powered cryptocurrency mining project in Bosnia and Herzegovina.
On 30 December 2021, the first instance court adopted most of Bitminer's claims and ordered UCBL to pay damages in the amount of BAM 256,326,152 (€131 million) (the "Judgment"). The appeal was filed in January 2022. On 18 April 2023, the High Commercial Court reversed the Judgment in its entirety, and issued a final, binding, and enforceable second instance judgement (the "Second-Instance Judgment"). The second instance court established that Bitminer's claim is unfounded and that UCBL is not liable for any damages. Bitminer duly filed a revision, an extraordinary legal remedy, to the Supreme Court of the Republic of Srpska. The revision proceedings do not suspend or otherwise affect the finality and enforceability of the Second-Instance Judgement. In April 2024, the Supreme Court of the Republic of Srpska issued the ruling and rejected the revisions. Bitminer filed an appeal with the Constitutional Court of Bosnia and Herzegovina.

C. Risks arising from employment law cases
UniCredit is involved in employment law disputes. In general, all employment law disputes are supported by provisions made to meet any disbursements incurred and, in any case, UniCredit does not believe that any liabilities relating to the outcome of the pending proceedings could have a significant impact on its economic and/or financial standing.

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Lawsuits filed against UniCredit S.p.A. by members of the former Cassa di Risparmio di Roma Fund
Lawsuits brought against UniCredit S.p.A. by members of the former Cassa di Risparmio di Roma Fund aimed to reconstitute the patrimony of the fund, ascertain and quantify social security individual position of each member. Claims' value is about €384 million. The litigation is now pending before the Supreme Court after two degrees decisions favorable to the Bank. No provision has been made as these claims are considered groundless.

D. Risks arising from tax disputes
The following disclosure concerns the most significant disputes that arose in first half of 2025 as well as those that were already outstanding at the beginning of the fiscal year for which decisions or other definitions have been reached. For what is not mentioned here, please refer to previous financial statements.

Contingencies that have arisen
During the first half of 2025 there are no outstanding contingencies of a significant amount.

Updates on pending litigation and tax audits
In relation to the dispute initiated by the Bank before the Court of Tax Justice of first instance of Rome following the tacit refusal of the request for reimbursement of the IRES and IRAP substitute tax (and related additional taxes), relating to the revaluation of the participation shares in the capital of the Banca d'Italia in relation to the 2014 tax year, disputed value 399.6 million, the Tax Court of Justice of first instance in Rome with a judgment filed on 3 June 2025 dismissed the Bank's appeal with an award of costs. The Bank is considering appealing the ruling.

In relation to the litigation initiated by the Bank, in its capacity as the incorporating company of Pioneer Global Asset Management S.p.A., before the First Instance Tax Court of Justice of Milan following the tacit denial of the request for reimbursement of IRAP on dividends in relation to the tax year 2014, dispute value 2.6 million, concluded in first instance with a ruling unfavorable to the Bank, the hearing before the Court of Tax Justice of second instance of Lombardy. With a court order dated 31 March 2025, it ordered a postponement of the case pending the decision of the Court of Justice of the European Union, a decision that will definitively clarify the need to disapply the Italian IRAP legislation due to its conflict with the parent-subsidiary regime.

Within the group of active cases pending against UniCredit S.p.A. following the retrocession, on 29 June 2020, of the receivables previously transferred to the Banca Farmafactoring company. S.p.A., the following updates are noted.

Denial of reimbursement of 1997 IRPEG credit of the former Banca di Roma S.p.A. total litigation value 43.5 million; the ruling of the Court of Justice Second instance tax court of Lazio which rejected the Bank's appeal was challenged both in the Court of Cassation and with an appeal for revocation before the same Court of Justice of second instance. The hearing has not yet been scheduled at the Court of Cassation. The second instance Tax Court of Justice of Lazio, with a ruling filed on 10 December 2024, accepted the Bank's appeal, and ordered a new investigation, appointing a technical consultant to examine the documentation in the documents and report to the panel. The report with the observations of the party consultants was filed on 10 June 2025 and the hearing was held on 25 June 2025. Pending the filing of the sentence.

There are currently no tax audits underway.

As at 31 December 2024, the total amount set aside by UniCredit S.p.A.to cover tax risks for disputes and tax audits amounted to €88.38 million, of which €1.92 million for legal expenses. As at 30 June 2025, the provisions for risks and charges amounted to €88.75 million of which €2.3 million for legal expense.

Tax proceedings in Germany
It should be noted that following the tax audit for fiscal years 2009-2012, some findings were made to the Bank for which the pre-litigation administrative phase is ongoing.
In a nutshell, the payments made concerning the tax proceedings are: (i) Corporate Income Tax/Trade Tax: allocation of costs for cum/ex-investigations and "Roth case" related to London branch €14.8 million (ii) further three topics with small amounts in dispute €0.5 million (iii) VAT: not accepted adjustment of the pro-rata rate €22.2 million.

It should be noted that following the tax audit for fiscal years 2013-2016, some findings were made to the Bank for which the pre-litigation administrative phase has been started in the first semester 2025.
In a nutshell, the payments made concerning the tax proceedings are: (i) Corporate Income Tax/Trade Tax: allocation of costs for cum/ex-investigations related to London branch €10.3 million (ii) adjustments of the provisions regarding loan commitments €9.1 million (iii) income adjustments because of a letter of comfort to UC Lux/HypoVereinsFinance N.V. €5.1 million (iv) not accepted withholding taxes re cum-cum transaction €15.8 million (v) adjustments of the provisions for other lending business €3.2 million (vi) adjustments dotation capital Milan branch €0.6 million (vii) further two topics with small amounts in dispute €0,01 million (viii) VAT: not accepted adjustment of the pro-rata rate €33.3 million.

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E. Other claims by customers

Supporting the business structures, the Compliance function oversees the regulatory environment evolution relating to banking services and products in areas like transparency, financial and investment services and anti-usury. Compliance, as control function, develops rules, checks processes and procedures and monitors complaints trends. The Compliance function, along with the Legal one, also supports analysis and evaluation stages of adequacy of potential "customer care" actions or other initiatives designed to compose particular situations in which UniCredit S.p.A. might be involved in order to define them.
Considering the regulatory complexity and interpretations not always homogeneous, UniCredit S.p.A. time-to-time assesses the accounting of provisions for risk and charges, aimed at facing costs, deemed probable, in a contest that has increased the litigiousness at baking system level.

Concerning the financing of consumer credit, the EU Directive 2008/48 establishes that “the consumer shall be entitled at any time to discharge fully or partially his obligations under a credit agreement. In such cases, he shall be entitled to a reduction in the total cost of credit, such reduction consisting of the interest and the costs for the remaining duration of the contract".
Following the decision of the European Court of Justice in September 2019 (judgment C-383/18 referring to the "Lexitor" case) and the communication of the Banca d’Italia issued in December 2019, UniCredit S.p.A. proceeded to adapt to the most recent interpretation of this legislation, also as a result of the declaration of unconstitutionality of law 106 of 2021.

Diamond offer

Over the years, within the diversification of investments to which the available assets are addressed and also considering in this context those investments with the characteristics of the so-called “safe haven” with a long-term horizon, several UniCredit S.p.A. customers have historically invested in diamonds through a specialised intermediary company, with which the Bank has stipulated, since 1998, a collaboration agreement as “Introducer”, in order to regulate the "reporting" methods of the offer of diamonds by the same company to UniCredit S.p.A. customers.

Since the end of 2016, the liquidity available on the market to meet the requests of customers who intended to divest their diamond assets has contracted to a certain extent until it became nil, with the suspension of the service by the brokerage company.

In 2017 UniCredit S.p.A. started a “customer care” initiative which envisaged the availability of the Bank to intervene for the acknowledgement towards the customer of the original cost incurred for the purchase of precious items and the consequent withdrawal of the stones, upon certain conditions. The initiative has been adopted by the Bank assessing the absence of responsibility for its role as “Introducer”; nevertheless, the AGCM ascertained the responsibility of UniCredit S.p.A. for unfair commercial practice (confirmed in appeal by the Administrative Regional Court in the second half of 2018), imposing, in 2017, a fine of €4 million paid in the same year. The Bank has filed an appeal to the Council of State. With a sentence of 11 March 2021, the Council of State accepted the appeal brought by UniCredit S.p.A. against the fine imposed by reducing the amount of the fine to €2.8 million and sentenced AGCM to return 1.2 million, amount reimbursed in June 2021.

For the sake of completeness, it should be noted that on 8 March 2018, a specific communication was issued from Banca d'Italia concerning the “Related activities exercisable by Bank"", in which large attention was given to the reporting at the Bank branches of operations, purchase and sale of diamonds by specialised third-party companies.

The Public Prosecutor’s Office of Milan conducted an investigation into allegations of fraud and self- laundering relating to the reporting activities concerning the purchase of diamonds by customers. The case was first heard by the Court of Milan and then by the Court of Trieste due to territorial jurisdiction.
In February 2023, the proceedings relating to the Bank’s administrative liability were dismissed.
In May 2024, the Public Prosecutor’s Office of Milan filed a request to dismiss the remaining charges of fraud referred to the jurisdiction of the Court of Milan, in line with the requests of the defences.
In the absence of objections, the judge will finalise the dismissal of all charges.

As at 30 June 2025, in the context of the aforementioned “customer care” initiative, UniCredit S.p.A. has received total reimbursement requests for about €417 million (equivalent value of the original purchases made by Customers), proceeding with refunds for about €410 million. In order to cope with the probable risks of loss associated with the repurchases of diamonds, a specific Provision for risks and charges has been maintained.
Finally, It’s reported that the stones purchased for the initiative are recognised for about 34 million in item "120. Other assets" of the Balance sheet.

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Quantitative information

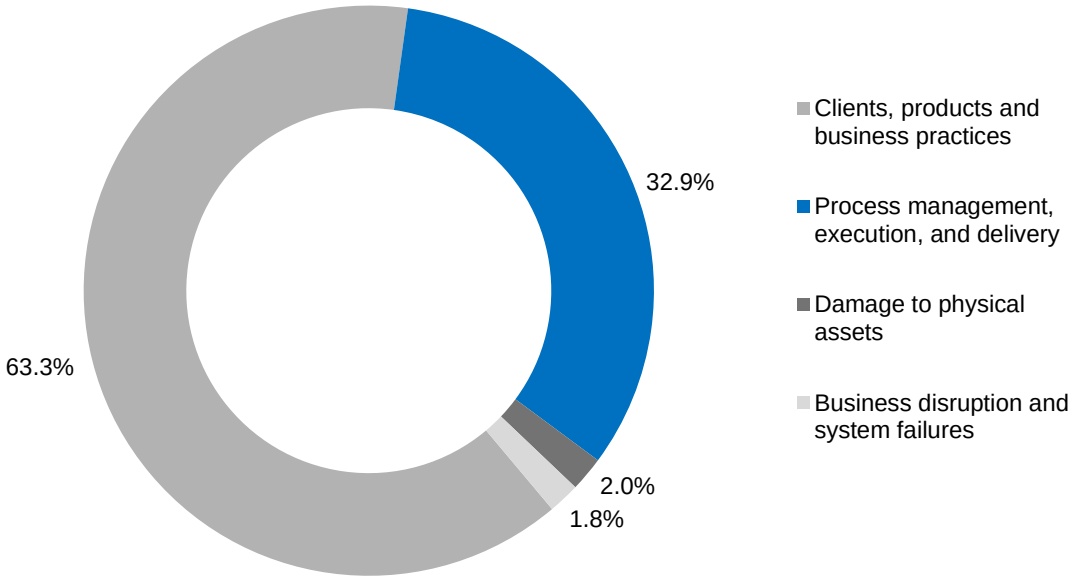
UniCredit group uses the Basel IV standardised approach (SA) for calculating the capital against operational risks. In particular, the regulatory capital requirement is calculated by applying the Business Indicator Component (BIC) as provided by CRR3 and the EBA/CP/2024/05.

Detailed below is the percentage composition at Group Level, by type of event, of operational risk sources as defined by the New Basel Capital Accord and acknowledged by the Regulations for the Prudential Supervision of Banks issued by Banca d'Italia in December 2013 (Circular No.285/2013 and following updates).

The risk categories for event type are the following:

- internal fraud: losses owing to unauthorised activity, fraud, embezzlement or violation of laws, regulations or business directives that involve at least one internal member of the Bank;
- external fraud: losses owing to fraud, embezzlement or violation of laws by subjects external to the Bank;
- employment practices and workplace safety: losses arising from actions in breach of employment, health and workplace safety laws or agreements, from personal injury compensation payments or from cases of discrimination or failure to apply equal treatment;
- clients, products and business practices: losses arising from non-fulfilment of professional obligations towards clients or from the nature or characteristics of the products or services provided;
- damage to physical assets: losses arising from external events, including natural disasters, acts of terrorism and vandalism;
- business disruption and system failures: losses owing to business disruption and system failures or interruptions;
- process management, execution, and delivery: losses owing to operational or process management shortfalls, as well as losses arising from transactions with commercial counterparties, sellers and suppliers.

Operational losses First Half 2025 divided by risk category



"Employment practices and workplace safety", "external fraud" and "internal fraud" are not shown in the chart since they recorded overall positive impacts in the reference period due to the effects of recoveries and releases of funds.

In first half 2025, the main source of operational risk was "clients, products and business practices", which includes losses arising from the non-fulfilment of professional obligations towards clients or from the nature or characteristics of the products or services provided.

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The second largest contribution is the category is “process management execution and delivery” due to operational or process management shortfalls.

There were also, in decreasing order, losses stemming from “damage to physical assets” and “business disruption and technology system failures”.

Information on Operational risk is reported in paragraph 2.5 Operational risks, B. Legal risks, C. Risks arising from employment law cases and D. Risks arising from tax disputes, Explanatory notes, Part E - Information on risks and related hedging policies, Section 2 - Risks of the prudential consolidated perimeter.

2.6 Other risks

Other risks included in Economic Capital

As reported in the paragraph “Introduction”, Explanatory notes, Part E - Information on risks and related hedging policies, among the Group’s risks there are other risks relating to Pillar II that are Business Risk, Real Estate Risk, Financial Investment Risk and Reputational Risk (the latter is described in the paragraph Reputational Risk, Explanatory notes, Part E - Information on risks and related hedging policies, 2.6 Other risks). For each risk, the Economic Capital calculation is performed adopting a confidence level equal to the regulatory level (99.90%) and a one-year time horizon.

1. Business risk

Business Risk is defined as adverse, unexpected changes in business volumes and/or margins on a one-year time horizon; in this context the margin is defined as the difference between earnings and costs not explained by risk factors already included, e.g., in credit, market, operational risk. Business risk can result, above all, from changes in the competitive situation or customer behaviour, but may also result from changes in the reference regulatory framework.
The exposure data used to calculate Business risk are taken from the Income statements of each Entity of the Group for which the risk is significant. Volatility and correlations are estimated from the time series of the relevant items of the Income statement reports.
The Business Risk calculation is performed on a quarterly basis for monitoring and for planning purposes according to the relevant time schedule.

2. Real estate risk

Real Estate Risk is defined as the potential loss resulting from market value fluctuations of the Group’s real estate portfolio, including real estate Special purpose vehicles. It does not take into consideration properties held as collateral which are evaluated inside credit risk.
The relevant data for the Real Estate Risk calculation includes general information relating to properties and area or regional rental price indexes for each property to enable calculation of volatility and correlation in the model.
The Real Estate Risk calculation is performed on a quarterly basis for monitoring purposes and for planning purposes according to the relevant time schedule.

3. Financial investments risk

Financial investments risk stems from the equity investments held in companies not included in the Group consolidation perimeter.
The relevant portfolio mainly includes listed and unlisted shares, derivatives with underlying equity, private equity, units of mutual, hedge and private equity funds. For all the Group equity positions, capital charges may be calculated using either a PD/LGD-based approach or a market-based one. Listed equity holdings, funds and derivatives, which are a subset of Financial Investment risk are treated relying on the Market Risk Internal Model infrastructure.

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

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Part E - Information on risks and related hedging policies

Risk measurement methods

1.Economic Capital

As described in the paragraph Introduction, Explanatory notes, Part E - Information on risks and related hedging policies, within the Internal Capital Adequacy Assessment Process (ICAAP) and in line with the proportionality principle defined in Pillar II of Basel II, the risk profile of the Group and the main Group legal entities is assessed for all the Pillar II risk types (Credit, Market, Operational, Reputational, Business, Financial Investments and Real Estate risks).

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

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

Consistently with the corporate governance system, the function Strategic & Integrated Risks of UniCredit S.p.A. is responsible for the Group Economic methodology development and its measurement, as well as for the setting and implementation of the Group related processes.

The "Group Rules", after the approval, are submitted to relevant Legal Entities for local approval and implementation.

2.Stress Testing

The multidimensional nature of risk requires to supplement the measurement of economic capital with stress testing, not only in order to estimate losses in certain scenarios, but also to assess their impacts in terms of capital requirements. Stress testing is a key risk management tool for the management of the relevant risks in order to assess the Bank's vulnerability with respect to exceptional but plausible events, providing additional information to the monitoring activities.
Stress testing activities, in compliance with regulatory requirements, are performed on the basis of a set of internally defined stress scenarios, that include the Group main geographies where the Group is active and are carried out at least twice a year.

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

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

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

The Group Senior Management is involved in the Group-wide stress test in the following phases:
- macro-economic stressed scenarios approval used to estimate the impacts on regulatory and economic capital;
- after the exercise is finalised, with the approval of the results and impacts and a potential discussion of actions to return into the predetermined limits of capital.

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

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Reputational risk

Reputational risk is defined as the current or prospective risk to earnings or capital decrease arising from the adverse perception of the image of the financial institution on the part of customers, counterparties (also including debtholders, market analysts, other relevant parties, such as civil society, NGOs, media, etc.), shareholders/investors, regulators or employees (stakeholders).
Reputational risk is a secondary risk generated as a "knock-on effect" from risk categories, such as credit, market, operational and liquidity risks and all others risks types (e.g., business risk, strategy risk, ESG risk which considers the environmental, social and governance aspects of responsible investments). Reputational risk could also be generated from material events.

Since 2010 UniCredit group has ruled the reputational risk and the policy currently in place is the Group Reputational Risk management policy which aims at defining a general set of principles and rules for assessing and controlling reputational risk. On top of the Global Policy Regulation, a set of sensible sectors policies has been issued during the years, in order to mitigate specific reputational risks that arise from having relationships with counterparties operating in these sectors. The current policies are “Defense Industry”, “Nuclear Energy”, “Mining”, “Water Infrastructure (dam)”, “Thermal Coal” and “Oil &Gas”. In 2022, the “Defence Industry” policy has been reviewed, the main improvements refer to the introduction of client’s classification based on their activity, the explicit inclusion of key components and key infrastructures in the scope of the regulation as well as the update of the forbidden countries, refining the guideline that deals are not supported if addressed to countries involved in an active conflict or internal repression against civil population or subject to embargo, and the update of controversial weapons (e.g. depleted uranium). Also, it has been refreshed the approach of the “Mining” policy, in order to introduce the client’s classification as the other sensitive sectors policies, to assess its adequacy to the current context and climate requirements and to better clarify the overall set of principles referring to prohibited extraction activities, sites and behaviors, considering both the best practices (i.e., prohibition on asbestos) and the principles stated in other UCG Policies (i.e., prohibition on Arctic extractions). Also, in first half 2022 a new Tobacco Commitment with the guidelines to exit the tobacco industry by the end of 2025 has been issued.

In March 2024 the "Civil Nuclear Sector" and "Water Infrastructure Sector (Large Dams)" policies were updated and are now in line with the other regulations of sensitive sectors.
Finally, in June 2024, the "Commitment to Human Rights" document was updated, it describes the general approach, the impact measurement model, the "DE&I - Diversity, Equity & Inclusion" initiatives and the social strategies.

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

Since 2021 the Group Non-Financial Risks and Controls Committee (GNFRC) - Reputational Risk dedicated session has been established.
The Committee meets with approval functions, according to the regulations in place, for the following topics:

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

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

- Reputational risk relevant emerging trends or material events, for their implications on Group and Local strategies, initiatives, transactions, projects, customers or other business activities, leveraging on evidences and assessments provided by Risk Management, Compliance, Legal, Group ESG Strategy & Impact Banking, Group Institutional Affairs and Group Identity and Communication;
- Group relevant risks/criticalities highlighted by Internal Audit function, for specific cases and in relation to specific areas or geographies;
- Periodical reporting provided by Group competent structures on the business activities and decisions taken in relation to the defined sensitive sectors.

In addition, UniCredit group has developed a proprietary methodology for the quantification of reputational risk and the subsequent calculation of Value-at-Risk (VaR) for this risk.
The methodology estimates the semi-elasticity between the “media sentiment” related to UniCredit (summarized in the Media Tonality Index, provided by an external company, CISION Ltd, qualified in Reputation Intelligence and Media Monitoring) and market expectations of the Group’s expected future profits, derived from share prices by reverse engineering a dividend discount model, once sterilised from the effects affecting the European banking sector.
The Reputational VaR represents the maximum (with a 99.9% confidence level) potential reduction in future earnings derived from the estimated model parameters and the Media Tonality Index distribution.

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Top and emerging risks

In UniCredit, the management and monitoring of risks is based on a dynamic approach; Top Management is promptly informed on top risks and/or emerging risks through a strict monitoring process embedded in the risk assessment process.
The Risk Management identifies and estimates these risks and submits them regularly to Senior/Top management and Board of Directors which take the appropriate actions to manage and mitigate them.
The following top and/or emerging risks have been considered relevant during 2025:
1. Ongoing conflicts;
2. Macroeconomic and (geo-)political challenges;
3. Cyber security risks;
4. Risks stemming from the current European Regulatory developments.

1. Ongoing conflicts

Ongoing military conflicts (Russia-Ukraine, Middle East) and bouts of escalations (e.g., Israel-Iran) observed in the first half of 2025 continue to pose downside risks for the global economy with pressure on inflation, financial markets and energy cost.
The following ongoing effects need to be considered: 1) potential intensification of sanctions on Russia 2) continuous energy policy shifts towards secure access and source diversification; 3) heightened competition for critical materials, equipment, and commodities. The level of uncertainty regarding evolution of these conflicts persists along with the risk of escalation with potentially larger humanitarian, political and economic impacts hindering global post-pandemic recovery.
Europe is moving forward with its gradual phasing out from Russian energy imports, already sharply reduced since 2022, increasing supply from U.S., Middle East area (e.g. Qatar) and North Africa and generating more biofuel. In this context, the attention to supply chains and price amid ongoing conflicts and related risks remains high for Europe.
For additional information about the update of macro-economic scenarios and its effects on valuation of Group's asset refer to Section 2 - General preparation criteria, Explanatory notes, Part A - Accounting policies.
Cyber-attacks remain an important risk factor. Since the beginning of the conflict, several cyber-attacks took place also at banking industry level. Depending on the evolution of the conflict, cyber threat is expected to continue to be relevant.

