

Milan, 7 May 2024

## **UNICREDIT: 1Q24 GROUP RESULTS**

### **QUALITY PROFITABLE GROWTH FOR 13<sup>TH</sup> CONSECUTIVE QUARTER**

#### **Significant value creation ahead**

**Excellent net profit of €2.6 billion up 24% versus prior year and a RoTE of 23%<sup>1</sup>**

**Net revenue of €6.3 billion, up 7% year on year with NII of €3.6 billion and fees of €2.1 billion growing on robust commercial momentum, supported by focus on clients and powered by product factories**

**Industry leading Cost/Income ratio further improved to 36.2% with ongoing operational efficiency**

**High and stable asset quality with very low CoR of 10 basis points and lines of defence maintained**

**Outstanding shareholder value creation with EPS<sup>2</sup> up 42% and tangible book value per share +25%<sup>3</sup> year on year**

**CET1 ratio of 16.23% up 35 basis points as continued strong organic capital generation of €3.4 billion more than offset €2.6 billion distribution accrued in 1Q24**

**FY24 net profit guidance improved to over €8.5 billion and total FY24 distribution<sup>4</sup> guidance improved to in line with 2023**

**Well on track to deliver mid-term aspirations of RoTE in excess of 15%, strong EPS<sup>2</sup> and DPS growth with best in class, sustainable and balanced distributions supported by organic capital generation and the return or deployment of our substantial excess capital by no later than 2027**

**Further ESG progress with Net Zero transition plan published, and launch of third "UniCredit for Italy" tranche for €10 billion**

On 6 May 2024, the Board of Directors of UniCredit S.p.A. ("UniCredit" or "the Group") approved the 1Q24 Consolidated Results as of 31 March 2024.

UniCredit's outstanding performance in 1Q24 with momentum across all fee lines marks the 13th consecutive quarter of quality profitable growth. The Group's strategic focus on enhancing client-centric operations and

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Please refer to the General Notes and Main Definition sections at the back of this document for information regarding the financial metrics and defined terms mentioned in this press release.

<sup>1</sup> Calculated on a 13% CET1 ratio as defined below.

<sup>2</sup> EPS calculated as net profit - as defined below - on average number of outstanding shares excluding avg. treasury and CASHES usufruct shares.

<sup>3</sup> Including the paid DPS in April 2023, or +22% Y/Y without it.

<sup>4</sup> Ordinary distribution of at least 90% of Net Profit, capped at organic capital generation.

focusing on cost and capital efficiency has yielded excellent results yet again, positioning UniCredit well for ongoing success and growth.

As evidence of a transformed UniCredit, the Group delivered EPS<sup>2</sup> up 41.8 per cent year on year in 1Q24, accrued DPS +63.6 per cent year on year, and tangible book value per share up 25 per cent<sup>3</sup> year on year.

These high-quality results are being achieved across all regions and product factories while preserving a superior financial strength and lines of defence, protecting future results and distributions. UniCredit's CET1 capital ratio further increased to 16.23 per cent, a large excess to our 12.5-13 per cent managerial target and already net of the €8.6 billion of 2023 distributions, as well as €2.6 billion of distribution accrual for 2024. The amount of overlay provisions on performing exposures stands at €1.8 billion.

The financial guidance for FY24 net profit is improved to over €8.5 billion, with unchanged RoTE of circa 16.5 per cent and an organic capital generation above 300 basis points.

In 1Q24 UniCredit delivered once again high-quality sustainable growth, reflected in €6.3 billion of net revenues, up by 10.9 per cent quarter on quarter and 7.5 per cent year on year. Such outstanding performance was underpinned by net interest income ("NII") of €3.6 billion, €2.1 billion of fees, and €0.1 billion loan loss provisions ("LLPs").

NII was down 0.9 per cent quarter on quarter to €3.6 billion, or up 5.3 per cent on an NII net of loan loss provisions basis, a robust performance despite the lower calendar days in the quarter. Average gross commercial performing loans were -1.3 per cent quarter on quarter, as the Group maintained its focus on capital accretive and risk-adjusted returns, limiting overall volumes while focusing on growing exposure to quality and profitable clients and segments, with increase in SMEs and consumer finance, offset by a reduction in large corporates and mortgages, as well as general lower market volumes in Italy, Germany and Austria. Total deposits pass-through management remained disciplined at circa 30 per cent in 1Q24. Overall NII was up 8.5 per cent year on year.