2. Macroeconomic and (geo-)political challenges

Macroeconomic environment shows persisting level of uncertainty amid Russia-Ukraine and Middle East conflicts, even worsened by an increasingly fragmented political and economic scene that could undermine external demand and consumer confidence. Protracted conflicts and escalation risk, low growth and increasing fragmentation, markets volatility and monetary policy tightening, are among main drawbacks to economic recovery. Corporate vulnerabilities persist as financial conditions have tightened and economic outlook weakened.
Phasing out of central Banks facilities put in place in 2020 in mitigation of Covid-19 crisis being completed. Further potential drawbacks include the following: 1) Non-Bank Financial Intermediation (NBFI) sector structural vulnerabilities' in the form of liquidity mismatch and leverage, considering the strict interconnection with the banking system; 2) technological advances in Artificial Intelligence (AI) that could erode social trust and disrupt businesses and markets; 3) Increased defense spending needs that, among other factors, could exacerbate fiscal pressures for some highly indebted sovereigns; 4) Uncertainty stemming from trade conflicts, geopolitical risks and market volatility could affect Insurance sector through portfolio valuation, liquidity and underwriting channels; 5) impacts from climate change as further detailed within "The Climate-related and environmental risks" section, Explanatory notes, Part E - Information on risks and related hedging policies.
In addition to the above-mentioned factors, the following trends and challenges on the geopolitical arena are relevant:
- US-China tensions over Taiwan;
- trade tariffs tensions (US/EU/China);
- rise of nationalism, protectionism, populist movements has recently created an uncertain environment, that could potentially lead to a slowdown of globalization.

3. Cyber security risk

In an era where banking services are increasingly digitized, the increasing relevance of cyber threats and the dynamic regulatory environment continue to place digital risks at the forefront spanning cybercrime, the integration of emergent technologies, and the fortification of IT resilience and disaster recovery protocols. Cyber threats have not only grown more sophisticated, leveraging artificial intelligence and exploiting third-party and internal vulnerabilities, but the ongoing Russia-Ukraine conflict also amplifies concerns over service disruptions. The role of third-party entities as providers of critical business services has emerged sharply within our risk perimeter, in continuity necessitating a comprehensive supplier risk management approach in line with regulatory expectations. Additionally, the landscape of new regulations across countries and the complexity of regulatory divergence poses significant challenges for compliance, especially for firms operating internationally. This complex regulatory scenario mandates a resilient infrastructure capable of rapidly adapting systems and processes to new regulations, ensuring continuous compliance and the safeguarding of data integrity and service continuity. While the pervasive nature of cyber threats generates a key risk that could have significant potential impact to overall financial stability, regulatory compliance, and reputation, and also despite UniCredit group facing challenges throughout

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2024 and 2025, such as DDoS (Distributed Denial of Service) attempts and industry-wide global IT outages, UniCredit group successfully mitigated any material impact to our operations.

4. Developments in the European regulatory framework

Over the last few years, the regulatory framework in which financial institutions act has become increasingly complex and strict. This complexity has further increased following the introduction of new financial regulations, some of which being still under discussion, and by the ECB central role in the supervision of a large portion of the European banking system.
All these changes might significantly affect UniCredit and introduce additional challenges for the general banking sector profitability and capital requirements.

The most relevant changes are the following:

- on 27 March 2020, the Basel Committee's oversight body, the group of central Bank Governors and Heads of Supervision (GHOS) changed the implementation timeline of the outstanding Basel 3 standards. In particular the implementation date of the Basel 3 standards finalised in December 2017 and January 2019 (credit risk, operational risk, output floor and market risk) has been deferred by one year to 1 January 2023;
- the EU Commission published on 27 October 2021 the Banking Package 2021, which includes the proposals for the final implementation of Basel 3 in the European Union through a legislative package introducing amendments to Capital Requirements Regulation 2013/575/EU (CRR), to the Directive 2013/36/UE (Capital Requirements Directive). The package entered into force on 9 July 2024. In line with the Basel standards, the EU Co-legislators agreed in restricting the usage of internal models for measuring credit risk on some specific portfolios and to return to a more stringent standardised approach as well as to eliminate internal models for operational risks and market risks. They also agreed to introduce the output floor, applied at “solo” level. The agreement also shows that the Co-Legislators have taken into account some important European specificities that could mitigate the impact on the sector. In addition to the implementation of the Basel standards, part of the legislative package also aims to strengthen the resilience of the banking sector to environmental, social and governance (ESG) risks and to improve the Fit and Proper assessment framework. Most of the CRR3 provisions have started to be applicable since from 1 January 2025, although for some measures there are different application dates, transitional periods or phase-in application. The market risk framework, already postponed once to 2026, will be likely applied starting from January 2027, waiting for confirmation from the Co-legislators. With regards to the CRD6, Member States will have 18 months to transpose the Directive starting from its entry into force (by 9 January 2026);
- in May 2020 the European Banking Authority (EBA) published its Guidelines on loan origination and monitoring that require institutions to develop robust and prudent standards to ensure newly originated loans are assessed properly. The Guidelines also aim to ensure that the institutions’ practices are aligned with consumer protection rules and respect fair treatment of consumers. The Guidelines apply from 30 June 2021. But positively, institutions may benefit from a series of transitional arrangements: (1) the application to the already existing loans and advances that require renegotiation applies from 30 June 2022, and (2) institutions were allowed to address possible data gaps and adjust their monitoring frameworks and infrastructure until 30 June 2024;
- entry into force of the liquidity requirements envisaged in Basel 3: a short-term indicator (Liquidity Coverage Ratio - LCR), with the goal to have Banks maintain a liquidity buffer to survive a 30-days period of stress, and a structural liquidity indicator (the Net Stable Funding Ratio - NSFR) referring to a time horizon over one year, introduced to ensure that assets and liabilities have a sustainable structure in terms of maturity. While the LCR has been in force for some time now, the NSFR was introduced as a requirement in the CRR2 published in June 2019 and applied since June 2021;
- MREL: “Pillar 2” MREL is ank-specific and was introduced by the BRRD in 2014 and later amended in June 2019 (BRRD2). MREL is defined annually by the EU Resolution Authorities, also in its subordinated component, i.e., to be met with subordinated instruments;
- discussion on the preferential treatment of sovereign exposure in Banks’ banking book: Banks’ exposures to the home sovereign currently benefit of a zero-risk weight. There is no concrete proposal under consultation yet, but policy makers and regulators are discussing which approach to adopt, if any, to remove this preferential treatment (e.g., the Revision of the Treatment of Sovereign Exposure - RTSE, might foresee an application of concentration charges);
- in January 2025 the EBA kicked-off a new stress test exercise aiming to assess the resilience of EU Banks to a common set of negative economic shocks; the adverse scenario assumes a hypothetical aggravation of geopolitical tensions leading to a severe decline in GDP. The results will be published at the beginning of August 2025;
- climate risk and environmental risk regulation updates:
  - ECB issued in November 2020 a Guide with supervisory expectations, based on current regulations, on how Banks should incorporate climate-related and environmental risks into business strategy, governance, credit-granting process, Risk Appetite Frameworks, risk management framework, liquidity and capital adequacy processes, through dedicated stress testing scenarios;
  - the ECB conducted the Stress Test exercise in 2022 exclusively regarding Climate Risks, with the aim of evaluating the exposure of the Euro Area financial sector to natural disasters (floods or episodes of intense drought and heat) and to a faster-than-expected ecological transition (e.g., rapid increase in the price of CO_2 from 2022). The results of the Stress Test have been integrated into the 2022 Supervisory Review and Evaluation Process (SREP) letter as a qualitative evaluation and have no quantitative impact on the P2R;

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- based on the final agreement between the Council and the European Parliament on the revisions to the European Commission proposal on the Regulation on Capital Requirements 2013/575/EU (CRR) and on the Capital Requirements Directive 2013/36/EU (CRD) published in the Banking Package 2021, additional measures are foreseen to deal with climate-related environmental risks. Accordingly, Banks are required to fully include, for the obsolescence of physical collateral, the climate related valuation considerations and take into consideration the long-term impact of climate related risks when defining their business strategy and processes. Additionally, several mandates were assigned to EBA to: i) issue guidelines for credit risks stress testing to include climate-related environmental factors by 2025 (potential Pillar 2 impact) ii) define minimum standards for Banks for the assessment of these risks in their portfolios, iii) propose targeted enhancements that could be considered within the current prudential framework to integrate climate risks (Pillar 1 impact) and iv) assess the effective riskiness of exposures impacted by environmental factors and a dedicated prudential treatment associated to these exposures by end of 2027 (Pillar 1 impact);
- on 30 November 2022, the EU Commission adopted the implementing technical standards on Pillar 3 which requires large credit institutions to disclose information on Environmental, Social and Governance (ESG) risks. The new rules aim to ensure comparable quantitative disclosures on climate change risks, including transition and physical risks, as well as qualitative disclosure regarding the inclusion of ESG factors into Banks' governance and business strategies and foreseen a phase-in period for disclosing information as follows: i) from January 2023, Banks must disclose qualitative info on ESG risks and information related with the credit quality of their exposures; ii) from January 2024 the exposures towards EU counterparties and households on Taxonomy-aligned activities that are contributing to environmental objectives (Green Asset Ratio), while from January 2025, on a voluntary basis, the exposures towards non-EU counterparties and SMEs (Banking Book Taxonomy Alignment Ratio); and iii) Scope 3 emissions (financed greenhouse gas emissions associated with Banks' investment and lending activities to counterparties) from June 2024.

• capital markets, payments and digital finance regulation updates:
- Markets in Crypto-Assets Regulation (MiCAR);
- in June 2023, the European Commission published a legislative proposal on the establishment of a digital euro (d€). Such currency would be an electronic form of cash for the digitalised world. It would give consumers the option to use central Bank money in a digital format, complementing banknotes and coins. Under the proposal, i) Banks will be obliged to provide free of charge basic digital euro payments services upon request of their clients, but they will be compensated for the costs incurred, even though fees will be subject to a cap; ii) the ECB should develop instruments to limit the use of the d€ as a store of value, including holding limits, in order to address financial stability risks. In October 2021, the Governing Council of the ECB launched an investigation phase, aimed at exploring the opportunity to issue this currency. From November 2023, the ECB has launched a preparation phase of the project in which different technical solutions will be developed and tested. Only after these steps, and only after the European Parliament and the Council have adopted the Commission's legislative proposal, the ECB will take the final decision on whether to issue or not a digital euro;
- in October 2022, the European Commission adopted a legislative proposal to make instant payments in euro available to all citizens and businesses holding a Bank account in the EU and in EEA countries. The text was published in the EU Official Journal in March 2024 and entered into force on April 9. It foresees that all credit institutions should offer (and receive) instant payments to all their customers through all channels (digital and traditional), already offered for SEPA Credit Transfer (SCT). Moreover, the price of an instant payment transaction should be aligned to the one of a regular credit transfer. All Payment Service Providers (PSPs) offering the service of sending euro IPs (Instant Payments) are required to check that the payee's IBAN matches the payee's name (so-called IBAN-name check) and must notify the customer of any detected discrepancy. Since January 9, 2025, PSPs shall offer their clients the reception of transactions in only 10 seconds. Other measures (sending IPS and IBAN-name check) are following in 2025;
- in April 2021, the European Commission presented a proposal for a 'Regulation laying down harmonised rules on Artificial Intelligence' (the Artificial Intelligence Act), which will create a comprehensive, harmonised, regulatory framework for Artificial Intelligence (AI) in the EU but will also impact use and development of AI systems globally, including within the financial services sector. The regulation introduces a strict regime and mandatory requirements for 'high risk' AI systems, such as those used to evaluate creditworthiness of natural persons. The regulation entered into force on 1 August 2024; The AI Act has a gradual enforcement timeline, and the majority of its provisions will start applying on 2 August 2026;
- the Digital Operational Resilience Act (DORA) establishes a harmonized regulatory framework across the EU to strengthen Banks' ICT risk management and operational resilience. This regulation requires financial institutions to implement adequate measures to prevent and mitigate cyber risks, ensuring business continuity in the event of cyber incidents. While it entered into force in January 2023, it became fully applicable to Banks in January of this year, requiring them to comply with its ICT risk management, incident reporting, testing, and third-party requirements.

• Capital Markets Union regulation updates:
- in May 2023, the European Commission published its Retail Investment Strategy (RIS) legislative package with the aim of ensuring that the legal framework for retail investments sufficiently empowers consumers, encourages improved and fairer market outcomes and ultimately creates the necessary conditions to grow retail investor participation in capital markets. The Package mainly presents amendments to the Directive on Markets in Financial Instruments (MiFID II), the Directive on Insurance Distribution (IDD), and to the Regulation on key information documents for Packaged Retail and Insurance-based investment Products (PRIIPS). In particular the proposal i) introduces a partial ban on inducements paid from manufacturers to distributors in relation to the reception and transmission of orders, or the execution of orders to or on behalf of retail clients (where no advice relationship exists between the investment firm and the client); ii) Value for Money (VfM): amends product oversight and governance rules to ensure that undue costs are not charged and that products deliver Value for Money to retail investors, with specific

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comparability tools (benchmarks); iii) foresees the standardization of information on costs and charges, with a greater degree of detail. The legislative process is ongoing. As both the EU Council and Parliament finalised their own position within the first half of 2024, reviewing several parts of the proposal, the negotiations aimed at reaching an agreement on a final legislative text are expected to take place over 2025. The entry into force of the new package is not expected before the end of 2026.

Climate-related and environmental risks

E1- Climate Change:
Climate change has gained increasing importance in recent years and this is reflected in global frameworks such as the Paris Agreement and the UN's 2030 Agenda for Sustainable Development, which UniCredit has always supported. Specifically, the process to identify and assess impacts, risks and opportunities related to climate change and GHG emissions has been based on recognising that climate change has consistently been one of the most significant issues for UniCredit, both internally and in terms of financing. In fact, as highlighted in previous years reporting, UniCredit constantly monitors its own emissions and financed counterparties', which represent actual impacts that the Bank has on the environment. In parallel, UniCredit fosters climate-related awareness across counterparties and its commitment is concretised through the support towards energy efficiency initiatives and renewables sources financial projects.

As described in the chapter "Strategy - Material impacts, risks and opportunities and their interaction with strategy and business model" of the 2024 Sustainability statements, UniCredit's approach to climate and other environmental topics is based on tangible actions that generate direct and indirect impacts. The Group is committed to limiting negatives and generating positive impacts to preserve natural capital for the benefit of the communities in which UniCredit operates and itself.
The Group strategic approach is based on the double materiality concept which considers both an inside-out and an outside-in perspective.

Inside-out perspective: manage the direct and indirect impacts that Group operations and lending have on the environment:

- Indirect impacts - accompany Group clients on their green transition journey by:
- assessing and monitoring Group portfolio exposure towards most climate-related sectors;
- identifying and evaluating the impacts on climate;
- adopting a sector policy framework;
- defining the journey towards Net Zero on portfolio emissions.

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

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

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

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

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

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

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Climate risk management
UniCredit recognises climate and Environmental Risk factors as crucial elements in safeguarding its clients' portfolios and assets from climate-related risks. To achieve this goal, UniCredit is integrating climate and environmental factors into its risk management processes and procedures. Climate Risk management encompasses the identification, measurement, and monitoring of these risks as well as the implementation of mitigation measures. The Group actively engages and supports its corporate clients in transitioning to a lower carbon business model, fully exploiting green business opportunities. Furthermore, the Group aims to assist its clients in achieving a just transition, ensuring fairness throughout the process.

Risk identification
As reported in section "Internal Capital Adequacy Assessment Process (ICAAP) and Risk Appetite", UniCredit's first step is the identification and mapping of all the risks embedded in the Group and in the relevant legal entities, with particular focus on the risks not explicitly covered by the Pillar I framework.

This process, defined as the risk identification process, is a comprehensive framework to proactively identify all potential risks the Group may encounter and is performed on an annual basis. The primary outcome of this activity is UniCredit's risk inventory, which comprises a comprehensive list of the quantitative and qualitative risks to which the Group is or may be exposed. The risk identification process enables UniCredit to assess which risks are, or are likely to be, material considering their exposures. Material risks are determined annually using a quantitative approach that involves assessing the risk level against the materiality threshold.

In line with the European Banking Authority's (EBA) and the European Central Bank's (ECB) expectations, UniCredit's risk identification process covers ESG risks dimensions considering that these could positively or negatively affect the risk types already incorporated in UniCredit's risk management framework.

Environmental, Social & Governance (ESG) risks pertain to any adverse financial consequences that may arise for the Group due to the existing or prospective impacts of ESG factors on its counterparties or invested assets;
Climate and Environmental (C&E) factors are related to the quality and functioning of the natural environment and its systems and include factors such as climate change, biodiversity, energy consumption, water, pollution, and waste management.
Social and Governance factors, for which the Group assigned an impact on reputational risk, revolve around the rights, well-being and interests of individuals and communities and include governance arrangements for the environmental and social factors in the policies and procedures of counterparties.

In coherence with the "ECB Guide on climate-related and environmental risks" (2020), climate related risks can be divided into two major categories: (i) risks related to the transition to a lower-carbon economy and (ii) risks related to the physical impacts of climate change, described in detail below.

Transition risks refer to the risks arising from the transition to a lower-carbon economy, which may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, pace, and focus of these changes, transition risks can pose different levels of financial and reputational risk for organizations:

- policy and legal risks stemming from continuously evolving policy actions, attempting to either constrain actions that contribute to the adverse effects of climate change or seeking to promote adaptation to climate change, and from litigation or legal risks;
- technology risk stemming from technological improvements or innovations that support the transition to a lower-carbon, energy-efficient economic system and that can have a significant impact on organizations to the extent that new technology replaces old systems and disrupts some parts of the existing economic system;
- market risk stemming from the potential shifts in supply and demand for certain commodities, products and services;
- reputational risks stemming from changing client or community perceptions of the organization's contribution to or detraction from the transition to a lower-carbon economy.

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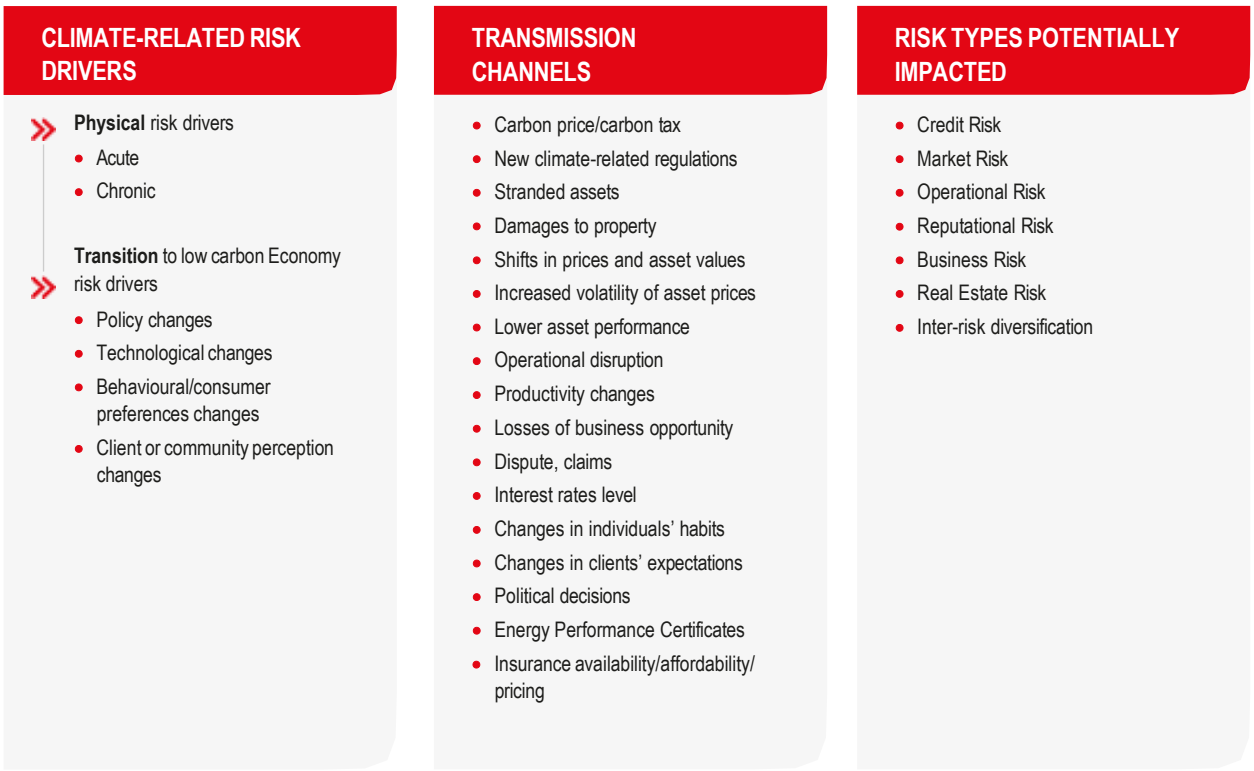
Physical risks refer to the risks related to the physical impact of climate change. These types of risk can be event driven (acute) or long-term shifts (chronic) in climate patterns and, as such, their effects can be felt both in the short and medium/long-term horizon:
- acute physical risks are event-driven, including increased severity of extreme weather events (e.g., droughts, floods, etc.);
- chronic risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures).

The connections between climate risk drivers and the risks faced by banks are referred to as transmission channels.

Understanding these transmission channels is crucial for assessing the impact of climate risk drivers in UniCredit's risk management framework. The figure below illustrates the climate-related risk drivers, relevant transmission channels and risk types that may be affected.



IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities
With particular reference to the identification and monitoring of Climate Change, an annual portfolio materiality assessment, integrated into the Double Materiality Assessment according to the process described in section "Material impacts, risks and opportunities and their interaction with strategy and business model" of the 2024 Sustainability statement, is performed to identify the climate-related risk drivers which may materially impact the portfolio at single risk category level, leveraging on common metrics and a unique threshold for risks and time horizons, through scenario analysis. For each risk and under the short- (12 months), medium- (2030) and long-term (up to 2050), the metrics are defined according to an annualized unexpected loss concept, while the threshold for a risk driver to be identified as material is set consistently with the internal ICAAP materiality threshold.

The set of climate scenarios considered for the analysis is provided by a qualified external provider and is meant to assess and quantify potential vulnerabilities for the short and medium/long-term horizons. The main climate assumptions embedded in the scenarios in terms of transition policies and level of emissions/temperature are consistent with the NGFS/IEA[41]'s ones to ensure consistency with scientific climate change pathways to properly assess the impact of physical and transition risk drivers. The scenarios are extended with a more comprehensive set of variables (climate and macro-economic related) disaggregated at higher level of granularity to better fit the Bank's risk profile.

In particular, a central scenario (namely, Baseline), which considers the current Transition policies, the central macro-economic outlook and climate assumptions similar to the International Energy Agency (IEA) STEPS scenario incorporating policies deemed sufficiently credible to materialize into action, as well as two polarised stressed scenarios with very low probability of occurrence are considered.

41 Network for Greening the Financial System/International Energy Agency.

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Part E - Information on risks and related hedging policies

To account for the pure climate risk impact, a Baseline Counterfactual scenario is considered, removing from the Baseline scenario any impact deriving from climate risk.

The scenarios' narratives for 2024 climate-risk scenario analysis are described below.

BASELINE

Central scenario.