Fees started the year strongly, increasing by 15.8 per cent quarter on quarter and improving across all fee categories, benefiting from our diversified and balanced model, resulting in a sizeable fee base of 33 per cent of our total gross revenues. The quarter was characterized by particularly strong growth in investment fees, especially in Italy and Germany, thanks to commercial momentum and more supportive macro. On a year on year basis, fees grew by 3.3 per cent in 1Q24, or 7.6 per cent when excluding the impact arising from the current account fee reduction in Italy and higher securitisation costs.

The Group confirmed its structurally low and stable Cost of Risk ("CoR") at 10 basis points in 1Q24, booking €0.1 billion LLPs. On an underlying CoR basis, meaning on a Group excluding Russia basis and net of changes in overlays, 1Q24 stood at 19 basis points, higher than the stated CoR mainly due to write-backs. The Group continues to have a high quality, geographically diversified and resilient credit portfolio with sound coverage levels and strong lines of defence with, among others, 1.8 billion of overlays on performing portfolio. The FY24 CoR guidance remains unchanged at below 20 basis points.

In 1Q24 operational costs were €2.3 billion, reduced by 6.9 per cent quarter on quarter and by 0.7 per cent year on year, confirming the Group's track-record in operational efficiency through targeted cost reductions while investing in the future to drive growth. This result was achieved also thanks to the significant investments and integration charges taken in the past quarters which allowed the Group to mitigate the impact from inflation and from the national labour contract increases in Italy and Austria. The Cost/Income ratio stood at an industry leading 36.2 per cent.

The Group continues to lead in capital excellence, with 118 basis points or €3.4 billion of organic capital generation in the first quarter, more than offsetting the distribution accrual of 100 per cent of the €2.6 billion net profit, resulting in a CET1 ratio of 16.23 per cent, up 35 basis points quarter on quarter. Furthermore, RWAs were

reduced by 1.7 per cent quarter on quarter to €279.6 billion, reflecting UniCredit's commitment to active RWA management to improving capital efficiencies.

The success of the transformative journey towards sustainable excellence is evident in the Group's performance, with 1Q24 net profit at €2.6 billion and RoTE at 19.5 per cent or at 23.0 per cent at 13 per cent CET1 ratio.

Following the regulatory and shareholder approval, the €3.1 billion of second tranche of the 2023 Share Buy-Back Programme is expected to commence as soon as possible following 1Q24 results, subject to market conditions. The first tranche of the 2023 share buy-back in an amount of €2.5 billion was concluded on 7 March 2024.

The total distributions<sup>4</sup> on FY24 results are upgraded to in line with the FY23 distributions. The cash dividend accrual and pay-out are unchanged at 40 per cent of net profit and the residual pay-out on net profit in the form of share buy-backs. The final split between dividends and share buy-back will depend on market conditions, and it will be decided after 2024 results, together with the final decision on distributions. The interim distribution approach, applicable to both interim dividend and interim share buy-back, is assumed at circa 40 per cent of the total full year distributions. On a calendar year basis, the 2024 distribution is expected at circa €10 billion<sup>5</sup>.

UniCredit intends to either deploy or return its excess capital to shareholders no later than 2027. Excluding inorganic growth options, UniCredit expects the total average annual distributions<sup>4</sup> in FY25-FY26 to be above the FY24 distributions, with a cash dividend policy equal to or above 40 per cent and share buy-backs capped by organic capital generation combined with excess capital deployment. In the event of deploying excess capital via inorganic growth opportunities, which would be pursued under strict criteria, the level of annual distributions in FY25-26 would depend on the return on any acquisition which would need to satisfy post synergy returns comparing favourably to share buy-backs.

UniCredit continues to make significant progress on its ESG ambitions and in 1Q24 disclosed the inaugural net zero transition plan and the new interim target for the Steel lending portfolio. In addition, the annual monitoring disclosure of baseline evolution versus targets for the three UniCredit priority sectors - Oil&Gas, Power Generation and Automotive - have also been published, confirming our ongoing support of clients in a just transition.

UniCredit has been recognised by EMEA Finance as the Best Bank for Sustainability in CEE and Best Bank for ESG in Austria and in Czech Republic by Euromoney, highlighting our leadership in the region. For the third year in a row the bank ranked amongst the "Top 100 Companies for Gender Equality Globally" by Equileap, evidence of the organisation's dedication to diversity, equity and inclusion.

In February 2024 the bank launched the third edition of "UniCredit for Italy", a comprehensive set of measures to support business growth, also capitalizing on new schemes recently introduced by the Italian Government, with new solutions and EUR 10 billion in additional credit. These loans are aimed at supporting investments, working capital and liquidity, and may include subsidized conditions, with 40 per cent of the resources earmarked for Southern Italy. Special attention is paid to integration of ESG factors, with the aim of increasing the environmental and social sustainability of economic initiatives.