Narrative: Projection of commitment and measures currently adopted by different countries. Climate assumptions aligned with the IEA's Stated Policies Scenario

DELAYED TRANSITION

Transition risk stressed scenario

Narrative: policies are introduced in 2030, starting the transition. The delayed start implies that a more stringent policy is required to achieve similar climate outcomes by 2050, resulting in greater economic impacts. Aggressive and uncertain carbon taxation policies cause substantial inflationary pressures, stranded assets and financial instability. Government carbon tax revenues are sufficient to cover the fiscal costs of the transition

ENERGY DISORDER

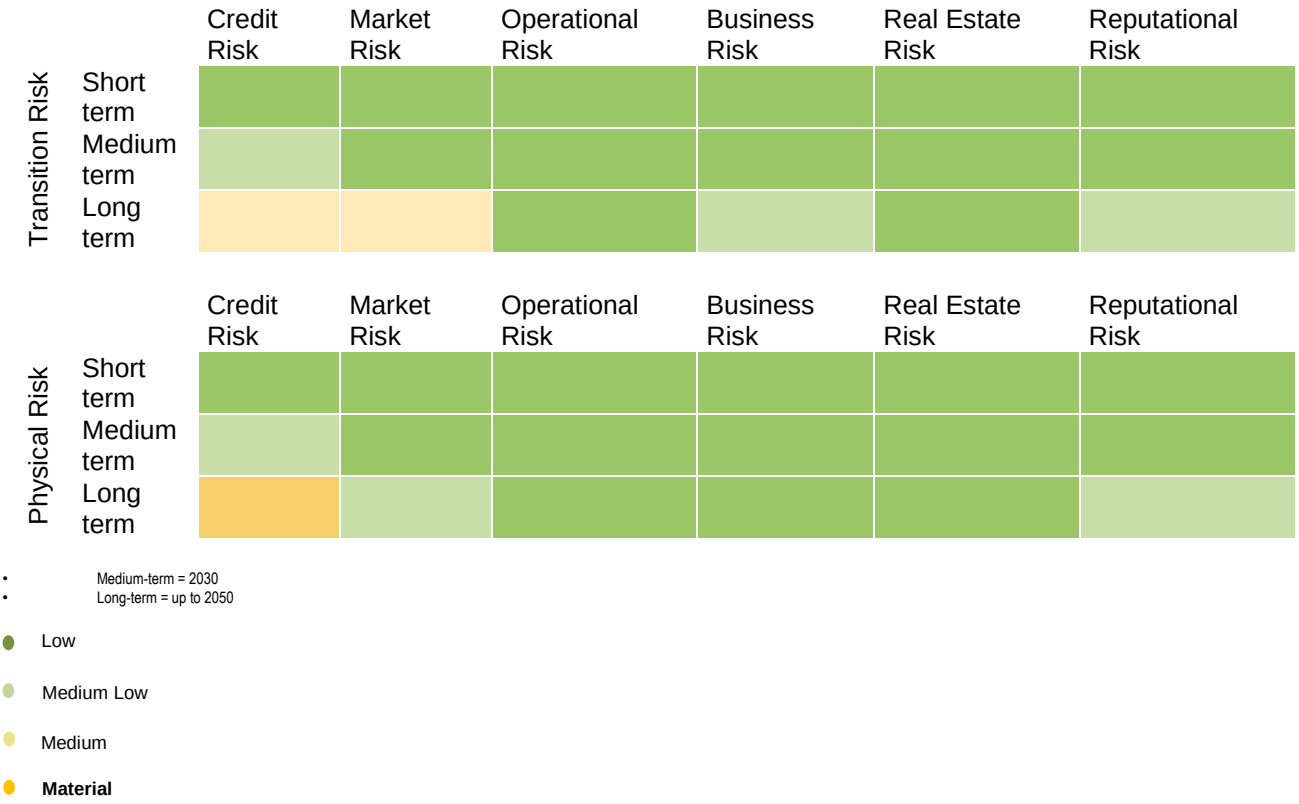
Physical risk stressed scenario

Narrative: Increased protectionism in energy, whose demand primarily met with fossil fuels, and other strategic sectors on top of no effective policy actions to address climate change, resulting in high emissions and severe temperature increase

The scenario also considers physical damage estimates attributed to changes in temperature volatility and the increasing likelihood of acute events.

The Baseline scenario and the polarized stressed scenarios are modelled as deviations from the Baseline Counterfactual scenario's macroeconomic outlook and, as such, are meant to capture climate risk driven outcomes, with varying mixes of physical (main driver of Energy Disorder scenario) and transition risk (main driver of Delayed Transition scenario) or both (Baseline).

The outcomes of the 2024 portfolio materiality assessment suggest a limited impact of climate-related risk drivers in the short-term, while they show material impact of physical risk in the long-term for Credit Risk. Physical risk is hence to be considered a relevant risk driver for UniCredit portfolio.



- Medium-term = 2030
- Long-term = up to 2050

Low

Medium Low

Medium

Material

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The outcome on the Baseline scenario, not reported above, shows the low magnitude of transition and physical risks in all the three considered horizons.

As described above, the portfolio materiality assessment is the starting point allowing to identify the risk drivers which shall be included in the overall risk management framework to properly manage, monitor and mitigate them.

Within the overall risk management framework, the potential impacts of climate risks have been incorporated in methodology IFRS9 provisioning (refer to the Explanatory notes, Part E - Information on risks and related hedging policies, "2.3.4 Scenarios and Sensitivity") and into the Internal Capital Adequacy Assessment Process to evaluate the capital adequacy of the bank relative to climate-related risks. The latter, performed through scenario analysis, envisages the full coverage of risk types (e.g., credit risk, market risk, etc) and the integration of forward-looking elements. The impact on capital need estimates shows that the Bank's resilience is ensured in the short-, medium- and long-term.

The integration of transition risk and physical risk into RAF and into credit portfolio is described in the sections below. Moreover, additional details are reported also for Financial and Non-Financial risks, considering their relevance for UniCredit group.

Integration of climate risk into RAF

UniCredit's Risk Appetite provides an integrated view of business and risk strategy ensuring strategic plan execution within the risk capacity a bank is willing to assume. It establishes the Group's desired risk profile, driving short-term and long-term strategic objectives, and is supervised by the UniCredit Board of Directors.

The Risk Appetite Framework (RAF) is composed of three key elements:

- Risk Appetite Statement (RAS) - provides a strategic view of and guidance on the target risk profile and is expressed via qualitative statements;
- Risk Appetite Dashboard - quantitative KPIs with related targets and risk tolerance thresholds for proactive risk steering;
- Risk Strategies - ensure the cascading of the Risk Appetite to more granular levels via operative indicators, limits and controls.

Since 2020, dedicated Risk Appetite Statements are drawn up regarding Climate & Environmental (C&E) risks, including the definition of UniCredit's commitment to assist its clients in a just and fair transition and the continuous integration of C&E risks within the Risk Management framework. Dedicated quantitative C&E risk related KPIs have been included in the Risk Appetite Dashboard since 2022, addressing both transitional and physical C&E risks. Starting from 2024, the following C&E KPIs are included in the Risk Appetite Dashboard and quarterly monitored both at Group level and in main Legal Entities:

- High Transition risk exposure KPI - aimed at measuring the Group's exposure against largest counterparties that appear more vulnerable along the transition path towards a lower-carbon economy, based on information retrieved through Climate and Environmental Questionnaire during credit application;
- Physical risk KPI - designed to measure potential damages that extreme climate-related acute physical risks events could cause to the Group's collateral portfolio.

UniCredit group path towards Net Zero Financed Emissions has been defined in different stages through the identification of metrics and KPIs (financed emissions and physical intensity) to set 2030 targets, monitoring the trend and to steer the portfolio according to the below timeline:

- January 2023, a first disclosure of sectorial targets on the three priority sectors:
  - Oil & Gas: Financed Emissions ($MtCO_2e$);
  - Power generation: Physical intensity (gCO_2e/kWh);
  - Automotive: Physical intensity (gCO_2/vkm).
- January 2024, a fourth sectorial target disclosure on Steel (tCO_2/tCS);
- July 2024, two more sectorial targets disclosure on Shipping (gCO_2e/GT-nm for Passenger and gCO_2e/dwt-nm for Merchant) and Real Estate ($kgCO_2e/m^2$).

As of 2025, the RAF Dashboard, the KPI Net Zero also includes the following sectors:

- Oil & Gas: Financed Emissions ($MtCO_2e$);
- Power generation: Physical intensity (gCO_2e/kWh);
- Automotive: Physical intensity (gCO_2/vkm);
- Commercial Real Estate: Physical intensity ($KgCO_2e/m2$);
- Residential Real Estate: Physical intensity ($KgCO_2e/m2$) - monitoring only.

In 2025, the KPI is monitored at Group level and cascaded to all relevant Legal Entities for the 3 priority sectors, while Commercial Real Estate is cascaded only to Italy, Germany and Austria (being this the scope of Net Zero commitment) and for Residential Real Estate is included for Monitoring purposes only (no RAF target/thresholds set), being the 2030 target not externally communicated as for other sectors.

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Finally, yearly managerial targets have been also defined for Steel and Shipping. Being an integral part of the Group Risk Appetite monitoring process, C&E KPIs are subject to an escalation process (in the case of risk tolerance threshold breaches) with related corrective/mitigation actions to be defined, when needed. The Group Board of Directors is informed of the breach and remedy actions (if any) on a quarterly basis in the periodical information sharing process.
As of today, at Group level, no breach in any of the defined thresholds happened.
In the following sections, the integration of transition risk and physical risk into credit portfolio will be further described. Additional details are reported also for Financial and Non-Financial risks, considering their relevance for UniCredit group.

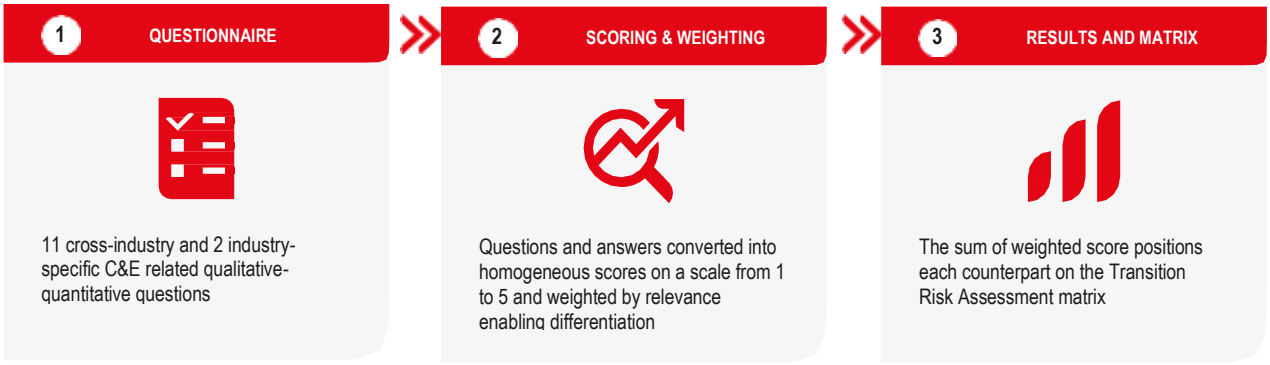
Integration of transition risk into credit portfolio - credit risk strategy and counterparty level.
UniCredit has been working on the identification, measurement, monitoring and mitigation of transition risk. The transition risk of the portfolio is measured with different metrics, also including the distribution of the credit portfolio by industry.

A comprehensive approach has been developed to assess and manage transition risk; the Risk Management framework defined is fully consistent with the RAF and is based on 3 pillars:
- specific reputation risk policies set-up (refer to subparagraph “Non-Financial Risks” below);
- dedicated Industry steering signals, based on relevant C&E factors (linked to transition risk) included in the Credit Risk Strategies framework reviewed at least once a year;
- assessment at customer group or single client level, mainly leveraging a dedicated C&E questionnaire/external provider score.

In particular, the industry steering signals (i.e. underweight, neutral, overweight) and the related industry limits embed relevant C&E factors, mainly leveraging a heatmap based on harmonized transition risk scores (integrating C&E questionnaire where available) by economic activity.
Further principles are also integrated within qualitative guidelines (including Net zero indication where relevant) for the business to assess and mitigate the risks for each specific industry. The cascading to the legal entities of the Group, together with the monitoring and escalation processes at local and Parent Company level, steer different credit portfolios in alignment with the RAF.
To determine the extent to which the Bank’s credit counterparties (subject to the C&E questionnaire perimeter) are exposed to Climate and Environmental risks, the C&E questionnaire is based on a set of both cross-industry questions (in total 11 considering the different sections) and industry-specific questions (an additional 2 for specific sectors), measuring qualitative and quantitative current and forward-looking key indicators across the following three main drivers.

The three main drivers of the C&E questionnaire are:
- C&E exposure - the 5 questions allow an analysis of the current level of exposure of the Economic Group under assessment: (i) level of Greenhouse Gas (GHG) emission (Scope 1, 2 and 3); (ii) Water consumption, (iii) Energy consumption; (iv) Waste production and recycling;
- C&E vulnerability - the 4 questions allow an analysis of the climate change management maturity level on a forward-looking basis, covering: (i) Company’s investment plan to shift to lower emission level business model, (ii) GHG emissions reduction target;
- Economic Impact - the 2 questions allow an analysis of the potential impacts on corporate clients’ financial and industrial performance in terms of cost and revenues.

Three steps are applied in order to determine the questionnaire result as shown below:



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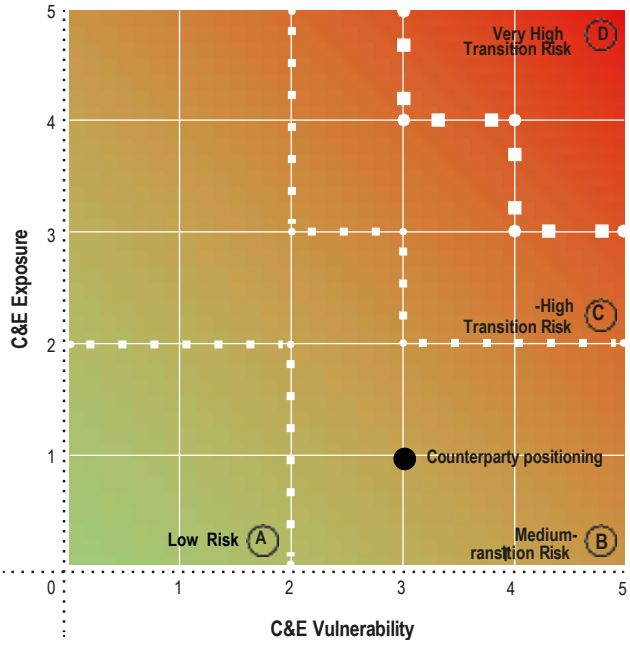
In detail:
- calculation of question-specific indicators based on the answers provided (a penalty system is in place and applied when information could not be retrieved);
- conversion of indicators, related to single questions, to standardize the scores of different responses and guarantee comparability of results;
- weighting of question-specific scores according to a pre-defined table (that takes into account the relevance of the questions) and calculation of the summary score for the different dimensions:
  - sum of question-specific scores (and penalties if necessary) for each question in the Exposure cluster; the result is plotted on the vertical axis of the matrix;
  - sum of question-specific scores (and penalties if necessary) for each question in the Vulnerability cluster; the result is plotted on the horizontal axis of the matrix;
- determination of C&E score ratings (1-Low; 2-Medium; 3-High; 4-Very High Risk), as shown in the matrix below.

Scoring methodology matrix



High C&E Transition Risk Risk counterparts

A	**Low**	Clients with no/limited Climate and Environmental Transition risk
B	**Medium**	Clients with moderate Climate and Environmental Transition risk
C	**High**	Clients with tangible Climate and Environmental Transition risk
D	**Very High**	Clients with important level of Climate and Environmental Transition risk

- above 1,500 approximate number of counterparties mapped by the C&E Questionnaire;
- 45%-50% approximate corporate portfolio coverage;
- risk of our clients:
  - **90%** Medium/Low;
  - **10%** High/Very high.

In order to guarantee the robustness of the model and the correctness of the data collected, specific controls have been put in place and a window dedicated to the uploading of documents used by the relationship manager to collect the data has been set up in order to verify the sources and correctness of the information The results of the climate and environmental assessment are integrated in the credit application, allowing the decision maker to effectively take climate and environmental factors into account during the credit decision phase. A specific process, factoring in transition risk and physical risk evaluation (together with reputational risk and Net Zero whenever relevant), has been designed and cascaded to the Group legal entities through a dedicated Group Operational regulation in order to address the inclusion of C&E considerations into the overall evaluation of the client. Leveraging on transition risk score, the process application results in specific strategies (in terms of eligible products) to steer the corporate portfolio's exposure fostering the clients' green transition and reducing at the same time UniCredit's exposure to C&E Risks. More in details, in case the client is subject to high or very high transition risk, the strategy foresees prevalence or exclusivity of ESG related products, respectively. Outcome of physical risk assessment at counterparty level is meant to complement the strategy with the request of physical risk mitigation action whenever deemed necessary. The adoption of the foreseen process in the various Group Legal entities rule is progressing, also according to the availability of ESG Group's infrastructure in the different Group LEs.

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Transition risk at collateral level

With the aim of measuring transition risk associated with assets accepted as collateral to fulfill regulatory obligations (Pillar 3, EU Taxonomy, Stress Tests) and meet managerial needs, a collection of Energy Performance Certification (EPC) data has been conducted in the various Group Legal Entities:

- for the stock, where the data could not be punctually retrieved, the Group leveraged on external specialised providers, which developed an estimation model.
- for the new flows, the following transition risk KPIs are collected and properly taken in consideration during origination phase
  Energy Performance:
  - Certification label (EPC) with flag indicating estimated/reported;
  - Primary Energy Demand (PED) measured as kWh/sqm;
  - CO_2 emissions;
  - Energy Performance Certification label issuance year.

Such information has been integrated into the ESG Global IT Infrastructure and is available on the local underwriting platforms at the origination stage.

Physical risk in the credit portfolio

Physical risk is carefully monitored for both counterparties within the Group's portfolio and individual collateral assets. This involves the assessment of a wide range of hazard events, with particular attention given to the following:

- material hazard events related to physical risk at counterparty level; and
- material hazard events related to physical risk at collateral level.

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Material hazard events related to physical risk at counterparty level:

TYPE OF PHYSICAL RISK (ACUTE/ CHRONIC)	MATERIAL PHYSICAL RISK HAZARD EVENT	DESCRIPTION OF THE PHYSICAL RISK HAZARD EVENT	METRIC/APPROACH	SPATIAL RESOLUTION	SOURCE
Acute	Landslides	Risk of landslide events, long historical data	Annual probability of event with high severity	grid 200 metres/census cell	Third party data & Bundesanstalt für Geowissenschaften und Rohstoffe & Istituto di Ricerca per la Protezione Idrogeologica
Acute	Floods	Risk of flood events, related to waterways and heavy rain events, predictive model	Annual probability of event with high severity, return period 50y	grid 100 metres/census cell	Third party data & Istituto Superiore per la Protezione e la Ricerca Ambientale (ISPRA)
Acute	Wind (Extreme wind-related events)	Probability of extreme wind events based on storm footprint, measured on Beaufort scale, return period 50y	Annual probability of extreme events (11-12 Beaufort scale)	grid H3	Third party data
Acute	Wildfire	Risk classes depending on days with high fire risk subject to the type of environment in which the company is located, Representative Concentration Pathways (RCP) 4.5 scenario	Average days/year with high fire risk, subject to type of environment	grid 4 kilometres	Third party data & European Space Agency (ESA) Data & Copernicus Data
Acute	Extreme waves (extreme waves, storm surges)	Probability of having storm surges and high energy waves	Wave height in RCP 8.5 with a return period of 50y	grid 25 kilometres	Third party data
Acute	Frost occurrence	Probability of cold events (frost, even of short duration), predictive model	Average number of events by years	grid 10 kilometres	Third party data
Acute	Heat occurrence	Probability of hot events (even of short duration), predictive model	Average number of events by years	grid 10 kilometres	Third party data

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TYPE OF PHYSICAL RISK (ACUTE/ CHRONIC)	MATERIAL PHYSICAL RISK HAZARD EVENT	DESCRIPTION OF THE PHYSICAL RISK HAZARD EVENT	METRIC/APPROACH	SPATIAL RESOLUTION	SOURCE
Acute	Heat waves	Probability of heat waves (extreme hot event > 3 days), historical data	Number of events (> 3 days) observed in a 60y period	grid 10 kilometres	Third party data
Acute	Aridity	Probability of aridity phenomena (ratio precipitation/ evaporation), predictive model	Mean annual precipitation (P)/mean annual evapotranspiration (ETP)	grid 500 metres	Third party data
Chronic	Sea level rise	Estimates the sea level with various meteorological models	Max wave height in 2050, return period in 50y	grid 25 kilometres	Third party data

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Material hazard events related to physical risk at collateral level:

TYPE OF PHYSICAL RISK (ACUTE/ CHRONIC)	MATERIAL PHYSICAL RISK HAZARD EVENT	DESCRIPTION OF THE PHYSICAL RISK HAZARD EVENT	METRIC/APPROACH	SPATIAL RESOLUTION	SOURCE
Chronic	Sea level rise	Estimates the sea level with various meteorological models	Sea level rise Hazard zones defined on Elevation Index (driven by coastal topography) and sea level rise Index (driven by sea level rise). The sea level rise hazard information is available for different scenarios	30 metres resolution for flooding hazard by sea level rise globally	Third party data: Sea level rise zones were modelled based on high- resolution elevation data from elevation model and sea level rise projections from climate models
Acute	Flood: • River Floods • Flash Floods	• River floods: Risk of river flood events, related to waterways and heavy rain events • Flash floods are short-term events which can be produced by multiple thunderstorms with heavy rain over one area	River floods: global climate model and global land surface models estimate changes in peak water runoff at hydrological basin resolution. These changes in peak runoff are then used to scale current river flood maps. The projections are available in different scenarios Flash floods: the flash flood map is based on meteorological data, as well as soil, terrain and hydrographic data (slope and flow accumulation). The meteorological data includes the amount, variability, and extreme behaviour of rainfall	• River floods: 30 metres • Flash floods: approximately 250 metres	Third party data: • River floods: Geoweb natural hazard maps • Flash floods: soil-sealing maps (detected by looking at impervious surfaces), curvature (from global multi-resolution terrain elevation data), slope and flow accumulation (from conditioned terrain data) as modifiers to generate the final flash flood map

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TYPE OF PHYSICAL RISK (ACUTE/ CHRONIC)	MATERIAL PHYSICAL RISK HAZARD EVENT	DESCRIPTION OF THE PHYSICAL RISK HAZARD EVENT	METRIC/APPROACH	SPATIAL RESOLUTION	SOURCE
Acute	Storms	Storms (including blizzards, dust and sandstorms): extratropical storms and storm surges	Extratropical storms: The main variables of the exposure analysis are forward wind, maximum wind speed, minimum central pressure, radius of maximum wind speeds, track of the centre (eye) in 3 to 6 hourly intervals Storm surges: multiple wave heights are simulated for each coast and the maximum expansion calculated. Wind speeds and bathymetry data were also taken into account	• Extratropical storms: approximately 5 kilometres • Storm surges: approximately 30 metres	Third party data
Acute	WildFire	Risk classes depending on days with high fire risk subject to the type of environment in which the company is located, RCP 4.5 scenario	Fire Weather Index (FWI) combining the probability of ignition, the speed and likelihood of fire spread and the availability of fuel	Approximately 1 kilometre	Third party data: modelled according to daily information on temperature, precipitation, humidity and wind
Acute	Hail	Heavy hailstorms are usually triggered by wide cold fronts. Occasionally, local hot weather thunderstorms, a result of intense insolation over land or mountain slopes, also lead to severe localized hailstorms.	Global standardised records of meteorological data. hailstorm map is based on a number of atmospheric conditions with the potential to create a hailstorm. The following parameters were taken into account for the calculation: - Average annual evapotranspiration [mm] - Average annual temperature gradient [°C/km] - Average annual potential height of fall of hail [m]		Third party data

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The Group's guidelines to integrate physical risk and transition risk KPIs into collateral evaluation, issued through a CRO Letter in 2023, have been transposed and embedded in a Group Operational Regulation published in January 2024 and properly cascaded to all the legal entities.

According to the guidelines, the appraiser is delegated to evaluate, based on own independent assessment, the extent of transition risk (leveraging on EPC) and physical risk (through a homogeneous set of hazards to be assessed and evaluated with a dedicated taxonomy provided by the guidelines) and to embed also these components in the overall assessment and final value assigned to the collateral.

Financial risk

With regards to financial risks (market risk, liquidity risk and counterparty credit risk), several concrete initiatives have been implemented over the last years to further integrate C&E risk into the financial risk management framework. The key pillars of the approach followed include:

- an overall methodological approach for incorporating C&E drivers within the Financial Risk framework has been refined, leveraging on a combination of assessment methodologies already employed by the Group. The methodological framework measures transition and physical risks within the Financial Risk relevant perimeter. For this purpose, both internal (transition) risk scores as well as externally sourced scores are applied. For the purpose of transition risk these scores are complemented by industry scores to further increase the data coverage. For the relevant market risk perimeter (Corporates & Financials) in the trading book for transition risk a very high coverage can be accomplished (almost 100%) and for physical risk about >60% coverage can be obtained. For the investment portfolio relevant perimeter (Corporates & Financials) for transition risk an almost full coverage and for physical risk about 50% coverage can be obtained, similarly also for the purpose of counterparty credit risk and liquidity risk (Counterbalancing Capacity - CBC);
- C&E KPIs are included within Market/Counterparty Credit Risk Strategy in line with Group ESG strategy; a dedicated limits and warning levels are applied. Specifically:
  - Granular Market Limits (GMLs) for equities and credit exposure vs high transition and physical risk score in the trading-book;
  - Granular Market Limits (GMLs) for non-sovereign debt securities exposure vs high transition and physical risk score in the investment portfolio, i.e., in the banking book;
  - Early Warning for sovereign debt securities exposure vs high transition and physical risk score in the investment portfolio, i.e., in the banking book;
  - Stress Test Warning Levels (STWL) on dedicated climate scenarios;
  - Early Warnings on Pre-Settlement exposure for counterparties with high transition and physical risk score.
- the assessment of C&E drivers is incorporated into the process for evaluating new financial products within the Group. When assessing new products, LEs are responsible for verifying whether any C&E risk is embedded in the product's payoff/structure and for ensuring consistency with Group's ESG strategy by involving the local competent function if needed;
- specific inclusion and exclusion criteria for investment process and transaction due diligence in coherence with Coal and Oil & Gas sector policies.

Concerning monitoring and reporting, the Financial Risk function monitors and reports monthly to competent corporate governing bodies the concentration towards climate risk with reference to equity risk and corporate and financial bonds in the trading book, corporate and financial bonds in the investment portfolio, counterparty credit risk exposures and counterbalancing capacity. The monitoring framework includes physical and transition risks within the Financial Risk relevant perimeter complemented also by an analysis with respect to physical risk hazards. Additionally, also a Carbon Foot printing analysis for the corporates and financial bonds in the investment portfolio is included.
In April 2022, the market risk stress testing program was enhanced with a dedicated climate risk scenario which extends the ECB short-term disorderly transition scenario. Moreover, since October 2022, the monthly reporting and monitoring framework has been enhanced by incorporating transition and physical risks and in December 2022 the Climate risk stress test scenarios were further increased. In September 2024 the "Baseline Counterfactual" scenario, which does not include any impact from Climate risk, was introduced. This scenario is used to identify the climate risk which may materially impact the portfolio in the Stressed Scenarios, as well as in the Baseline scenario, by neutralizing the pure macro-economic outlook from the estimates.

The materiality for financial risk is assessed via the standard ICAAP framework as described earlier and is complemented by further concentration analyses and stress scenarios. Based on these assessments, combined also with qualitative considerations on UniCredit's trading business model, appears to be no materiality of climate & environmental drivers on market risk exposures.
Similarly, the outcome of the liquidity impact of climate risks reveals a limited materiality of the exposures to these risks also in ILAAP.

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Climate risk could cause material net cash outflows or depletion of liquidity buffers, mainly stemming from the financial impact on the held assets of a changing climate (i.e., physical risk) or the institution's financial loss that can result, directly or indirectly, from the process of adjustment towards a lower-carbon and more environmentally sustainable economy (i.e., transition risk). According to the definition of physical and transitional risk, the transmission of climate risk to liquidity comes through the following channels:

- Counterbalancing Capacity (CBC): risk premia on securities of carbon-intensive issuers (transitional risk) or issuers particularly exposed to extreme climate events (physical risk) could increase, deteriorating the market value of the liquidity buffer;
- Deposits: withdrawals of deposits mainly due to high liquidity needs and credit losses that could stem from corporate clients with high CO_2 emissions, which could have to adapt their technologies and production plants to more carbon-neutral economies (transitional risk) or from customers hit by severe weather events (physical risk), which reduce profitability and potentially increase credit risk and liquidity needs;
- Undrawn credit and liquidity facilities, whose usage might increase for the same reasons listed for deposits;
- Market valuation changes on derivatives transactions climate related price shocks and increased market volatility may result in increased derivative exposures and related margin-calls.

Additionally, the transition risk might appear if UniCredit itself fails in adapting its practices to the new climate regulations, thus leading to reputational impacts. Such a risk is regularly monitored through the name crisis scenario of the liquidity stress test.
In order to assess the materiality of the liquidity risk arising from climate factors related with deposits and committed lines, UniCredit's customers are classified according to a climate risk score defined through an internal questionnaire or acquired by external information providers.
A stressed liquidity outflow ratio (from granted committed lines or from outstanding deposits) is applied on those customers labelled with high or medium high risk: the underlying assumptions of the impact analysis is that these customers will have increased liquidity needs comparable to those simulated in the severe internal liquidity stress test analysis.

The potential deterioration or the value of the counterbalancing capacity or the change in the value of derivatives (generating margin calls) is estimated by applying specific climate scenarios to the most relevant market variables (the same scenarios used in the ICAAP analysis).
The above-described effects are applied to the operative maturity ladder and the liquidity coverage ratio to assess the climate risk impact on the short-term perspective. Similarly, the effects are applied to the net stable funding ratio to simulate the structural liquidity changes produced by the above-described simulations.
The resulting impact is compared with the internal inherent risk severity thresholds.

In general, longer-term effects (on the Balance sheet structure) are low both for transitional and physical risk, as the liquidity structure of the Group Balance sheet is sound and ensures enough time to absorb potential climate related changes. In case physical risk materializes the channel through which the risk would transmit to liquidity is mostly from the potential deposit outflows.

As far as the short-term effects (direct impacts on liquidity) are concerned, the exposure to physical risk is classified as medium-low: the impact of deposit outflows has a higher weight on short term metrics.

Also, for transitional risks the impacts are negligible on the longer-term horizon. Short term metrics are instead more impacted both by the potential higher usage of deposits from customers with high or medium high exposure to transition risk and from the potential margin calls connected with the higher volatility of commodity prices. The overall impact for the Group will remain anyway medium low, according to the internal severity scale. Both for physical and transitional risks the identified impacts (classified as medium-low) can be easily absorbed by the liquidity buffers available in the Group.

Non-financial risk
Non-financial risks can be influenced by environmental factors in general and by the climate change in two different ways:

- Reputational risk - Risk for the Group of being perceived and criticized for supporting activities and projects through its financial products and services that harm the environment and contribute to worsening the climate change scenario;
- Operational risk - Risk for the Group of facing temporary disruption or unavailability of key premises (e.g., data centres, operational centres, headquarters) or for the discontinuity of services suffered by some of its third-party service providers due to adverse extreme climate conditions.

The Group has implemented adequate processes to mitigate the above-mentioned risks.
With regards to **reputational risk**, the Group defines Reputational Risk as the current or prospective risk to earnings and capital resulting from the negative perception of the Financial Institution's image by various stakeholders including clients, shareholders/investors, regulators, employees, debtholders, market analysts, civil society, NGOs, media and other relevant parties.

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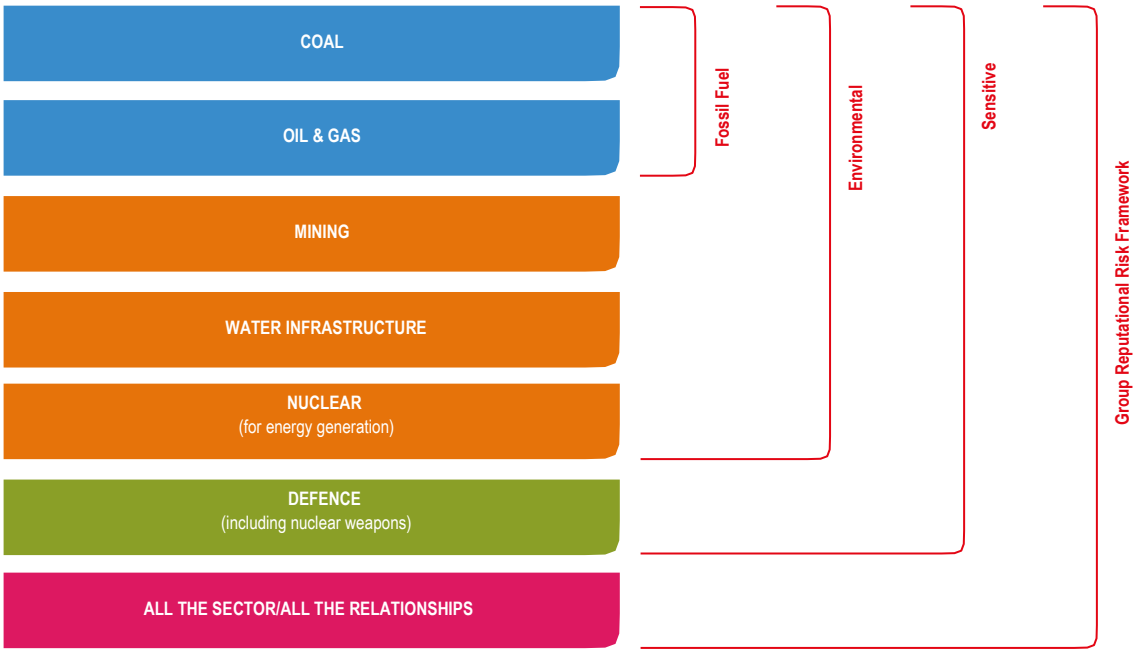
Part E - Information on risks and related hedging policies

The management of reputational risk relies on:

- setting clear general rules and guidelines for:
  - defining the profile of relationships (with clients as well as with other relevant counterparties such as suppliers) and operations (mainly financial support, but also investments and other financial products and services offered) that the Group is available to manage and develop;
  - defining the profile of what the Group does not consider to be in line with its foundation principles and reputational standards. These rules and
  - guidelines are designed to ensure alignment with laws, internal and external regulations, best practices within the sector and reflect the risk appetite and the sensitivity of the Group;
- setting additional specific rules and guidelines for sectors considered sensitive (Coal, Oil & Gas, Defence, Nuclear, Mining, Water Infrastructures) and contributing to the Group commitments for specific topics (Rainforest, Tobacco, Human Rights, Natural Capital/Biodiversity);
- requiring for each relationship the evaluation of the conformity to the rules and guidelines mentioned above;
- ensuring respect of the rules mentioned above for each operation, performing a specific Reputational Risk Assessment involving the dedicated Reputational Risk function and other specialist/competent functions (e.g., ESG, Compliance, Legal) in cases of potential deviation and rejecting operations in breach of such rules;
- setting conditions, controls or limitations, where deemed necessary, in order to reduce the material residual Reputational Risk for Group, regardless of the sector connected to the case;
- independently from the sector, evaluation of the liability/litigation risk that can derive from supporting a deal which could produce a negative environmental or social impact, when the deal is under the Equator Principles (EP) framework;
- taking the right decisions at the right level of authorization in cases of potential reputational risk, involving the Group Non-Financial Risks Committee (GNFRC) for the highest risk cases and/or for strategic decisions.

The Group, in its continuous monitoring of the market and stakeholder's expectations, has identified six «sensitive sectors» for which it has adopted a dedicated additional set of provisions and rules described in specific internal regulations listed below:



In addition, UniCredit group has signed specific commitments regarding the exit from Tobacco industry and from activities that favor deforestation or forest degradation and also reinforced its positioning on Human Rights commitment.

The inclusion of a sector among the sensitive ones and the provisions of the existing ones are renewed on a continuous basis, taking into account the evolution of the market and the sensitivity of the Group towards these sectors.

Global policy on Reputational risk sets minimum requirements for subjects and deals regardless the sector of belonging (e.g. no operation is UNESCO/protected areas IUCN I-IV, …).

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Part E - Information on risks and related hedging policies

For each sensitive sector, the specific regulation covers the following aspects:
- the scope of the sector (type of subjects and activities);
- the forbidden activities (activities that the Group is not available to support with its financial products and services, e.g., controversial weapons, nuclear weapons, coal-related activities, oil & gas activities in the Arctic region);
- the classification of clients:
  - Class A - clients completely in line with the provisions and for which the Group is available to provide full financial support;
  - Class B - clients partially in line with positive transitions and moving in the right direction. The Group is available to support these clients with its financial products and services, refraining from providing other types of financial products and services that do not align with the transition towards more sustainable practices;
  - Class C - clients not aligned with the provisions of the Group or moving in a different direction and for which the Group is not available to provide any kind of financial support. In these cases, a phase-out of the relationship may be considered.

UniCredit group has defined a process for assessing Reputational Risk, identifying cases where a dedicated assessment is necessary.
The decision-making bodies responsible for assessing cases of reputational risk can vary according to the relevance of the case and alignment with the policy provisions.
For UniCredit S.p.A., cases that envisage a potential high relevance with appetite already set are brought to the attention of Head of Group Non-financial risks (with the support of RRO[42], if the case).
Cases that envisage a potential high relevance with appetite not set yet are brought to the attention and decision of the Group Non-Financial Risks Committee (GNFRC) chaired by the Group CEO.

Similar structures have been established at local level within each Legal Entity of the Group. At local level, RRO and GNFRC are collapsed in the LNFRC (Local Non-Financial Risk Committee), chaired by the local CEO.
Cases where **reputational risks** are deemed to be of significant relevance within a specific Legal Entity are submitted to the Holding company for further validation (Non-Binding Opinion - NBO).

A reputational risk decision taken at local level also requires an NBO by the Parent Company in two specific situations:
- when the case, authorized by the Local NFR Committee, presents a High Reputational Risk and has to be submitted to a Group Credit Committee (GCC or GTCC);
- when explicitly requested by the policy. e.g., exceptions granting, Green Project Financing in the Oil & Gas or Coal sectors, granted to a B class client, requires an NBO to double check that the Green project is currently aligned with the EU Taxonomy.

Whenever a further scrutiny of a case is deemed necessary, Legal Entities can ask the Parent Company for an NBO for cases other than the two mentioned above.
Any unplanned and unforeseen situations related to a specific relationship or deal and not aligned with the standard provisions of the policy are evaluated case by case. Expert judgement is required for evaluating the alignment of the case with UniCredit general principles on Reputational Risk. Any decisions must diligently consider the provisions of the applicable policy and the characteristics and context of the case under examination.

With regards to **Operational risk**, for all Legal Entities the Group carries out a half-yearly monitoring on locations exposed to climate risks with a conservative scenario of +4 °C by 2030. Seven buildings have been identified with a potential risk exposure, considering this scenario. Devoted KPIs have been put in place together with the Group Real Estate function, to correctly monitor climate events in relation with the related locations history. During 2024 no deviation from history has been detected.

In order to assess the resilience of third-party service providers with regard to climate change, the Third-Party Assessment (performed during onboarding of new suppliers, then yearly) has been enhanced by also considering the business continuity plans adopted to manage potential adverse climate events.

42 Reputational Risk Office, which includes the representatives of the Group Specialist Functions.

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Part E - Information on risks and related hedging policies

Section 3 - Risk of insurance companies

Insurance risks

The main Life insurance risks to which the Group's Italian Insurance Companies, UniCredit Life Insurance S.p.A. and UniCredit Vita Assicurazioni S.p.A., are exposed are described below.

Life Insurance risks can be divided into typical insurance risks, financial risks and other risks.

Typical Insurance risks

The insurance-related risks of the Life Insurance portfolio are linked to the risks underlying the underwriting risk. The latter in fact includes both biometric risks, linked to the uncertainty of the assumptions considered in the context of the measurement of insurance liabilities (e.g. the mortality/longevity rates), and risks deriving from the uncertainty of the amount of expenses and the behaviour of the policyholders (e.g. lapse rate).

The life underwriting risk[43] reflects the following types of risks:

- mortality (longevity) risk: the risk of loss, or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend, or volatility of mortality rates, where an increase (decrease) in the mortality rate leads to an increase in the value of insurance liabilities;
- lapse risk: the risk of loss, or of adverse change in the value of insurance liabilities, resulting from changes in the level or volatility of the rates of policy lapses, terminations, renewals and surrenders;
- life-expense risk: the risk of loss, or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend, or volatility of the expenses incurred in servicing insurance or reinsurance contracts;
- disability - morbidity risk: the risk of loss, or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend or volatility of disability, sickness and morbidity rates;
- revision risk: the risk of loss, or of adverse change in the value of insurance liabilities, resulting from fluctuations in the level, trend, or volatility of the revision rates applied to annuities, due to changes in the legal environment or in the state of health of the person insured (the current portfolios of the Company are not exposed to this risk);
- life-catastrophe risk: the risk of loss, or of adverse change in the value of insurance liabilities, resulting from the significant uncertainty of pricing and provisioning assumptions related to extreme or irregular events.

For the two Insurance Companies of UniCredit group, the nature of the contracts for most of the tariffs is predominantly of savings; the remaining part is a pure risk component, while the weight of annuities is negligible. Therefore, the types of underwriting risk to which the Companies are exposed are mainly the risks related to products that offer a guaranteed minimum/guarantees to the customer and the risks associated with demographic aspects peculiar to pure risk products. The relevant risks to which the Companies are mainly exposed are therefore represented by the risk of mortality, lapse, expenses and life-catastrophes.

Lapse risk represents the most significant technical risk for Insurance Companies and it is managed within the design process of a new product, through the provision of penalties in the event of surrender/interruption of premium payments before the deadline established in the contract and through the definition of sustainable financial guarantees. In addition to the expense risk, both Companies are also exposed to underwriting risks related to the mortality component included essentially in pure risk contracts and the longevity component included essentially in immediate annuity contracts.

Regarding the calculation of the solvency capital requirement, the risks at Company level are quantified on the basis of the Standard Formula of Solvency II, according to the methodology defined by the reference legislation. In detail, the capital requirement for life risk is calculated by aggregating, through correlation ratios, the Solvency Capital Requirements (SCRs) determined for each of the risk sub-modules described above.

Financial risks related to the life insurance business

Insurance companies that exercise the life insurance must invest the premiums collected in financial assets both in the short and long term to guarantee the return expected by policyholders, respecting future commitments undertaken. The risks to which the Companies are exposed therefore derive from market risks that may lead to losses or unfavourable changes in the financial situation deriving, directly or indirectly, from fluctuations in the level and volatility of the market pieces of the assets and liabilities in the Balance sheet.

43 Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

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Part E - Information on risks and related hedging policies

The market risk[44] of life insurance includes the following types of risks:
- interest rate risk: the sensitivity of the values of assets, liabilities and financial instruments to changes in the term structure of interest rates, or in the volatility of interest rates;
- equity risk: the sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of market prices of equities;
- spread risk: the sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of credit spreads over the risk-free interest rate term structure;
- currency risk: the sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of currency exchange rates;
- property risk: the sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of market prices of real estate;
- concentrations risk: it reflects additional risks to an insurance or reinsurance undertaking stemming either from lack of diversification in the asset portfolio or from large exposure to default risk by a single issuer of securities or a group of related issuers.

In UniCredit Life Insurance S.p.A., the module that contributes most to market risk is equity risk, followed by interest rate and spread risks, while in UniCredit Vita Assicurazioni S.p.A. the risk that has the greatest impact on market risk is the spread risk, followed by equity risk.
In general, the guiding principle of companies relating to risk management in relation to investment activities to cover commitments to policyholders is, specifically, the Prudent Person Principle (article 132 of the Solvency II Directive). In particular, the assets held in the portfolio are appropriate to the nature and duration of the insurance liabilities, with the aim of preserving the value of the portfolio by seeking a balance between achievable returns and the cost of the guarantees offered, in a medium-long term logic to protect both policyholders and shareholders.

Other risks related to the life insurance business

Liquidity risk
Liquidity risk is the risk that the insurance or reinsurance undertaking will not be able to liquidate investments and other assets to settle its financial commitments when they fall due. The Solvency II regulations do not provide for the calculation of a capital requirement; however, it is the Company's responsibility to manage this risk appropriately in order to avoid future difficulties.

To achieve this purpose, exposure to liquidity risk is calculated in both companies through liquidity indicators that relate the available resources and the resources required over a short-medium term time horizon, monitoring their performance and compliance with specific thresholds defined under the Risk Appetite Framework (RAF).

In UniCredit Life Insurance S.p.A, the analysis and management of the risk under consideration are carried out for Segregated Funds, i.e. for all products which offer a guarantee to policyholders and start from a mapping of the securities in the portfolio to identify those characterized by the highest degree of liquidity. The prospective analyses conducted and the characteristics of the portfolio do not reveal any critical issues, also taking into account the weight of liquidity and assets considered "readily liquidable" under the Liquidity Policy.

With the aim of strengthening the prudential approach underlying the calculation of liquidity risk, in UniCredit Vita Assicurazioni S.p.A., this risk is monitored through two indicators whose difference concerns the composition of countermeasures, i.e. the sources of liquidity that can be activated in case of need. The analyses carried out show that the Company, positioning itself in all scenarios below the limits defined in the RAF, has an adequate level of liquidity in the ratio between needs and sources.

Operational Risks
Operational risk means the risk of loss arising from inadequate or failed internal processes, personnel or systems, or from external events. In general, operational risks can also have effects on reputational aspects therefor, the management of operational risks can also have an impact on the mitigation of reputational risks.

The management of operational risks at the Company level is carried out through the identification and, qualitative evaluation and, if possible, quantitative assessment, on an annual basis, of the different categories of operational risks.
The valuation of the capital to be set aside for Solvency II purposes is carried out based on the closed formula provided for the calculation of the capital requirement identified by the Standard Formula. The Standard Formula is based on premiums and reserves with the use of standard coefficients.

The weight of the operational SCR in relation to the total SCR is similar for both Insurance Companies. This is due to the fact that the operational risk at the Standard Formula level is measured with a closed formula based on premiums and which expresses a prudent value that goes far beyond what occurs by following the actual trend of operational incidents and any losses they generate.

44 Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

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Part F - Consolidated shareholders' equity

Section 1 - Consolidated shareholders' equity

A. Qualitative information

UniCredit group deems as priority the activities of capital management and capital allocation based on the risks taken, with the aim of expanding the Group's operations in a value creation perspective. These activities are structured in the different phases of the Group planning and monitoring process and, in particular, in:

- planning and budgeting processes:
  - proposals of risks appetite and capitalisation objectives;
  - analysis of risks associated with value drivers and allocation of capital to business areas and units;
  - assignment of risk-adjusted performance objectives;
  - analysis of the impact on the Group's value and the creation of value for shareholders;
  - preparation and proposal of the equity plan and dividend policy;
- monitoring processes:
  - analysis of performance achieved at Group and business unit level and preparation of managerial reports for internal and external use;
  - analysis and monitoring of limits;
  - analysis and performance monitoring of the capital ratios of the Group and single entities.

The Group has committed itself to generate income in excess to the one necessary to remunerate risk (cost of equity) and to create value for its shareholders by allocating capital to the various business areas and business units on the basis of specific risk profiles. In order to support the planning and monitoring processes, the Group adopts a methodology based on risk-adjusted performance measurement (RAPM) which provides a number of indicators that combine and summarise the operating, financial and risk-related variables to be considered.

Therefore, the Group capital and its allocation are of paramount importance in the definition of corporate strategies, as, on the one hand, the Group Capital represents the shareholders' investment in the Group, which needs to be adequately remunerated, and on the other hand, it is a scarce resource subject to the external constraints set by the regulators.

In the allocation process, the definitions of capital adopted are the following:

- risk or employed capital: this is the equity component provided by shareholders (employed capital) which must be remunerated through an income generation higher than or equal to expectations (cost of equity);
- capital at risk: this is the portion of capital and reserves that is used (at the beginning of the period: allocated capital) or was used to cover (at period-end: absorbed capital) the risks taken to pursue the objective of creating value.

If capital at risk is measured following the so-called "Pillar 2" approach that requires Banks to implement internal processes and systems to determine the level of capital adequate to face any type of risk, not limited to those provided by the capital requirements ("Pillar 1") rules, then it is defined as internal capital; if it is measured through "Pillar 1" regulatory provisions covering Credit, Market and Operative risks' capital requirements, then it is defined as regulatory capital. Internal capital and regulatory capital differences are not limited to the categories of risk covered. In fact, the former directly quantifies the amount of capital to cover adverse events with a high level of probability, while regulatory capital is quantified applying to RWEA the CET1 ratio target defined within the Risk Appetite setting process. Set consistently with Group risk appetite, CET1 ratio target considers supervisory expectations, the foreseen evolution of the regulatory frameworks, how the Group compares to other main European Banking Groups and factorizes chosen business strategies. Capital allocated to Business Segment is quantified by regulatory capital.

UniCredit group has identified a Common Equity Tier 1 Ratio target between 12.5%-13%, as announced during the "UniCredit Unlocked" Strategy Day held in Milan, 9 December 2021 (https://www.unicreditgroup.eu/en/press-media/press-releases-price-sensitive/2021/unicredit-unlocked--2022-2024-strategic-plan--empowering-communi.html).

In addition to target setting, capital management activities encompass the definition of the capital plan and the monitoring of Pillar 1 capital ratios (Common Equity Tier 1, Tier 1, Total Capital, MREL, RWEA) and available internal capital (Pillar 2 definition).
Capital management activities aim at identifying dynamically the most suitable investment and capital instruments (ordinary shares and other capital instruments) for achieving the defined targets. If there is a capital shortfall, the gaps to be filled and capital generation measures are indicated, and their cost and efficiency are measured through the RAPM methodology. In this context, value analysis is enhanced considering all relevant aspects as, among others, regulatory rules, accounting principles, financial and market situation, tax-related considerations, risk management assessments and with respect to the changing regulations affecting these aspects. In this way, all the necessary assessments are performed, and instructions provided to Group areas or companies asked to perform the required tasks.

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Part G - Business combinations

Section 1 - Business combinations completed in the period

1.1 Business combinations

External Business Combination
Business combinations with counterparties outside the Group are carried out using the "purchase method", prescribed by the accounting standard IFRS3 "Business Combinations which involves the following steps: (i) identifying an acquirer; (ii) measuring the cost of the business combination; (iii) allocating, at the acquisition date, the cost of the business combination to the assets acquired and liabilities and contingent liabilities assumed (Purchase Price Allocation - PPA).

Particularly, the cost of a business combination:
- it is the aggregate of the fair value of assets given, liabilities incurred or assumed and equity instruments issued by the acquirer, in exchange for control of the acquiree, recorded at the date of exchange (acquisition date is the date on which acquirer effectively obtains control of acquiree);
- it is allocated by recognising assets, liabilities and identifiable contingent liabilities of acquired company at their acquisition-date fair value.

Exceptions to this principle are deferred income tax assets and liabilities, employee benefits, indemnification assets, reacquired rights, non-current assets held for sale, and share-based payment transactions that are measured in accordance with the accounting standard applicable to them. Positive difference between the cost of the business combination and the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities so recognised is accounted for as goodwill. The difference, if negative, is recognised in Income statement as negative goodwill.

In the first half of 2025 the Group has acquired the 100% of the following entities: (i) AION Bank S.A., (ii) Vodeno Sp.zo.o., (iii) UniCredit Life Insurance S.p.A (former CNP UniCredit Vita S.p.A.), (iv) UniCredit Vita Assicurazioni S.p.A (former UniCredit Allianz Vita S.p.A.).
For further details refer to the paragraph "Section 3 - Consolidation scope and methods", Explanatory notes, Part A - Accounting policies, A.1 - General.

Acquisition of AION Bank S.A. and Vodeno Sp.zo.o

(€ million)

NAME	ACQUISITION DATE	ACQUISITION COST	VOTING EQUITY INTERESTS ACQUIRED %	OPERATIVE INCOME	PROFIT (LOSS) OF THE YEAR/PERIOD	OPERATING INCOME FROM ACQUISITION DATE	PROFIT (LOSS) FROM ACQUISITION DATE
AION Bank S.A.	06.03.2025	211	100.00	15	(6)	10	(3)
Vodeno Sp.zo.o.	06.03.2025	166	100.00	(4)	(8)	3	(5)

On 6 March 2025, UniCredit S.p.A. finalised the purchase of 100% of AION Bank S.A. (Aion Bank) and Vodeno Sp.zo.o (Vodeno) from Vodeno Holdings Coöperatief U.A. and Vodeno Investments Coöperatief U.A.[45], thus acquiring the control over the two companies.

With reference to the identification of the acquirer, UniCredit S.p.A. was identified as acquirer of Aion Bank and Vodeno, having purchased 100% of voting rights. The transaction marks an acceleration of the Bank's activity in the digital banking space, standing as one of the first moves by a Bank to acquire full ownership of a new technology (without any dependencies from third-party providers), ensuring strong differentiation from pure technology providers, neobanks and incumbents undergoing digital transformation. Indeed, through the combined capabilities of Aion Bank and Vodeno, UniCredit has access to an innovative, scalable, and flexible cloud-based platform, based on API connectivity and with smart contract technology built in - all of which can be integrated with the processes and procedures of a fully-fledged Bank. This is the foundation for a digital offering that combines the high-quality user experience of a neo-bank with the financial strength and regulatory oversight of a traditional player.

45 Vodeno Holdings Coöperatief was the parent of Aion Bank, while Vodeno Investments Coöperatief was the parent of Vodeno.

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Part G - Business combinations

Related to the measurement of the cost of the business combination, Aion Bank and Vodeno acquisitions envisaged the payment of an overall amount equal to €376 million (€211 million for Aion Bank; €166 million for Vodeno).
The contract signed with the counterparties does not envisages clauses providing for future adjustment of the purchase price after the completion of the transaction. In line with market practice, customary indemnity and warranty clauses are included in the contract, with the possibility to receive a refund from the counterparties, in case of violation.

For what concerns the PPA process, the assets and liabilities of Aion Bank and Vodeno[46] were identified on acquisition date fair value, according to IFRS3 standard. The acquisition date was identified as of 1 March 2025, considering that the acquisition of control occurred on Thursday 6 March 2025 and no relevant transactions were made by the acquired companies between these two dates.

As a result, the following tables outline Aion Bank and Vodeno's assets and liabilities in their separate financial statements, the fair value adjustments and their carrying amount in UniCredit consolidated financial statements as of acquisition date.

Aion Bank

(€ million)

	AMOUNTS AS AT ACQUISITION DATE		
ASSETS	BALANCE SHEET VALUE OF THE ACQUIREE	PPA ADJUSTMENTS	CONSOLIDATED BALANCE SHEET VALUE
10. Cash and cash balances	961	-	961
20. Financial assets at fair value through profit or loss	12	-	12
a) financial assets held for trading	6	-	6
b) financial assets designated at fair value	-	-	-
c) other financial assets mandatorily at fair value	6	-	6
30. Financial assets at fair value through other comprehensive income	323	-	323
40. Financial assets at amortised cost:	502	(30)	472
a) loans and advances to banks	24	-	24
b) loans and advances to customers	478	(30)	448
50. Hedging derivatives	-	-	-
60. Changes in fair value of portfolio hedged items (+/-)	-	-	-
70. Equity investments	-	-	-
80. Insurance assets	-	-	-
a) insurance contracts issued that are assets	-	-	-
b) reinsurance contracts held that are assets	-	-	-
90. Property, plant and equipment	1	-	1
100. Intangible assets	2	31	33
110. Tax assets	-	10	10
a) current	-	-	-
b) deferred	-	10	10
120. Non-current assets and disposal groups classified as held for sale	-	-	-
130. Other assets	10	-	10
Total assets	**1,811**	**11**	**1,822**

46 For the determination of this value, an external independent advisor supported the Group.

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Part G - Business combinations

(€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT ACQUISITION DATE		
	BALANCE SHEET VALUE OF THE ACQUIREE	PPA ADJUSTMENTS	CONSOLIDATED BALANCE SHEET VALUE
10. Financial liabilities at amortised cost:	1,685	-	1,685
a) deposits from banks	33	-	33
b) deposits from customers	1,652	-	1,652
c) debt securities in issue	-	-	-
20. Financial liabilities held for trading	2	-	2
30. Financial liabilities designated at fair value	-	-	-
40. Hedging derivatives	-	-	-
50. Value adjustment of hedged financial liabilities (+/-)	-	-	-
60. Tax liabilities	-	10	10
a) current	-	-	-
b) deferred	-	10	10
70. Liabilities associated with assets classified as held for sale	-	-	-
80. Other liabilities	32	3	35
90. Provision for employee severance pay	-	-	-
100. Provisions for risks and charges:	2	-	2
a) commitments and guarantees given	-	-	-
b) post-retirement benefit obligations	-	-	-
c) other provisions for risks and charges	2	-	2
110. Insurance liabilities	-	-	-
a) insurance contracts issued that are liabilities	-	-	-
b) reinsurance contracts held that are liabilities	-	-	-
Shareholders' equity	90	(2)	88
Total liabilities and shareholders' equity	**1,811**	**11**	**1,822**

Contingent liability recognised on acquisition date		-	-

The main PPA adjustments refer to the following items:

- New recognised intangible assets (adjustment for +€31 million) entirely composed by Customer relationships evaluated using the Multi-period Excess Earnings Method, which estimates the fair value based on the profitability - over the useful life of the intangible asset being valued - derived from expected revenues, net of operating costs and applicable taxes;
- Loans and advance to customers (adjustment for -€30 million) related to non-performing loans portfolio:
  - for unsecured non-performing loans, fair value was based on the Net Present Value (NPV) of expected cash flows from recoveries, the latter based on the estimate of cash flow distribution in terms of amount and recovery timeline through benchmark curves;
  - for secured non-performing loans, fair value was based on the sale price of comparable transactions observed on the reference markets; the resulting amount was supported with the average Net Book Value observed in the reference markets, with specific reference to UniCredit group.
- Temporary deferred tax assets and liabilities (both adjustments for +€10 million), recognised with reference to the PPA adjustment items.

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Part G - Business combinations

Vodeno

(€ million)

ASSETS	AMOUNTS AS AT ACQUISITION DATE		
	BALANCE SHEET VALUE OF THE ACQUIREE	PPA ADJUSTMENTS	CONSOLIDATED BALANCE SHEET VALUE
10. Cash and cash balances	3	-	3
20. Financial assets at fair value through profit or loss	-	-	-
a) financial assets held for trading	-	-	-
b) financial assets designated at fair value	-	-	-
c) other financial assets mandatorily at fair value	-	-	-
30. Financial assets at fair value through other comprehensive income	-	-	-
40. Financial assets at amortised cost:	-	-	-
a) loans and advances to banks	-	-	-
b) loans and advances to customers	-	-	-
50. Hedging derivatives	-	-	-
60. Changes in fair value of portfolio hedged items (+/-)	-	-	-
70. Equity investments	-	-	-
80. Insurance assets	-	-	-
a) insurance contracts issued that are assets	-	-	-
b) reinsurance contracts held that are assets	-	-	-
90. Property, plant and equipment	-	1	1
100. Intangible assets	-	15	15
110. Tax assets	-	-	-
a) current	-	-	-
b) deferred	-	-	-
120. Non-current assets and disposal groups classified as held for sale	-	-	-
130. Other assets	30	-	30
Total assets	**33**	**16**	**49**

(€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT ACQUISITION DATE		
	BALANCE SHEET VALUE OF THE ACQUIREE	PPA ADJUSTMENTS	CONSOLIDATED BALANCE SHEET VALUE
10. Financial liabilities at amortised cost:	-	-	-
a) deposits from banks	-	-	-
b) deposits from customers	-	-	-
c) debt securities in issue	-	-	-
20. Financial liabilities held for trading	-	-	-
30. Financial liabilities designated at fair value	-	-	-
40. Hedging derivatives	-	-	-
50. Value adjustment of hedged financial liabilities (+/-)	-	-	-
60. Tax liabilities	-	5	5
a) current	-	-	-
b) deferred	-	5	5
70. Liabilities associated with assets classified as held for sale	-	-	-
80. Other liabilities	5	9	14
90. Provision for employee severance pay	-	-	-
100. Provisions for risks and charges:	-	-	-
a) commitments and guarantees given	-	-	-
b) post-retirement benefit obligations	-	-	-
c) other provisions for risks and charges	-	-	-
110. Insurance liabilities	-	-	-
a) insurance contracts issued that are liabilities	-	-	-
b) reinsurance contracts held that are liabilities	-	-	-
Shareholders' equity	28	2	30
Total liabilities and shareholders' equity	**33**	**16**	**49**

Contingent liability recognised on acquisition date	-	-

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Part G - Business combinations

The main PPA adjustments refer to the following items:
- New recognised intangible assets (adjustment for +€15 million) related to the software generated by Vodeno, which was valued according to a cost-based valuation method complemented by the "Relief from Royalty Method". The cost-based valuation method determines fair values capitalizing costs incurred for the development of software (e.g., FTE expenses, licenses), according to specific amortization profile;
- Temporary deferred tax liabilities (adjustment for +€5 million), recognised on the PPA adjustments.

The overall evaluation process led to the recognition, in the Consolidated Financial Statement of UniCredit, of net assets for: (i) €88 million related to Aion Bank; (ii) €30 million for Vodeno. The difference between the price (€211 million for Aion Bank and €166 milion for Vodeno) and the 100% of these net assets led to the recognition of goodwill for €122 million for Aion Bank and €136 million for Vodeno (not tax deductible).

The table below shows - for AION Bank - the consolidated first-time booking of fair value, gross book value and loans loss provisions (LLPs).

(€ million)

LOANS - RECEIVABLES		AMOUNTS AS AT ACQUISITION DATE		
		FAIR VALUE	GROSS BOOK VALUE	LOAN LOSS PROVISION
20c.	Mandatorily at fair value	6	6	-
30.	Fair value through other comprehensive income	323	323	1
40.	Amortized Cost	470	477	5
	A. Loans and advances to Central Banks	22	22	-
	B. Loans and advances to banks	-	2	-
	C. Loans and advances to customers	448	453	5

Acquisition of CNP UniCredit Vita S.p.A. and UniCredit Allianz Vita S.p.A.

(€ million)

NAME	ACQUISITION DATE	ACQUISITION COST	VOTING EQUITY INTERESTS ACQUIRED %	OPERATIVE INCOME	PROFIT (LOSS) OF THE YEAR/PERIOD	OPERATING INCOME FROM ACQUISITION DATE	PROFIT (LOSS) FROM ACQUISITION DATE
CNP UniCredit Vita S.p.A. (now ULI)	20.06.2025	594	51.00	(98)	40	-	-
UniCredit Allianz Vita S.p.A. (now UVA)	20.06.2025	789	49.00	(78)	63	-	-

Till the first quarter 2025, UniCredit held the following equity investments, classified as associates and accounted for at net equity method: (i) 49% in CNP UniCredit Vita S.p.A. (CUV); (ii) 50% in UniCredit Allianz Vita S.p.A. (UAV). The shareholder's agreements ruling the relationships envisaged the option for UniCredit to purchase the controlling stakes held by the counterparties (i.e., 51% for CUV from CNP; 50% for UAV from Allianz). Hence, in the second half of 2024, UniCredit exercised the options, starting the internalization of life bancassurance business in Italy; the transactions were closed on 20 June 2025, leading UniCredit to acquire the control over the entities. Following the closing, CUV was renamed UniCredit Life Insurance (ULI), while UAV was renamed UniCredit Vita Assicurazioni (UVA).

The internalization of the life bancassurance factories in Italy will allow UniCredit to (i) build an efficient company in a fee-based sector where UniCredit is already one of the leading players and (ii) extract business synergies to further strengthen service levels and the value for money offered to customers, while also driving a substantial growth of the business.

With reference to the identification of the acquirer, UniCredit S.p.A. was identified as acquirer of ULI and UVA, having purchased 100% of voting rights, then obtaining the control of the companies.
Related to the measurement of the cost of the business combination, the acquisitions envisaged the payment of an overall amount equal to €1,383 million (€594 million for ULI and €789 million for UVA).

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Part G - Business combinations

Furthermore, as mentioned, UniCredit already held equity investments for 49% in ULI and 50% in UVA, whose carrying value was respectively equal to €400 million and €210 million[47]. In accordance with the IFRS3, these investments were remeasured at fair value at acquisition date (€570 million for ULI; €692 million for UVA), leading to recognize, in item 250. Gains (Losses) of equity investments, a profit for €170 million for ULI and €482 million for UVA. The fair value of the investment held was determined in coherence with purchase price of the companies, which, in turn, was based on the embedded value. As per market practice, warranty clauses are included in the contracts, with the possibility to receive a refund from the counterparties in case of violation.

The assets and liabilities of ULI and UVA shall be recognised on acquisition date fair value, according to IFRS3. The acquisition date was identified as of 30 June 2025, considering that the acquisition of control occurred on 20 June 2025 and no relevant transactions were made by the acquired companies between these dates. Given the proximity between the acquisition date and 30 June 2025, the PPA process will be executed in the second half of 2025; hence, the assets and liabilities of ULI and UVA were recognised at their carrying value in the Balance sheet of the companies.

(€ million)

	AMOUNTS AS AT 30.06.2025	
ASSETS	**ULI**	**UVA**
10. Cash and cash balances	479	63
20. Financial assets at fair value through profit or loss:	8,983	20,132
a) financial assets held for trading	-	-
b) financial assets designated at fair value	-	-
c) other financial assets mandatorily at fair value	8,983	20,132
30. Financial assets at fair value through other comprehensive income	5,987	8,418
40. Financial assets at amortised cost:	-	113
a) loans and advances to banks	-	-
b) loans and advances to customers	-	113
50. Hedging derivatives	-	3
60. Changes in fair value of portfolio hedged items (+/-)	-	-
70. Equity investments	-	-
80. Insurance assets	164	-
a) insurance contracts issued that are assets	28	-
b) reinsurance contracts held that are assets	136	-
90. Property, plant and equipment	29	1
100. Intangible assets	-	-
110. Tax assets:	290	581
a) current	207	581
b) deferred	83	-
120. Non-current assets and disposal groups classified as held for sale	-	-
130. Other assets	54	599
Total assets	**15,986**	**29,910**

47 Amount net of the revaluation reserves to be recycled to P&L.

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Part G - Business combinations

(€ mllion)

	AMOUNTS AS AT 30.06.2025	
LIABILITIES AND SHAREHOLDERS' EQUITY	**ULI**	**UVA**
10. Financial liabilities at amortised cost:	-	-
a) deposits from banks	-	-
b) deposits from customers	-	-
c) debt securities in issue	-	-
20. Financial liabilities held for trading	-	-
30. Financial liabilities designated at fair value	157	6,940
40. Hedging derivatives	-	-
50. Value adjustment of hedged financial liabilities (+/-)	-	-
60. Tax liabilities:	177	275
a) current	21	173
b) deferred	156	102
70. Liabilities associated with assets classified as held for sale	-	-
80. Other liabilities	32	118
90. Provision for employee severance pay	-	-
100. Provisions for risks and charges:	5	4
a) commitments and guarantees given	-	-
b) post-retirement benefit obligations	-	-
c) other provisions for risks and charges	5	4
110. Insurance liabilities	14,684	21,658
a) insurance contracts issued that are liabilities	14,680	21,658
b) reinsurance contracts held that are liabilities	4	-
Shareholders' equity	931	915
Total liabilities and shareholders' equity	**15,986**	**29,910**

The overall evaluation process led to the recognition, in the Consolidated Financial Statement of UniCredit, of net assets for: (i) €931 million for ULI; (ii) €915 for UVA. At consolidated level, the difference between the overall consideration (including the fair value of the stake held, equal to €1,164 million for ULI and €1,481 million for UVA) and the 100% net assets, led to recognize goodwill for €798 million (€232 million for ULI and €566 million for UVA), not tax deductible. The final goodwill will be determined after the completion of the PPA process.

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Part H - Related-party transactions

Introduction

For the purposes of financial disclosure, in accordance with the Commission Regulation EU 632/2010 of 19 July 2010, the text of IAS24 applies, which defines the concept of related party and identifies the relations between that party and the entity producing the financial statements. IAS24 also explains that the disclosure should include, among others, transactions entered into with subsidiaries of associates and subsidiaries of joint ventures.

Pursuant to IAS24, UniCredit S.p.A.'s related parties include:

- companies belonging to UniCredit group and companies controlled by UniCredit S.p.A. but not consolidated[48];
- associates and joint ventures, as well as their subsidiaries;
- UniCredit's "Key management personnel";
- close family members of "Key management personnel" and companies controlled (or jointly controlled) by key management personnel or their close family members;
- UniCredit group employees post-employment benefit plans.

Also for the management of related-party transactions refer to the discipline established by Consob Regulation 17221/2010 as subsequently amended by Resolution 21624 of 10 December 2020 (deriving from the provisions of Art.2391-bis of the Italian Civil Code) and by Banca d'Italia Circular 285/2013 (Part 3, Chapter 11), as well as the provisions pursuant to Art.136 of Legislative Decree 385/1993, under which corporate officers may assume obligations towards the Bank they manage, direct or control, only upon unanimous approval of the board of the Bank and the favorable vote of the Audit Committee.

In this regard, UniCredit S.p.A., as a listed issuer and subject to Banca d'Italia regulations, has adopted the Global Policy "Transactions with related parties, associated persons and Corporate Officers ex Art.136 CBA (Consolidated Banking Act)", approved by UniCredit's Board of Directors with the positive opinion of the Related-Parties Committee and of the Audit Committee, which is published on UniCredit website (www.unicreditgroup.eu), designed to define preliminary and conclusive rules with respect to transactions executed by UniCredit S.p.A., including those conducted through subsidiaries, with related parties, considering the specificities of the provisions mentioned above and the manner in which information is disclosed to corporate bodies, the supervisory authorities and the market.
Specific guidelines contained in the Global Policy have been distributed to the UniCredit S.p.A.'s functions and Group legal entities in order to systematically abide to the abovementioned reporting requirements.
The Board of Directors set up the Related Parties Committee, in compliance with Consob regulatory provisions and the Banca d'Italia's supervisory regulations, consisting only of independent Directors pursuant to the Italian Corporate Governance Code.
In addition, UniCredit S.p.A. applies specific procedures regarding internal controls on risk activities with subjects in conflict of interests regulated in the Global Policy "Transactions with related parties, associated persons and Corporate Officers ex Art.136 CBA".

During the first half of 2025 transactions carried out with related parties reported in the data streams provided by the reference standards, were executed and carried out based on assessments of the economic convenience and interest of the Group.

48 For the purposes of this Consolidated first half financial report as at 30 June 2025 transactions and outstanding balances between consolidated companies were written off as described in Part A.

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Part H - Related-party transactions

Related-party transactions

The following table sets out the assets, liabilities, guarantees and commitments, for each group of related parties, pursuant to IAS24.

Related-party transactions: Balance sheet items

(€ million)

	AMOUNTS AS AT 30.06.2025								
	CONTROLLED NOT CONSOLIDATED ENTITIES	JOINT VENTURES	ASSOCIATED COMPANIES	KEY MANAGEMENT PERSONNEL	OTHER RELATED PARTIES	TOTAL	% ON ACCOUNTS ITEM	SHAREHOLDERS	% ON ACCOUNTS ITEM
Cash and cash balances	-	-	7	-	-	7	0.02%	-	-
Financial assets at fair value through profit or loss	-	-	753	-	-	753	0.78%	169	0.18%
a) Financial assets held for trading	-	-	722	-	-	722	1.20%	169	0.28%
c) Other financial assets mandatorily at fair value	-	-	31	-	-	31	0.09%	-	-
Financial assets at fair value through other comprehensive income	-	-	120	-	-	120	0.14%	-	-
Financial assets at amortised cost	7	13	1,705	-	-	1,725	0.29%	12	-
a) Loans and advances to banks	-	-	1,070	-	-	1,070	1.44%	-	-
b) Loans and advances to customers	7	13	635	-	-	655	0.13%	12	-
Non-current assets and disposal groups classified as held for sale	-	-	2	-	-	2	0.21%	-	-
Other assets	5	-	67	-	-	72	0.53%	-	-
Total assets	**12**	**13**	**2,654**	**-**	**-**	**2,679**	**0.32%**	**181**	**0.02%**
Financial liabilities at amortised cost	30	-	7,063	15	5	7,113	1.05%	-	-
a) Deposits from banks	-	-	6,103	-	-	6,103	7.11%	-	-
b) Deposits from customers	30	-	960	15	5	1,010	0.20%	-	-
Financial liabilities held for trading and designated at fair value	-	-	953	-	-	953	1.68%	-	-
Liabilities associated with disposal groups classified as held for sale	3	-	25	-	-	28	7.51%	-	-
Other liabilities	10	-	19	-	3	32	0.16%	6	0.03%
Total liabilities	**43**	**-**	**8,060**	**15**	**8**	**8,126**	**1.08%**	**6**	**-**
Guarantees given and commitments	7	-	1,285	-	-	1,292	-	-	

Notes:
Shareholders and related companies holding more than 3% of voting shares in UniCredit.
The "Total assets" and "Total liabilities" values refer only to the items shown in this table.
It should be noted that the item "Guarantees given and commitments" includes revocable commitments.

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Part H - Related-party transactions

The following table sets out the impact of transactions, for each group of related parties, on Income statements, pursuant to IAS24.

Related-party transactions: profit and loss items

(€ million)

	AMOUNTS AS AT 30.06.2025								
	CONTROLLED NOT CONSOLIDATED ENTITIES	JOINT VENTURES	ASSOCIATED COMPANIES	KEY MANAGEMENT PERSONNEL	OTHER RELATED PARTIES	TOTAL	% ON ACCOUNTS ITEM	SHAREHOLDERS	% ON ACCOUNTS ITEM
10. Interest income and similar revenues	-	-	24	-	-	24	0.17%	-	-
20. Interest expenses and similar charges	(1)	-	(65)	-	-	(66)	0.97%	-	-
30. Net interest margin	**(1)**	**-**	**(41)**	**-**	**-**	**(42)**	**0.60%**	**-**	**-**
40. Fees and commissions income	1	-	435	-	-	436	9.36%	32	0.69%
50. Fees and commissions expenses	(1)	-	(3)	-	-	(4)	0.42%	(2)	0.21%
60. Net fees and commissions	**-**	**-**	**432**	**-**	**-**	**432**	**11.65%**	**30**	**0.81%**
70. Dividend income and similar revenues	6	-	-	-	-	6	1.09%	1	0.18%
190. Administrative expenses	(4)	-	(184)	-	-	(188)	3.92%	-	-
a) Staff costs	1	-	1	-	-	2	0.07%	-	-
b) Other administrative expenses	(5)	-	(185)	-	-	(190)	10.26%	-	-
230. Other operating expenses/income	1	-	(27)	-	-	(26)	5.35%	-	-

Note:
Shareholders and related companies holding more than 3% of voting shares in UniCredit.
With reference to item "Administrative expenses a) Staff costs" any positive amount indicates the prevalence of costs' recoveries.

The "Other related-parties" category includes:

- close family members of key management personnel (i.e., those family members who, as is expected, may influence, or be influenced by, the person in question);
- companies controlled (or jointly controlled) by "Key management personnel" or their close family members;
- Group employee post-employment benefit plans.

With reference to the main related-party transactions, it is worth to note the following considerations:

- starting from 2012 the subsidiary UniCredit Services S.C.p.A. (UCS) formerly UniCredit Business Integrated Solutions S.C.p.A. (UBIS), assumed the role of operating sub-holding to provide the Group's support services both in Italy and abroad.
  On 19 April 2013, the Board of Directors of UCS approved the executive plan of the project aimed at establishing a joint venture with another major player in the industry, IBM Italia S.p.A. (IBM), for the provision of technological infrastructure services (hardware, data center, etc.) to Commercial Banking. The transaction was completed when UCS transferred, with effect from 1 September 2013, of "Information Technology" business unit to the company "Value Transformation Services S.p.A." (V-TServices), formed and controlled by IBM Italia S.p.A. Following the transaction, UCS holds 49% of V-TServices's share capital; the remaining 51% is held by IBM (which is therefore the controlling shareholder).
  On 23 December 2016, the "Restatement and Amendment Agreement" was signed between UniCredit Services and V-TS with the aim of increasing value creation and ability to catch new opportunities from technological evolution, with the extention of the term until 2026.
  The "Second Restatement and Amendment Agreement" between UniCredit Services and V-TS was signed on 22 December 2019, with effectiveness from 1 January 2020, with the extension of the term of the 3-year contract until 2029. It should be noted that starting from 1 October 2022 with effectiveness starting from 1 January 2022, UniCredit Services S.C.p.A. (UCS) has been merged in UniCredit S.p.A. and the latter has become entitled to the contracts mentioned above;
- it should be noted that distribution agreements concerning insurance products were signed with the following entities:
  - UniCredit Life insurance S.p.A.[49] (former CNP UniCredit Vita S.p.A.);
  - UniCredit Vita Assicurazioni S.p.A.[49] (former UniCredit Allianz Vita S.p.A.);
  - UniCredit Allianz Assicurazioni S.p.A.[50]

  It should be noted that as at 31 December 2024, the Group started the process to internalize its life bancassurance business in Italy through, inter alia, the termination of the shareholders' agreement with Allianz S.p.A. and consequent commitment to acquire the entire stake (50%) held by Allianz S.p.A. in UniCredit Allianz Vita S.p.A.
  The transaction has been completed in June 2025, following the standard authorizations by the competent authorities; upon the closing, the Group holds 100% in UniCredit Vita Assicurazioni S.p.A.
- the relationships with other related parties include the relationships with external pension funds (for UniCredit S.p.A. employees), since they have separate legal personality. These transactions were conducted on the same terms and conditions as those applied to transactions with independent third parties. The relationships with these pension funds are almost entirely represented by the relationships included in Deposits from customers (and related interests).

49 It is worth to note that starting from the 30 June 2025 such entity became subsidiary and therefore consolidated line-by-line in UniCredit group.
50 Such legal entity is an associate.

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Part L - Segment reporting

Organisational structure

The organisational structure of the Group is divided into geographical areas as follows:

- Italy;
- Germany;
- Austria;
- Central Europe (including Austria, Czech Republic and Slovakia, Hungary, Slovenia, Bosnia and Herzegovina, Bulgaria, Croatia, Romania, Serbia);
- Russia.

Starting from the first quarter of 2022, the Group's organisational structure has been updated by isolating activities in Russia and cross-border exposure booked in UniCredit S.p.A. towards this country in a specific segment of Segment Reporting.
In addition to Russia, also Central Europe and Eastern Europe includes cross-border exposure booked in UniCredit S.p.A.
This organisation ensures Countries and local Banks autonomy on specific activities granting proximity to the customers (for all client segment, Retail and Corporate) and efficient decisional processes.
All standalone geographies of the Group have dedicated support and control functions such as: People and Culture, Finance, Digital & Information Office, Operations, Compliance, Legal and Risk.
Alongside the five geographical areas there is:

- Group Corporate Centre with the objective to lead, control and support the management of the assets and related risks of the Group as a whole and of the single Group companies in their respective areas of competence; it also includes the Group's legal entities that are going to be dismissed.

The Segment Reporting is shaped according to the Group organisation.

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Part L - Segment reporting

A - Primary segment

Segment reporting 2025

A.1 - Breakdown by business segment: Income statement

	ITALY	GERMANY	AUSTRIA	CENTRAL EASTERN EUROPE	RUSSIA	GROUP CORPORATE CENTRE	CONSOLIDATED GROUP TOTAL 30.06.2025
Net interest	3,147	1,331	727	1,593	387	(252)	6,934
Dividends	67	1	151	10	-	216	446
Fees	2,357	889	421	665	127	(32)	4,426
Net insurance result	-	-	-	-	-	-	-
Trading income	201	619	15	32	149	(184)	833
Other expenses/income	(49)	68	19	40	1	(35)	44
Revenue	**5,723**	**2,908**	**1,334**	**2,339**	**664**	**(286)**	**12,682**
HR costs	(1,170)	(580)	(291)	(405)	(49)	(370)	(2,865)
Non HR costs	(648)	(456)	(208)	(297)	(41)	350	(1,301)
Recovery of expenses	16	2	-	2	-	23	43
Amortisations and depreciations	(111)	(35)	(19)	(97)	(18)	(234)	(513)
Operating Costs	**(1,912)**	**(1,069)**	**(518)**	**(798)**	**(108)**	**(231)**	**(4,636)**
GROSS OPERATING PROFIT (LOSS)	**3,811**	**1,840**	**816**	**1,541**	**556**	**(518)**	**8,046**
Loan loss provisions (LLPs)	(207)	(80)	44	39	19	(8)	(192)
OPERATING NET PROFIT	**3,604**	**1,760**	**860**	**1,580**	**575**	**(525)**	**7,854**
Other charges and provisions	(24)	(11)	(44)	(142)	(3)	(218)	(442)
Integration costs	(14)	(13)	(11)	(7)	-	(25)	(70)
Net income from investments	618	(1)	25	3	26	193	865
PROFIT (LOSS) BEFORE TAX	**4,184**	**1,734**	**830**	**1,433**	**599**	**(575)**	**8,206**

A.2 - Breakdown by business segment: Balance sheet amounts and RWEA

BALANCE SHEET AMOUNTS	ITALY	GERMANY	AUSTRIA	CENTRAL EASTERN EUROPE	RUSSIA	GROUP CORPORATE CENTRE	CONSOLIDATED GROUP TOTAL 30.06.2025
CUSTOMERS LOANS (NET REPOS AND IC)	145,595	125,948	59,916	76,557	1,024	748	**409,788**
CUSTOMERS DEPOS (NET REPOS AND IC)	180,305	130,112	58,838	91,050	3,376	1,610	**465,291**
TOTAL RISK WEIGHTED EXPOSURE AMOUNTS (BASEL 3)	106,591	69,258	39,225	55,649	11,444	5,575	**287,743**

A.3 - Staff

	ITALY	GERMANY	AUSTRIA	CENTRAL EASTERN EUROPE	RUSSIA	GROUP CORPORATE CENTRE	CONSOLIDATED GROUP TOTAL 30.06.2025
STAFF							
Employees (FTE)	26,323	8,667	4,448	19,537	2,355	7,378	**68,710**

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Part L - Segment reporting

Segment reporting 2024

A.1 - Breakdown by business segment: Income statement

	ITALY	GERMANY	AUSTRIA	CENTRAL EASTERN EUROPE	RUSSIA	GROUP CORPORATE CENTRE	CONSOLIDATED GROUP TOTAL 30.06.2024
Net interest	3,321	1,382	794	1,562	401	(323)	7,138
Dividends	69	1	130	5	(0)	21	226
Fees	2,303	888	394	612	102	(26)	4,273
Net insurance result	-	-	-	-	-	-	-
Trading income	89	509	8	43	78	262	989
Other expenses/income	43	39	19	15	1	(34)	84
Revenue	**5,826**	**2,819**	**1,346**	**2,238**	**580**	**(100)**	**12,709**
HR costs	(1,167)	(588)	(285)	(360)	(57)	(395)	(2,853)
Non HR costs	(681)	(468)	(204)	(262)	(36)	367	(1,282)
Recovery of expenses	20	1	0	0	-	37	59
Amortisations and depreciations	(128)	(36)	(22)	(88)	(20)	(234)	(529)
Operating Costs	**(1,955)**	**(1,091)**	**(511)**	**(710)**	**(113)**	**(226)**	**(4,605)**
GROSS OPERATING PROFIT (LOSS)	**3,870**	**1,729**	**835**	**1,528**	**468**	**(326)**	**8,104**
Loan loss provisions (LLPs)	(246)	(135)	4	123	136	0	(118)
OPERATING NET PROFIT	**3,624**	**1,594**	**839**	**1,651**	**604**	**(325)**	**7,985**
Other charges and provisions	(191)	(6)	(10)	(167)	(202)	(4)	(582)
Integration costs	(22)	(12)	(7)	(7)	-	(6)	(54)
Net income from investments	(24)	(22)	(1)	1	21	1	(23)
PROFIT (LOSS) BEFORE TAX	**3,387**	**1,553**	**820**	**1,478**	**423**	**(335)**	**7,327**

A.2 - Breakdown by business segment: Balance sheet amounts and RWEA

(€ million)

BALANCE SHEET AMOUNTS	ITALY	GERMANY	AUSTRIA	CENTRAL EASTERN EUROPE	RUSSIA	GROUP CORPORATE CENTRE	CONSOLIDATED GROUP TOTAL 31.12.2024
CUSTOMERS LOANS (NET REPOS AND IC)	144,590	126,599	59,625	72,151	1,192	162	**404,319**
CUSTOMERS DEPOS (NET REPOS AND IC)	183,922	138,528	60,201	89,774	3,480	(5)	**475,900**
TOTAL RISK WEIGHTED EXPOSURE AMOUNTS (BASEL 3)	101,083	65,213	38,952	54,033	10,819	6,993	**277,093**

A.3 - Staff

	ITALY	GERMANY	AUSTRIA	CENTRAL EASTERN EUROPE	RUSSIA	GROUP CORPORATE CENTRE	CONSOLIDATED GROUP TOTAL 31.12.2024
STAFF							
Employees (FTE)	26,807	8,903	4,483	19,996	2,590	6,943	**69,722**

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Condensed Interim consolidated financial statements certification pursuant to Art.81-ter of Consob Regulation No.11971/99, as amended

1. The undersigned Andrea Orcel (as Chief Executive Officer) and Bonifacio Di Francescantonio (as the Manager charged with preparing the financial reports) of UniCredit S.p.A., also in compliance with Art.154-bis (paragraphs 3 and 4) of Italian Legislative Decree No.58 of 24 February 1998, hereby **certify**:

- the adequacy in relation to the Legal Entity's features, and
- the actual application of the administrative and accounting procedures employed to draw up the Condensed interim consolidated financial statements in the first half of 2025.

2. The adequacy of administrative and accounting procedures employed to draw up the 2025 Condensed interim consolidated financial statements has been evaluated by applying a model devised by UniCredit S.p.A. in accordance with "*Internal Control - Integrated Framework (CoSO)*" and "*Control Objective for IT and Related Technologies (Cobit)*", which represent generally accepted international standards for internal control system and, specifically, for financial reporting.

3. The undersigned also **certify** that:

3.1 the 2025 Condensed interim consolidated financial statements:

a) were prepared in compliance with applicable international accounting standards recognised by the European Community pursuant to European Parliament and Council Regulation No.1606/2002 of 19 July 2002;

b) are consistent with accounting books and records;

c) are suitable to provide a fair and correct representation of the economic and financial situation of the issuer and the group of companies included in the scope of consolidation;

3.2 the Interim report on operations includes a reliable analysis of the most significant events in the first six months of the financial year and their impact on the Condensed interim consolidated financial statements, together with a description of the main risks and uncertainties concerning the remaining six months of the year. The Consolidated first half financial report also contains a reliable analysis of information on significant related party transactions.

Milan, 22 July 2025

Andrea ORCEL

Bonifacio DI FRANCESCANTONIO

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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative)

Report on review of condensed interim consolidated financial statements

To the shareholders of
UniCredit S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the UniCredit Group, comprising the statement of financial position as at 30 June 2025, the income statement and the statements of comprehensive income, changes in equity and cash flows for the six months then ended and notes thereto. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the IFRS Accounting Standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

KPMG S.p.A.
è una società per azioni
di diritto italiano
e fa parte del network KPMG
di entità indipendenti affiliate a
KPMG International Limited,
società di diritto inglese.

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Capitale sociale
Euro 10.415.500,00 i.v.
Registro Imprese Milano Monza Brianza Lodi
e Codice Fiscale N. 00709600159
R.E.A. Milano N. 512867
Partita IVA 00709600159
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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the UniCredit Group as at and for the six months ended 30 June 2025 have not been prepared, in all material respects, in accordance with the IFRS Accounting Standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and endorsed by the European Union.

Milan, 31 July 2025

KPMG S.p.A.

(signed on the original)

Bruno Verona
Director of Audit

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Reconciliation between reclassified balance sheet and income statement accounts and mandatory reporting schedules

A reconciliation of the Reclassified balance sheet and profit and loss account to the mandatory reporting schedules, is provided below.
As an explanation of the criteria adopted for the main reclassification followed for the Reclassified consolidated accounts refer to Consolidated interim report on operations included in this document.

Consolidated balance sheet

(€ million)

	AMOUNTS AS AT	
ASSETS	**30.06.2025**	**31.12.2024**
Cash and cash balances	41,804	41,442
Item 10. Cash and cash balances	*41,804*	*41,442*
Financial assets held for trading	60,371	55,083
Item 20. Financial assets at fair value through profit or loss: a) Financial assets held for trading	*60,371*	*55,083*
Loans to banks	58,779	50,678
Item 40. Financial assets at amortised cost: a) Loans and advances to banks	*74,431*	*66,540*
less: Debt securities	*(15,694)*	*(15,903)*
less: Leasing assets IFRS16	*(1)*	*(1)*
+ Loans (from Item 20 c)	*42*	*41*
Loans to customers	433,153	418,378
Item 40. Financial assets at amortised cost: b) Loans and advances to customers	*518,270*	*496,626*
less: Debt securities	*(87,273)*	*(79,730)*
less: Leasing assets IFRS16	*(106)*	*(111)*
+ Loans (from Item 20 c)	*2,262*	*1,593*
Other financial assets	231,231	183,118
Item 20. Financial assets at fair value through profit or loss: b) Financial assets designated at fair value	*273*	*247*
Item 20. Financial assets at fair value through profit or loss: c) Other financial assets mandatorily at fair value	*35,724*	*6,347*
less: Loans (to Loans to banks)	*(42)*	*(41)*
less: Loans (to Loans to customers)	*(2,262)*	*(1,593)*
Item 30. Financial assets at fair value through other comprehensive income	*88,098*	*78,019*
Item 70. Equity investments	*6,366*	*4,393*
+ Debt securities (from Item 40 a)	*15,694*	*15,903*
+ Debt securities (from Item 40 b)	*87,273*	79,730
+ Leasing assets IFRS16 (from Item 40 a)	*1*	*1*
+ Leasing assets IFRS16 (from Item 40 b)	*106*	*111*
Hedging instruments	(1,711)	(351)
Item 50. Hedging derivatives	*843*	*1,351*
Item 60. Changes in fair value of portfolio hedged items (+/-)	*(2,555)*	*(1,702)*
Insurance Assets	164	-
Item 80. Insurance assets	*165*	-
Property, plant and equipment	8,824	8,794
Item 90. Property, plant and equipment	*8,824*	*8,794*
Goodwill	1,091	38
Item 100. Intangible assets of which: goodwill	*1,091*	*38*
Other intangible assets	2,180	2,191
Item 100. Intangible assets net of goodwill	*2,180*	*2,191*
Tax assets	9,914	10,273
Item 110. Tax assets	*9,914*	*10,273*
Non-current assets and disposal groups classified as held for sale	949	394
Item 120. Non-current assets and disposal groups classified as held for sale	*949*	*394*
Other assets	13,579	13,966
Item 130. Other assets	*13,580*	*13,968*
Total assets	**860,328**	**784,004**

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Reconciliation between reclassified balance sheet and income statement accounts and mandatory reporting schedules

continued: Consolidated balance sheet

(€ million)

	AMOUNTS AS AT	
LIABILITIES AND SHAREHOLDERS' EQUITY	30.06.2025	31.12.2024
Deposits from banks	85,862	67,903
Item 10. Financial liabilities at amortised cost: a) Deposits from banks	*85,873*	*67,919*
less: Leasing liabilities IFRS16	*(12)*	*(16)*
Deposits from customers	494,291	499,505
Item 10. Financial liabilities at amortised cost: b) Deposits from customers	*495,684*	*500,970*
less: Leasing liabilities IFRS16	*(1,393)*	*(1,466)*
Debt securities issued	96,015	90,709
Item 10. Financial liabilities at amortised cost: c) Debt securities in issue	*96,015*	*90,709*
Financial liabilities held for trading	34,426	31,349
Item 20. Financial liabilities held for trading	*34,426*	*31,349*
Other financial liabilities	23,677	15,228
Item 30. Financial liabilities designated at fair value	*22,273*	*13,746*
+ Leasing liabilities IFRS16 (from Item 10 a)	*12*	*16*
+ Leasing liabilities IFRS16 (from Item 10 b)	*1,393*	*1,466*
Hedging instruments	(7,801)	(8,134)
Item 40. Hedging derivatives	*806*	*1,112*
Item 50. Value adjustment of hedged financial liabilities (+/-)	*(8,607)*	*(9,247)*
Tax liabilities	2,413	1,708
Item 60. Tax liabilities	*2,413*	*1,708*
Liabilities included in disposal groups classified as held for sale	373	0
Item 70. Liabilities associated with assets classified as held for sale	*373*	*-*
Other liabilities	26,390	22,895
Item 80. Other liabilities	*19,532*	*14,687*
Item 90. Provision for employee severance pay	*269*	*294*
Item 100. Provisions for risks and charges	*6,588*	*7,916*
Insurance Liabilities	*36,264*	*-*
Item 110. Insurance liabilities	*36,265*	*-*
Minorities	395	400
Item 190. Minority shareholders' equity (+/-)	*395*	*400*
Group shareholders' equity:	68,023	62,441
- Capital and reserves	61,908	52,722
Item 120. Valuation reserves	*(4,237)*	*(5,422)*
Item 140. Equity instruments	*4,962*	*4,958*
Item 150. Reserves	*39,706*	*33,235*
Item 155. Advanced dividends (-)	*-*	*(1,440)*
Item 160. Share premium	*23*	*23*
Item 170. Share capital	*21,454*	*21,368*
Item 180. Treasury shares (-)	*-*	*-*
- Group stated net profit (loss)	6,115	9,719
Item 200. Profit (Loss) for the period (+/-)	6,115	9,719
Total liabilities and shareholders' equity	**860,328**	**784,004**

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Reconciliation between reclassified balance sheet and income statement accounts and mandatory reporting schedules

Consolidated income statement

(€ million)

	H1 2025	H1 2024
Net interest	6,934	7,138
Item 30. Net interest margin	*7,015*	*7,314*
less: Reclassification net Interest contribution deriving from Trading Book instruments	*(9)*	*(78)*
+ Interest on DBO/TFR/Jubilee (from Item 190)	*(55)*	*(57)*
+ Derivatives instruments - Economic Hedges - Others - Interest component	*(3)*	*(36)*
+ Other (from Item 60)	*-*	*(5)*
+ Costs for issued Credit Linked notes guaranteeing a credit portfolio (from item 60)	*(28)*	*-*
+ Net write-downs of loans - component to cover interest write-off for closing litigation for credit positions (from Item 130 a)	*13*	*-*
Dividends	446	226
Item 70. Dividend income and similar revenues	*549*	*341*
less: Dividends from held for trading equity instruments included in Item 70	*(282)*	*(255)*
less: Dividends on equity investments, shares and equity instruments mandatorily at fair value	*(64)*	*(51)*
less: Recovery of expenses	*-*	*(1)*
Item 250. Gains (Losses) of equity investments - of which: Profit (Loss) of equity investments valued at equity	*243*	*192*
Fees	4,426	4,273
Item 60. Net fees and commissions	*3,708*	*3,690*
less: Amounts related to credit card distribution agreements	*4*	*3*
less: Discount associated with services on agreements for credit card distribution and payment services	*(11)*	*-*
less: Costs for issued Credit Linked notes guaranteeing a credit portfolio	*28*	*-*
less: Other	*-*	*5*
+ Structuring and mandate fees on issued or placed certificates by the Group (from Item 110)	*78*	*63*
+ Structuring and mandate fees on issued or placed certificates by the Group and connected derivatives (from Item 80)	*64*	*53*
+ Mark-up fees on client hedging activities (from Item 80)	*554*	*458*
Net insurance result	-	-
Item 160. Insurance service result	*-*	*-*
Item 170. Insurance finance net revenues/costs	*-*	*-*
Trading income	833	989
Item 80. Net gains (losses) on trading	*1,019*	*1,347*
less: Derivatives instruments - Economic Hedges - Others - Interest component	*3*	*36*
less: Structuring and mandate fees on issued or placed certificates by the Group and connected derivatives	*(64)*	*(53)*
less: Mark-up fees on client hedging activities	*(554)*	*(458)*
Item 90. Net gains (losses) on hedge accounting	*(64)*	*(146)*
Item 100. Gains (Losses) on disposal and repurchase of: c) financial liabilities	*15*	*(2)*
Item 100. Gains (Losses) on disposal and repurchase of: b) financial assets at fair value through other comprehensive income	*110*	*64*
Item 110. Net gains (losses) on other financial assets/liabilities at fair value through profit or loss	*(122)*	*(115)*
less: Structuring and mandate fees on issued or placed certificates by the Group	*(78)*	*(63)*
less: Net Result on Financial Assets mandatorily at fair value - Debt securities related to non-performing loans, included securitisations	*2*	*-*
+ Gains (Losses) on disposal and repurchase of financial assets at amortised cost - debt securities (from Item 100 a)	*108*	*14*
+ Dividends from held for trading equity instruments (from Item 70)	*282*	*255*
+ Dividends on equity investments, shares and equity instruments mandatorily at fair value (from Item 70)	*64*	*51*
+ Gain/losses on commodities held with a trading intent (from Item 230)	*104*	*(21)*
+ Reclassification net Interest contribution deriving from Trading Book instruments	*9*	*78*
Other expenses/income	44	84
Item 230. Other operating expenses/income	*486*	*387*
less: Integration costs	*(1)*	*1*
less: Recovery of expenses excluded amounts related to credit card distribution agreements	*(320)*	*(305)*
less: Net value adjustments/write-backs on leasehold improvements (on non-separable assets)	*22*	*22*
less: Gain (losses) on commodities held with a trading intent and on precious stones	*(99)*	*22*
less: Rented building occupancy optimization	*25*	*-*
less: Other	*1*	*1*
+ Gains (Losses) on disposal and repurchase of financial assets at amortised cost - performing loans (from Item 100 a)	*(1)*	*(4)*
+ Net value adjustments/write-backs of tangible in operating lease assets (from Item 210)	*(54)*	*(54)*
+ Gains (Losses) on disposals of investments in operating lease assets (from Item 280)	*1*	*1*
+ Amounts related to credit card distribution agreements (from item 60)	*(4)*	*(3)*
+ Amounts related to credit card distribution agreements (from item 190)	*(9)*	*(9)*
+ Amounts related to asset management distribution agreements (from Item 200 b)	*-*	*26*
Revenue	**12,682**	**12,709**

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Reconciliation between reclassified balance sheet and income statement accounts and mandatory reporting schedules

continued: Consolidated income statement

(€ million)

	H1	
	2025	2024
Revenue	**12,682**	**12,709**
HR costs	(2,865)	(2,853)
Item 190. Administrative expenses: a) staff costs	*(2,945)*	*(2,949)*
less: Integration costs	*25*	*40*
less: Interest on DBO/TFR/Jubilee	*55*	*57*
Non HR costs	(1,301)	(1,282)
Item 190. Administrative expenses: b) other administrative expenses	*(1,851)*	*(1,956)*
less: Contributions to Resolution Funds (SRF), Deposit Guarantee Schemes (DGS), Bank Levy, Life Insurance Guarantee Fund and Guarantee fees for DTA	*217*	*405*
less: Integration costs	*22*	*8*
less: Non-recoverable expenses incurred for customers financial transactions taxes	*59*	*8*
less: Variable portion of the outsourced NPE recovery costs not recovered from the clients	*19*	*19*
less: Amounts related to credit card distribution agreements	*9*	*9*
less: Tobin Tax	*8*	*-*
+ Discount associated with services on agreements for credit card distribution and payment services (from item 60)	*11*	*-*
+ Tax recovery excluded non-recoverable expenses incurred for customers financial transactions taxes (from Item 230)	*229*	*247*
+ Other (from Item 230)	*(1)*	*(1)*
+ Net value adjustments/write-backs on leasehold improvements on non-separable assets (from Item 230)	*(22)*	*(22)*
Recovery of expenses	43	59
+ Recovery of expenses excluded amounts related to credit card distribution agreements and Tax recovery (from Item 230)	*43*	*59*
Amortisations and depreciations	(513)	(529)
Item 210. Net value adjustments/write-backs on property, plant and equipment	*(279)*	*(332)*
less: Impairment/writebacks of inventories assets (IAS2) obtained from recovery procedures of NPE	*6*	*12*
less: Revaluation arising from IFRS5 non-current assets and disposal groups related to equity investment consolidated line by line and at net equity method	*1*	*-*
less: Net value adjustments/write-backs of tangible in operating lease assets	*54*	*54*
less: Impairment/write backs of right of use of land and buildings used in the business	*(18)*	*4*
Item 220. Net value adjustments/write-backs on intangible assets	*(297)*	*(272)*
less: Integration costs	*19*	*5*
less: Revaluation arising from IFRS5 non-current assets and disposal groups related to equity investment consolidated line by line and at net equity method	*2*	*-*
Operating costs	**(4,636)**	**(4,605)**
GROSS OPERATING PROFIT (LOSS)	**8,046**	**8,104**
Loan Loss Provisions (LLPs)	(192)	(118)
Item 100. Gains (Losses) on disposal and repurchase of: a) financial assets at amortised cost	*109*	*7*
less: Gains (Losses) on disposal and repurchase of financial assets at amortised cost - performing loans	*1*	*4*
less: Gains (Losses) on disposal and repurchase of financial assets at amortised cost - debt securities	*(108)*	*(14)*
Item 130. Net losses/recoveries on credit impairment relating to: a) financial assets at amortised cost	*(212)*	*(269)*
less: Net losses/recoveries on impairment relating to: a) financial assets at amortised cost - debt securities	*(27)*	*(23)*
less: Net write-downs of loans - component to cover interest write-off for closing litigation for credit positions	*(13)*	*-*
Item 130. Net losses/recoveries on credit impairment relating to: b) Financial assets at fair value through other comprehensive income	*(4)*	*(8)*
less: Net losses/recoveries on impairment relating to: b) Financial assets at fair value through other comprehensive income - debt securities	*4*	*8*
Item 140. Gains/Losses from contractual changes with no cancellations	*1*	*(2)*
Item 200. Net provisions for risks and charges: a) commitments and financial guarantees given	*75*	*197*
+ Variable portion of the outsourced NPE recovery costs not recovered from the clients (from item 190)	*(19)*	*(19)*
NET OPERATING PROFIT (LOSS)	**7,854**	**7,985**

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Reconciliation between reclassified balance sheet and income statement accounts and mandatory reporting schedules

continued: Consolidated income statement

(€ million)

	H1	
	2025	2024
NET OPERATING PROFIT (LOSS)	**7,854**	**7,985**
Other charges and provisions	(442)	(582)
Item 200. Net provisions for risks and charges: b) other net provisions	*(221)*	*(143)*
less: Integration costs	*6*	*(0)*
less: Amounts related to asset management distribution agreements	*-*	*(26)*
+ Contributions to Resolution Funds (SRF), Deposit Guarantee Schemes (DGS), Bank Levy, Life Insurance Guarantee Fund and Guarantee fees for DTA (from Item 190 b)	*(217)*	*(405)*
+ Net impact of financial transaction taxs (from item 190 b and from item 230)	*(10)*	*(8)*
Integration costs	(70)	(54)
+ Payroll costs - Administrative expenses - of which a) staff costs - integration costs (from Item 190)	*(25)*	*(40)*
+ Other administrative expenses - Administrative expenses - of which b) other administrative expenses - integration costs (from Item 190)	*(22)*	*(8)*
+ Amortisation, depreciation and impairment losses on intangible and tangible assets - Net value adjustments/write-backs on intangible assets - integration costs (from Item 220)	*(19)*	*(5)*
+ Other charges and provisions - Net provisions for risks and charges - integration costs (from Item 200)	*(6)*	*0*
+ Net other expenses/income - Other operating expenses/income - integration costs (from Item 230)	*1*	*(1)*
Net income from investments	865	(23)
Item 250. Gains (Losses) of equity investments - of which: write-backs/impairment losses and gains/losses on disposal of associates valued at equity	*880*	*(8)*
Item 260. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value	*(8)*	*(13)*
Item 280. Gains (Losses) on disposals on investments	*(1)*	*2*
less: Gains (Losses) on disposals on investments in operating lease assets	*(1)*	*(1)*
+ Net losses/recoveries on impairment relating to: of which: a) financial assets at amortised cost - debt securities (from Item 130)	*27*	*23*
+ Net losses/recoveries on impairment relating to: of which: b) financial assets at fair value through other comprehensive income - debt securities (from Item 130)	*(4)*	*(8)*
+ Impairment/writebacks of inventories assets (IAS2) obtained from recovery procedures of NPE	*(6)*	*(12)*
+ Revaluation arising from IFRS5 non-current assets and disposal groups related to equity investment consolidated line by line	*(2)*	*-*
+ Gain/losses on precious stones (from Item 230)	*(5)*	*(2)*
+ Impairment/write backs of right of use of land and buildings used in the business (from Item 210)	*18*	*(4)*
+ Rented building occupancy optimization (from Item 230)	*(25)*	*-*
+ Net Result on Financial Assets mandatorily at fair value - Debt securities related to non-performing loans, included securitisations (from item 110)	*(2)*	*-*
+ Tobin Tax (from Item 190 b)	*(8)*	*-*
PROFIT (LOSS) BEFORE TAX	**8,206**	**7,327**
Income taxes	(2,058)	(2,075)
Item 300. Tax expenses (income) for the period from continuing operations	*(2,057)*	(2,075)
Profit (Loss) of discontinued operations	-	-
Item 320. Profit (Loss) after tax from discontinued operations	-	-
NET PROFIT (LOSS) FOR THE PERIOD	**6,149**	**5,251**
Minorities	(34)	(15)
Item 340. Minority profit (loss) for the period	*(34)*	(15)
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**6,115**	**5,236**
Purchase Price Allocation (PPA)	-	-
Goodwill impairment	-	-
Item 270. Goodwill Impairment	-	-
GROUP STATED NET PROFIT (LOSS)	**6,115**	**5,236**

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Glossary

ITEM	DESCRIPTION
ABCP Conduits - Asset Backed Commercial Paper Conduits	Asset Backed Commercial Paper Conduits are a type of "SPV - Special Purpose Vehicle" (refer to item) set up to securitise various types of assets and financed by Commercial Paper. Commercial Paper generally matures in 270 days, with payment of principal and interest depending on the cash flow generated by the underlying assets. ABCP Conduits may be single-sellers or multi-sellers according to the number of issues they make. Conduits generally require several SPVs. The first-level vehicles issue the Commercial Paper and finance one or more second-level vehicles or Purchase Companies (see item) which purchase the assets to be securitised. An ABCP Conduit will have the following: • issues of short-term paper creating a maturity mismatch between the assets held and the paper issued; • liquidity lines covering the maturity mismatch; • security covering default risk in respect of both specific assets and the entire programme.
ABS - Asset Backed Securities	Debt securities, generally issued by an "SPV - Special Purpose Vehicle" (refer to item) guaranteed by assets of various types such as mortgage loans, consumer credits, credit card receivables, etc. Principal and interest payments are subject to the performance of the securitised assets and the existence of any further security guaranteeing the bond. ABSs are divided into tranches (senior, mezzanine and junior) according to the priority with which principal and interest will be paid.
AC	Financial asset amortised at cost.
Acquisition finance	Finance for business acquisition operations. The most common form of Acquisition finance is the leveraged buy-out (refer to item "Leveraged finance").
Allocated capital	It represents the amount of capital absorbed by the Group and the Divisions to perform their business activities and to cover all the types of related risks. It is measured by Regulatory Capital obtained by multiplying (i) risk-weighted assets by (ii) target Common Equity tier 1 ratio, plus certain regulatory deductions (e.g. shortfall and securitisations).
ALM - Asset & Liability Management	Integrated management of assets and liabilities, designed to allocate resources in such a manner as to optimise the risk/return ratio.
Asset management	Activities of management of the financial investments of third parties.
Audit	Process of controlling a company's activities and accounting, carried out either by an internal body (internal audit) or by an external firm of auditors (external audit).
Back-testing	Statistical technique which entails the comparison of model estimates of risk parameters with the ex-post empirical evidences.
Bad Loans	Exposures to borrowers in a state of insolvency (even when not recognised in a court of law) or in an essentially similar situation, regardless of any loss forecasts made by the Bank (e.g. irrespective of the presence of any protection covering the exposures).
Bank Levy	Charges applied at national level specifically to financial institutions, mainly based on Balance sheet figures, or parts of it.
Banking Book	Portfolio that identifies the technical forms of lending and funding typical of the core business of the Bank, including consumer and residential loans, investments in securities, deposits, etc.
Basel 2	New international capital agreement redefining the guidelines for determining the minimum capital requirements for anks. Such prudential regulation, which came into force in Italy in 2008, is based on three pillars. Pillar 1 While the objective of a level of capitalization equivalent to 8% of the risk-weighted exposures remains unchanged, a new set of rules has been defined for measuring the typical risks associated with banking and financial activities (credit risk, counterparty risk, market risk and operational risk) which provides for alternative calculation methods characterised by different levels of complexity, with the ability to use internally developed models subject to prior authorization by the Regulatory Authority; Pillar 2 This requires the Banks to have processes and tools for determining the adequate level of total internal capital (Internal Capital Adequacy Assessment Process - ICAAP) for covering all types of risk, including risks other than those covered by the overall capital requirement (Pillar 1), within the framework of an evaluation of current and future exposure that takes account of strategies and of changes in the reference context. It is the Regulatory Authority's task to examine the ICAAP process, formulate an overall judgment and, where necessary, apply the appropriate corrective measures; Pillar 3 It refers to the obligations to publish information concerning capital adequacy, exposure to risks, and the general characteristics of the systems used for identifying, measuring and managing those risks.
Basel 3	As a consequence of the crisis that, since 2008 has hit the financial markets, the Basel Committee on Banking Supervision has approved the substantial enhancement of the minimum capital requirements and the changes to the rules on the liquidity of Banks (Basel 3) by providing for the gradual introduction of the new prudential requirements as at 1 January 2014. These rules have been implemented at the European level through the CRD IV "Package".
Best practice	Behaviour commensurated with the most significant experience and/or the best level of knowledge achieved in relation to a given technical or professional field.
BRRD -Bank Recovery and Resolution Directive	European Directive that introduced harmonised rules on the recovery and resolution of credit institutions and investment firms.

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ITEM	DESCRIPTION
CDS - Credit Default Swap	A derivative in which a seller of protection engages, for a fee, to pay the buyer of protection a fixed amount should a certain event indicating a deterioration of the creditworthiness of a reference entity occur.
CGU - Cash Generating Unit	A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are clearly independent of the cash inflows from other assets or groups of assets.
CIU - Collective Investment Undertakings	Collective Investment Undertaking means an "UCITS - Undertakings for Collective Investment in Transferable Securities" (refer to item) that may be constituted in accordance with contract law as common funds (managed by management companies), trust law (as unit trusts), or statute as investment companies, AIF (Alternative Investments Fund) or non-EU AIF.
Commodity risk	The risk that the value of the instrument decreases due to commodity prices (e.g. gold, crude oil) changes.
Common Equity Tier 1 Capital	Refer to the content reported in the UniCredit Group Disclosure (Pillar III) in the Own Funds chapter.
Common Equity Tier 1 Capital Ratio	Refer to the content reported in the UniCredit Group Disclosure (Pillar III) in the Own Funds chapter.
Corporate	Customer segment consisting of medium to large businesses.
Cost of risk	Based on reclassified P&L and Balance sheet, it is calculated as the annualised ratio between loan loss provisions and average net volumes of loans and receivables with customers (including active repos, excluding debt securities and IFRS5 reclassified assets). It is one of the indicators of the Bank assets' level of risk: the lower the ratio, the less risky the Bank assets.
Cost/Income Ratio	The ratio between operating expenses and operating income. It is one of the main key performance indicators of the Bank's efficiency: the lower the ratio, the more efficient the Bank.
Counterparty Credit Risk	The risk that the counterparty to a transaction involving financial instruments might default prior to completing all agreed cash-flows exchanges.
Covered bond	A bond which, as well as being guaranteed by the issuing Bank, is also covered by a portfolio of mortgages or other high-quality loans transferred, to this end, to a suitable SPV (refer to item).
CRD - Capital Requirement Directive	European Capital Requirements Directive (2013/36/EU - CRD IV), replacing Directives (EU) 2006/48 and 2006/49, as amended by: - Directive (EU) 2019/878 of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures (CRD V); - Directive (EU) 2024/1619 of 31 May 2024 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks (CRD VI).
Credit Quality Step (or creditworthiness)	Classification of counterparties used to assign risk weights under external rating based approaches for credit risk.
Credit risk	The risk that a change in the creditworthiness of a counterparty, the value of the guarantees provided by it or the margins used by it in the event of insolvency might produce an unexpected change in the value of the Bank's credit position.
Creditworthiness (or Credit quality step)	Refer to item "Credit quality step".
CRM	Credit Risk Mitigation is a set of techniques, contracts accessories to the loan or other instruments (e.g. securities, guarantees), which allows a reduction of the credit risk capital requirements.
CRR - Capital Requirements Regulation	Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013, and subsequently amendments: - Regulation (EU) 2019/876 of the European Parliament and the Council of 20 May 2019 (CRR2), on prudential requirements for credit institutions and investment firms and that amending Regulation (EU) 648/2012; - Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 (CRR3), amending Regulation (EU) 575/2013 on requirements for credit risk, credit assessment adjustment risk, operational risk, market risk, and output floor.
Currency risk	The risk that the value of the instrument decreases due to foreign exchange rates changes.
CVA - Credit Valuation Adjustment	Adjustment to the valuation of a portfolio of transactions reflecting the market value of the counterparties' credit risk.
Cyber security risk	Cyber security risk is the probability of exposure or loss resulting from a cyber-attack or data breach on the organization.
Daily VaR	It reflects the Value at Risk risk measures calibrated to a 1-day holding period to compare with the 99% confidence level with its trading outcomes.
Default	A party's declared inability to honor its debts and/or the payment of the associated interest.

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ITEM	DESCRIPTION
Duration	This is generally calculated as the weighted average of the maturities for payment of the interest and capital associated with a bond, and represents an indicator of the interest rate risk to which a security or a bond portfolio is subject.
EAD - Exposure At Default	With reference to the on-balance and off-Balance sheet positions, EAD is defined as the estimation of the future value of an exposure at the time of the debtor's default. Only Banks that meet the requirements for adopting the "IRB - Internal Rating Based" (refer to item) advanced approach are allowed to estimate EAD. Other Banks are required to refer to regulatory estimations.
Earnings at risk	The change in interest rates affects earnings by changing the net interest income and, depending on the accounting treatment of the individual Balance sheet items, it can be reflected directly in equity, following the change in their market value.
EBA - European Banking Authority	The European Banking Authority is an independent EU Authority which works to ensure effective and consistent prudential regulation and supervision across the European banking sector. Its overall objectives are to maintain financial stability in the EU and to safeguard the integrity, efficiency and orderly functioning of the banking sector.
ECB - European Central Bank	Central Bank for Europe's single currency, the euro. The ECB's main task is to preserve the purchasing power of the single currency thus ensuring the maintenance of price stability in the Euro area.
Economic capital	Measure of risk representing the estimate of the capital necessary to cover the unexpected losses (i.e., losses in excess of the expected ones) that could occur with a certain confidence level and time horizon.
Economic value (interest rate risk)	In the interest rate risk the economic value can be viewed as the present value of expected cash flows stemming from interests bearing assets and liabilities. Changes in the interest rates can impact their present value and, in turn, can cause changes of the economic value.
EL - Expected Losses	Amount of credit risk exposures expected to be lost for a default event of the obligor in a time horizon of one year.
Eligible Collateral	Refers to collateral which allows a reduction of the credit risk capital requirements.
ELOR - Expected Losses on Revenues	ELOR is a ratio estimated, for the Group and for the main legal entities, with a statistical model, based on the historical losses time series, forward looking factors and the budget revenues.
EPS - Earnings Per Share	An indicator of a company's profitability calculated as: Net Profit divided by Average total outstanding shares (excluding treasury shares and shares held under a contract of usufruct).
Equity risk	The risk that the value of the instrument decreases due to stock or index prices changes.
ESG - Environmental, Social and Governance	Refers to criteria used to measure the environmental, social and governance impact of the company and highlight the sustainability of its initiatives.
EU Paris-aligned Benchmarks (PAB)	Paris-Aligned Benchmarks (PABs) are financial indices designed to align investment portfolios with the Paris Agreement, limiting the rise of global warming to well below 2 °C above pre-industrial levels and pursuing efforts to maintain it below 1.5 °C. Paris Aligned Benchmarks are indices whose underlying assets are selected so that Greenhose Gases emissions associated with the resulting portfolio are aligned with the long-term global warming target, as set out by Paris Climate Agreement, and is built in accordance with the minimum standards as provided by the delegated acts.
EU Taxonomy	The EU Taxonomy is a classification system, establishing a list of environmentally sustainable economic activities. The Taxonomy Regulation was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020.
EVA - Economic Value Added	EVA indicates the value created by a company. It expresses the ability to create value in monetary terms and it is equal to the difference between the Net Profit after AT1/Cashes (refer to item) and the cost of the Allocated Capital. A corrective factor is applied to divisional Net Profit after AT1/Cashes where capitalization is higher than Group's target.
Expected Shortfall	Risk measure representing the expected loss of a portfolio or a counterparty calculated in the scenarios of loss exceeding the VaR.
Factoring	Contract for the sale without recourse (with credit risk borne by the buyer) or with recourse (with credit risk borne by the seller) of commercial credits to Banks or specialist companies, for the purposes of management and collection. It may be associated with financing in favor of the seller.
Fair value	The sum for which, in a freely competitive market, an item can be exchanged or a liability extinguished between aware and independent parties.
FINREP	Reporting framework with statistical and financial data defined from the European Banking Authority, an independent EU Authority which works to ensure a consistent level of prudential regulation and supervision across the European banking sector.The aim of FINREP is to gather data used from Supervisory Authorities and the European Central Banks for their supervisory activities.
FL - Forward looking	IFRS9 adjustment that allows to reflect in the credit parameters the expectations about the future evolution of the economic cycle.

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ITEM	DESCRIPTION
Forbearance/Forborne exposures	According to EBA Implementing Technical Standards, forborne exposures consist of exposures to which forbearance measures have been extended, i.e. concessions towards a debtor who is facing or about to face difficulties in meeting its financial commitments ("financial difficulties").
Forwards	Forward contracts on interest rates, exchange rates or share indices, generally traded on "OTC - Over-the-Counter" (refer to item) markets, in which the conditions are fixed when the contract is agreed but execution will take place at a predetermined future date, by means of the collection or payment of differentials calculated with reference to various market parameters according to the subject of the contract.
FTE - Full Time Equivalent	The number of a company's full-time employees. Employees not full-time (e.g. Part-time, maternity leave, etc.) are considered on a pro-rata temporis basis.
Full Revaluation Approach	A methodology behind the historical simulation approach for VaR calculation, when the value of a portfolio is estimated by the complete revaluation of its value according to the simulation results.
Funding	Provision, in various forms, of the funds necessary to finance business activities or particular financial transactions.
Futures	Standardised contracts whereby the parties undertake to exchange money, transferable securities or goods at a present price at a future date. These contracts are traded on regulated markets, where their execution is guaranteed.
FVtOCI	Financial asset at Fair Value through Other Comprehensive Income.
FVtPL	Financial Assets at Fair Value through Profit and Loss.
GAR - Green Asset Ratio	Green asset ratio (GAR), which shows the proportion of exposures related to Taxonomy-aligned activities (Reg. (EU) 2020/852 supplemented by Reg. (EU) 2021/2178) compared to the total assets of those credit institutions.
GDP - Gross Domestic Product	Total market value of the products and services produced by Country residents in a given time frame.
GERMAS - Group Ermas	Group platform used to compute Interest Rate Risk (IRR) positions.
GHOS - Governors and Heads of Supervision	This is the oversight body of the Basel Committee on Banking Supervision.
Goodwill	The additional sum paid for the acquisition of an equity interest, equal to the difference between the cost and the corresponding share of net assets, for the portion not attributable to the identifiable assets of the acquired company.
GW BANKS	IRB calculation model - Group Wide model Financial Institution & Banks.
GW MNC	IRB calculation model - Group Wide Multinational Corporate.
Hedge Fund	Speculative mutual investment fund adopting hedging techniques which generally are not used by ordinary mutual funds, in order to deliver a constant performance, which is only hardly linked to reference markets. Hedge Funds are distinguished by a limited number of partners and require a high minimum level of investment.
HQLA - High Quality Liquid Assets	Assets that must: (i) be a property, right, entitlement or interest, held by a credit institution, that may provide cash within 30 days; (ii) not be issued by the credit institution itself or by other bodies such as investment firms, insurance undertakings or financial holding companies; (iii) be able to have their value determined on the basis of easily available market prices; (iv) be listed on a recognised exchange, or tradable by a direct sale or simple repurchase agreement.
IAS/IFRS	International accounting standards issued by the International Accounting Standard Board (IASB), a private international body established in April 2001, involving representatives of the accounting professions of the principal countries and, as observers, the European Union, IOSCO (International Organisation of Securities Commissions) and the Basel Committee. This body is the successor of the International Accounting Standards Committee (IASC), set up in 1973 to promote harmonisation of the rules for the preparation of company accounts. When the IASC became the IASB, it was decided, among other things, to name the new accounting principles "International Financial Reporting Standards" (IFRS). At international level, work is currently underway to harmonise the IAS/IFRS with the US GAAP - United States Generally Accepted Accounting Principles (Accounting principles issued by the Financial Accounting Statement Board-"FASB", generally accepted in the USA).
ICAAP - Internal Capital Adequacy Assessment Process	The discipline of the so-called "Pillar 2" requires Banks to implement processes and systems to determine the level of internal capital adequate to face any type of risk, also different from those provided by the capital requirements (Pillar 1) rules; in the scope of an assessment of the exposure, actual and future, that has to consider also the strategies and the evolution of the reference environment.
ILAAP - Internal Liquidity Adequacy Assessment Process	It requires the Banks to have processes and tools for determining the adequate level of total internal liquidity (Internal Liquidity Adequacy Assessment Process - ILAAP) for covering liquidity risk, within the framework of an evaluation of current and future exposure that takes account of strategies and of changes in the reference context. It is the Regulatory Authority's task to examine the ILAAP process, formulate an overall judgment and, where necessary, apply the appropriate corrective measures.
ILC - Italian Large Corporate	IRB calculation model - Italian Large Corporate.
Impaired loans	Loans are subjected to periodic examination in order to identify those which, following events occurring after their entry in the accounts (at the market value, normally equal to the disbursed amount including the transaction costs and revenues directly attributable to the disbursement of the loan), show objective signs of a possible loss of value. This category includes loans that have been classed as bad, doubtful, restructured or overdue, in accordance with Banca d'Italia rules consistent with IAS/IFRS (refer to item).

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ITEM	DESCRIPTION
Impairment	Within the framework of the IAS/IFRS (refer to item), this refers to the loss of value of a Balance sheet asset, recorded when the book value is greater than the recoverable value, i.e. the sum that can be obtained by selling or using the asset.
Interest rate risk - (IRR)	Interest rate risk expresses the exposure to unfavorable changes in interest rates on the economic value of the equity and on the net interest income.
Investor	Any entity other than the "Sponsor" (refer to item) or Originator (refer to item) with exposure to a securitisation.
IRB - Internal Rating Based	Method for determining the capital needed to cover credit risk within the framework of Pillar 1 of "Basel 2" (refer to item). The rules are applied to the exposures of the banking portfolio. Furthermore, in the IRB methods the risk weightings of the assets are determined on the basis of the Bank's own internal evaluations of the debtors (or, in some cases, of the transactions). Using systems based on internal ratings, the Banks determine the weighted risk exposure. The IRB methods consist of a basic method and an advanced method, which differ in terms of the risk parameters that the Bank must estimate: in the basic method, the Banks use their own estimates for "PD - Probability of Default" and the regulatory values for the other risk parameters; in the advanced method, the Banks use their own estimates for "PD - Probability of Default", "LGD - Loss Given Default", "CCF - Credit Conversion Factor" and, where provided for, "M - Maturity" (refer to item). The use of IRB methods for the calculation of capital requirements is subject to authorisation from Banca d'Italia.
IRC - Incremental Risk Charge	Incremental Risk Charge is a measure of potential losses arising from default and migration risks of unsecuritised credit products over a 1-year capital horizon at a 99.9% confidence level, taking into account the liquidity horizons of individual positions.
IRS - Interest Rate Swap	Refer to item "Swap".
Joint venture	Agreement between two or more companies for the conduct of a given economic activity, usually through the constitution of a joint stock company.
Junior, Mezzanine and Senior exposures	In a securitisation transaction, the exposures may be classified as follows: • junior exposures are the last to be repaid, and consequently absorb the first loss produced by the securitisation transaction; • mezzanine exposures are those with medium repayment priority, between senior and junior; • senior exposures are the first to be repaid.
Ke	The cost of equity is the minimum return on investment required by the shareholder. It is the sum of a risk-free rate and an additional spread remunerating the shareholder for the market risk and the volatility of the share price. The cost of capital is based on medium/long term averages of market parameters.
KPI - Key Performance Indicators	Set of indicators used to evaluate the performance of a business activity or process.
LCR - Liquidity Coverage Ratio	Ratio of a credit institution's liquidity buffer to its net liquidity outflows over a 30 calendar day stress period.
Leasing	Contract whereby one party (the lessor) grants to another party (the lessee) for a given period of time the enjoyment of an asset purchased or built by the lessor at the choice and on the instructions of the lessee, with the latter having the option of acquiring ownership of the asset under predetermined conditions at the end of the leasing contract.
Leverage ratio	Is a measure which allows for the assessment of institutions' exposure to the risk of excessive leverage.
Leveraged finance/Leveraged buy-out	Loans provided mainly to Private Equity funds in order to finance the acquisition of a company through a financial transaction based on the cash flow generation capacity of such target company. This can result in a higher level of debt and therefore a higher level of risk. Leveraged finance may be syndicated.
LGD - Loss Given Default	Expected value (which may be conditioned upon adverse scenarios) of the ratio, expressed as a percentage, between the loss giving rise to the default and the amount of exposure at the time of the default "EAD - Exposure At Default", (refer to item).
Liquidity risk	The risk of the company being unable to meet its payment commitments due to the inability to mobilise assets or obtain adequate funding from the market (funding liquidity risk) or due to the difficulty/impossibility of easily liquidating positions in financial assets without significantly and unfavourably affecting the price because of insufficient depth or temporary malfunction of the financial market (market liquidity risk).
M - Maturity	The average, for a given exposure, of the residual contractual maturities, each weighted for the relevant amount.
Market risk	The effect that changes in market variables might have on the economic value of the Group's portfolio, where this includes both the assets held in the Trading Book and those entered in the Banking Book, or the operations connected with the characteristic management of the commercial Bank and its strategic investment choices.
MDA - Maximum Distributable Amount	Maximum Distributable Amount, i.e. a limit to the distributable profits in order to preserve the Combined Buffer Requirement.
MREL - Minimum requirement for eligible liabilities	Minimum requirements for own funds and eligible liabilities, is designed to ensure that there are sufficient resources to write down or convert into equity relevant financial instruments if a Bank or other financial institution is in crisis. This allows the competent Authorities to intervene quickly in order to maintain the critical operations of that institution, without using tax money.
Net Profit	Stated Net Profit adjusted for the impacts of the sustainability test on Deferred Tax Assets from tax loss carry forward.

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ITEM	DESCRIPTION
Net Profit after AT1/Cashes	"Net Profit" (refer to item) adjusted for Additional Tier 1 (AT1) and Cashes charges. The result is used for cash dividend accrual/total distribution, as well as for RoTE and RoAC calculation (refer to items).
NPE - Non-performing exposures	According to EBA Implementing Technical Standards, non-performing exposures are debt instruments and off-Balance sheet exposures which satisfy either or both of the following criteria: (i) material exposures which are more than 90 days past-due; (ii) the debtor is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless of the existence of any past-due amount or of the number of days past due.
Operational risk	The risk of losses due to errors, infringements, interruptions, damages caused by internal processes or personnel, systems, or caused by external events. This definition includes legal and compliance risks but excludes strategic and reputational risk. For example, losses arising from the following can be defined as operational: internal or external fraud, employment practices and workplace safety, client claims, products distribution, fines and penalties due to regulation breaches, damages to the company's physical assets, business disruption and system failures, process management.
Option	The right, but not the commitment, acquired by the payment of a premium, to buy (call option) or sell (put option) a financial instrument at a given price (strike price) by or at a determined future date (American option/European option).
Originator	The entity that originated or acquired from third parties the assets to be securitised.
OTC - Over The Counter	Over the counter (OTC) trading consists of the exchange of financial instruments such as shares, bonds, derivatives or goods directly between two counterparties. The OTC markets do not have standardised contracts or buying/selling procedures and are not associated with a set of rules (admissions, controls, obligations of information, etc.) like those that govern the official markets.
Past Due	Problematic exposures that, at the reporting date, are more than 90 days past due on any material obligation, as required by the relevant prudential regulation. Past due can be determined either at individual debtor or at single transaction level according to the relevant local prudential regulation.
Payout ratio	It indicates the percentage of "Net Profit" (refer to iem) distributed or to be distributed to shareholders and is determined on the basis of the company's self-financing needs and of the return expected by shareholders. Within the "UniCredit Unlocked" Strategic Plan, the Shareholders remuneration is defined as a combination of dividends and Share Buy-Backs and the pay-out is computed also as share of the Organic Capital generation.
PD - Probability of Default	Probability that a counterparty will enter into the status of "default" (refer to item) within a time horizon of one year.
PEPP - Pandemic Emergency Purchase Programme	Massive stimulus package from the ECB to support the eurozone economy as a response to the Covid-19 (coronavirus) crisis.
PIT - Point in time	Calibration type of the credit parameters on a horizon that considers the current economic situation.
POCI - Purchased Originated Credit Impaired	Credit exposures that are already impaired on initial recognition.
Preference shares	Capital instruments that associate forms of remuneration tied to market rates with particularly pronounced subordination conditions, such as non-recovery in subsequent years of the interest not paid by the Bank and bearing a share of its losses in the event that these produce a significant reduction in the capital requirements. The regulatory authorities set the conditions under which preference shares may be counted among the core capital of Banks and banking groups.
Private equity	Investments in the risk capital of companies, generally unlisted but with high growth potential and the ability to generate constant cash flows. Investments in private equity include a wide range of operations that vary according to both the development phase of the company concerned and the investment techniques used. These techniques include closed-end private equity funds.
Purchase companies	"SPV - Special Purpose Vehicle" (refer to item) used by "ABCP Conduits - Asset Backed Commercial Paper Conduits" (refer to item) to purchase the assets to be securitised and which are in turn financed by the Conduit vehicle issuing the commercial papers.
RAF - Risk Appetite Framework	Within the ICAAP processes, RAF represents a managerial tool for ensuring the business evolution towards a sustainable healthy growth and steering the long- and short-term strategy.
Rating	Evaluation of the quality of a company or its issues of debt securities on the basis of the company's financial soundness and prospects. This evaluation is made either by specialist agencies or by the Bank on the basis of internal models.
Reputational risk	Reputational risk is defined as the current or prospective risk to earnings and capital arising from the adverse perception of the image of the financial institution on the part of customers, counterparties (including also debt-holders, market analysts, other relevant parties), shareholders/investors, regulators or employees (stakeholders). Reputational risk is a secondary risk generated as a "knock-on effect" from risk categories, such as credit, market, operational and liquidity risks and all others risks types (e.g., business risk, strategy risk, ESG risk which considers the environmental, social and governance aspects of responsible investments). Reputational risk could also be generated from material events.
Retail	Customer segment consisting principally of private individuals, self-employed professionals, traders and artisans.
RIC	IRB calculation model - Integrated Corporate Rating.

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ITEM	DESCRIPTION
RIP	IRB calculation model - Integrated Private Rating.
RISB	IRB calculation model - Rating Integrated Small Business (Small Business Integrate Rating).
RMBS	RMBS (Residential Mortgage-Backed Securities): Financial instruments created by bundling together residential mortgage loans and selling interests in the pool to investors. RMBS provide investors with exposure to the cash flows generated by mortgage payments made by homeowners.
RNIME - Risk Not in the Model Engines	Framework that provides an estimate on the completeness of the risk factors included in VaR, SVaR and IRC.
ROA - Return On Assets	Return on assets calculated as ratio between Stated net profit and Total assets. In the interim situations, Stated net profit is annualised, while period/year-end Total assets are used.
ROAC - Return On Allocated Capital	Annualised ratio between the "Net Profit after AT1/Cashes" (refer to item) and the "average allocated capital" (refer to item). It shows, in percentage terms, the earning capacity per allocated capital unit. A corrective factor is applied to divisional net profit where capitalisation is higher than Group's target.
RoTE - Return on Tangible Equity	Annualised ratio between the "Net Profit after AT1/Cashes" (refer to item) and the average "Tangible Equity" (refer to item) net of Cashes components and deferred tax assets from tax loss carry forward.
RWEA - Risk Weighted Exposure Amounts	Risk Weighted Exposure Amounts of on-Balance sheet assets and off-Balance sheet items (credit derivatives and guarantees) is calculated applying to all exposures, unless deducted from own funds, the risk weights in accordance with the CRR and based on the exposure class to which the exposure is assigned and its credit quality in order to define the capital requirements.
SA - Standardised Approach	Applying this methodology, the operational risk requirement is determined by relying on the Group's P&L item sources that make up the Business Indicator and the proper scaling factor.
Scope 1 - Greenhouse Gases (GHG) emissions	Emissions are direct emissions from owned or controlled sources.
Scope 2 - Greenhouse Gases (GHG) emissions	Emissions are indirect emissions from the generation of purchased energy.
Scope 3 - Greenhouse Gases (GHG) emissions	Emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company.
Securitisation	Transfer of a portfolio of assets to an "SPV - Special Purpose Vehicle" (refer to item) and the issue of securities with various levels of seniority to meet any default by the underlying assets. Securitisations can be: • traditional: method of securitisation whereby transfer of the assets is by means of sale of the portfolio to the "SPV - Special Purpose Vehicle" (refer to item); • synthetic: method of securitisation whereby the transfer of assets is by means of credit derivatives or similar security enabling the risk of the portfolio to be transferred.
Sensitivity	The greater or lesser degree of sensitivity with which certain assets or liabilities react to changes in rates or other reference parameters.
Sponsor	An entity other than the "Originator" (refer to item) and the "Investor" (refet to item) which sets up and manages an "ABCP Conduits - Asset Backed Commercial Paper Conduits" (refer to item) programme or other securitisation scheme where assets to be securitised are acquired from third parties.
SPV - Special Purpose Vehicle	An entity, partnership, limited company or trust, set up to carry out a set object, such as isolating financial risk or obtaining special regulatory or tax treatment for specific portfolios of financial assets. SPV's operations are accordingly limited by a set of rules designed for this purpose. In general SPVs' sponsors do not hold equity in them. The equity is held by other entities in order to ensure that there is no shareholder relationship with the "Sponsor" (refer to item). SPVs are usually bankruptcy-remote, in that their assets cannot be claimed by the creditors of the sponsor, even if the latter becomes insolvent.
Stated Net Profit	Net Profit as per Accounting statement.
Stress Test	Assessment of Bank' vulnerabilities either in terms of capital or liquidity position in case of possible adverse events, both of an idiosyncratic nature and related to macroeconomic scenarios.
Subprime (Residential Mortgages)	Although Subprime has no univocal definition, this category includes mortgages granted to borrowers who have had repayment difficulties in the past, e.g. delayed installments, insolvency or bankruptcy, or who are more likely to default than the average due to high loan-to-value and installment-to-income ratios.

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ITEM	DESCRIPTION
SVaR - Stressed VaR	Stressed VaR is a quantification of exposures to particular extreme losses that can be inflicted to a Bank during market tensions, by modeling the portfolio response conditional on historical data from a (continuous 12-month) period of significant financial stress.
Swap	A transaction that generally consists of the exchange of financial streams between operators according to different contractual arrangements. In the case of an interest rate swap (IRS), the counterparties exchange payment streams that may or may not be linked to interest rates, calculated on a notional principal amount (for example, one counterparty pays a stream on the basis of a fixed rate, while the other does so on the basis of a variable rate). In the case of a currency swap, the counterparties exchange specific amounts in two different currencies, with these amounts being exchanged back in due course according to predefined arrangements that may concern both the capital (notional) and the streams of interest payments.
Tangible Equity	Shareholders' equity (including consolidated profit of the period) less intangible assets (goodwill and other intangibles, including the ones in Discontinued operations), less AT1.
Tier 1 Capital	Refer to the content reported in the UniCredit Group Disclosure (Pillar III) in the Own Funds chapter.
Tier 1 Capital Ratio	Refer to the content reported in the UniCredit Group Disclosure (Pillar III) in the Own Funds chapter.
TLAC -Total Loss Absorbing Capacity	TLAC represents the indicator of the Total Loss Absorbing Capacity, a new Pillar I requirement established by the Regulation (EU) 2019/876 (CRR2), entered into force on 27 June 2019, for Global Systemically Important Banks (G-SIBs). The TLAC standard requires G-SIBs, to hold a sufficient amount of highly loss absorbing liabilities.
TLTRO - Target Long Term Refinancing operations	Target Long Term Refinancing operations. Non-regular open market operations conducted by the ECB. Operations that provide financing to credit institutions for periods of up to four years. They offer long-term funding at attractive conditions to credit institutions in order to further ease private sector credit conditions and stimulate Bank lending to the real economy.
Total Capital Ratio	Refer to the content reported in the UniCredit Group Disclosure (Pillar III) in the Own Funds chapter.
Total own funds	Refer to the content reported in the UniCredit Group Disclosure (Pillar III) in the Own Funds chapter.
TSR - Total Shareholder Return	It is the full reward, in terms of capital gain and dividends, that a shareholder gets from holding one share.
TTC - Through the cycle	Calibration type of the credit parameters on a horizon that considers the entire economic cycle.
UCITS - Undertakings for Collective Investment in Transferable Securities	This term covers open-end real estate investment funds, both Italian and foreign, and investment companies with variable capital. The latter are joint stock companies that have the sole purpose of collective investment of the assets gathered through a public offer of their own shares.
UGRM - UniCredit global Risk Monitor	The pool of software applications, IT structure and database used by the Group for the financial risk analysis.
Unlikely to Pay	The classification in this category is the result of the judgment of the Bank about the unlikeliness, without recourse to actions such as realising collaterals, that the obligor will pay in full (principal and/or interest) its credit obligations. This assessment should be carried out independently of the presence of any amount (or rate) past due and unpaid.
VaR - Value at Risk	A measure of the risk of potential loss, under a given level of confidence and time horizon, which could occur on a position or a portfolio.
Warehousing	A preparatory phase of a securitisation transaction during which a "SPV - Special Purpose Vehicle" (refer to item) acquires assets within a certain period of time until it reaches a sufficient amount to be able to issue an "ABS - Asset Backed Securities" (refer to item).

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