The key recent events in 1Q24 and since the end of the quarter, plus those mentioned in the section "significant events during and after 1Q24", include:

- "UniCredit sets Net Zero target for steel sector transition" (press release published on 18 January 2024);
- "UniCredit: Board of Directors' resolutions" (press release published on 16 February 2024);
- "Revised date for 1Q24 results" (press release published on 6 March 2024);

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<sup>5</sup> FY24 calendar distribution of circa €10 billion, of which €3 billion of cash dividend paid in April 2024, €1.1 billion of FY23 share buy-back already executed in 1Q24 (i.e. not including the 1.4 billion of FY23 share buy-back already executed during 2023 calendar year) and the €3.1 billion related to the residual FY23 share buy-back, and circa €3 billion FY24 interim distribution. Distribution subject to shareholder and supervisory approvals.

- “Concluded the First Tranche of the Buy-Back Programme 2023. UniCredit: update on the execution of the share buy-back programme during the period from 4 to 7 March 2024. Definition of the final amount of the 2024 dividend per share referred to the year 2023” (press release published on 8 March 2024);
- “UniCredit: balance of 2023 Share Buy-Back Programme in amount of €3.1 billion authorised by the ECB” (press release published on 11 April 2024).

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

*We have started the year on an extremely strong footing with a net profit of €2.6 billion, up 24% year over year, with a resounding beat across all key lines and a RoTE of 19.5%. This was supported by a much improved environment for fees and AuM, our focus on clients and product factories resulting in excellent commercial momentum, as well as resilient net interest income. While continuing to invest we remain vigilant on costs and are reaping the benefits of previous actions taken with an industry leading cost income ratio of 36.2%. Our superior asset quality is reflected in a Cost of Risk of 10bps which will remain low thanks to our prudent approach, good coverage and overlays. UniCredit is on track to continue delivering exceptional results, and we are proud to be leading the way in the industry.*

*Our CET1 ratio increased even further to 16.2% already net of the €8.6 billion of 2023 distributions and €2.6 billion of distribution accrual for 2024, a testament to our superior organic capital generation which reached €3.4 billion supporting our best in class distribution.*

*As a direct outcome of our investments in growing our diversified fee streams and strengthening our lines of defence, and the flexibility offered through our excess capital, we will continue to demonstrate sustainably high structural profitability and best in class shareholder returns across differing macro environments. We are unwavering in our focus on building for the future and delivering on our aspirations for all stakeholders.*

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**UNICREDIT 1Q24 GROUP RESULTS – MILAN, 7 May 2024 – 10.00 CET**

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

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

## 1Q24 KEY FIGURES

- **Total revenues:** €6.4 bn, up 6.9% Q/Q and up 7.4% Y/Y
- **Net revenues:** €6.3 bn, up 10.9% Q/Q and up 7.5% Y/Y
- **Net Interest Income (NII):** €3.6 bn, down 0.9% Q/Q and up 8.5% Y/Y
- **Fees:** €2.1 bn, up 15.8% Q/Q and up 3.3% Y/Y
- **Trading income:** €0.6 bn, up 64.7% Q/Q and up 20.4% Y/Y
- **Operating costs:** €2.3 bn, down 6.9% Q/Q and down 0.7% Y/Y
- **Cost/Income ratio:** 36.2%, down 5.4 p.p. Q/Q and down 3.0 p.p. Y/Y
- **Stated net profit:** €2.6 bn, down 9.0% Q/Q and up 23.9% Y/Y
- **Net profit:** €2.6 bn, up 33.4% Q/Q and up 23.9% Y/Y
- **RoTE:** 19.5%, up 5.6 p.p. Q/Q and up 2.8 p.p. Y/Y
- **EPS<sup>2</sup>:** €1.52, up 36.9% Q/Q and up 41.8% Y/Y
- **Group CET1 ratio:** 16.23%, up 0.3 p.p. Q/Q and up 0.2 p.p. Y/Y
- **RWAs:** €279.6 bn, down 1.7% Q/Q and down 6.4% Y/Y
- **LLPs:** €0.1 bn, down 66.8% Q/Q and up 5.5% Y/Y
- **Cost of Risk (CoR):** 10 bps, down 19 bps Q/Q and up 1 bp Y/Y
- **Average gross commercial performing loans:** €384.3 bn, down 1.3% Q/Q and down 5.6% Y/Y
- **Average commercial deposits:** €458.7 bn, up 0.1% Q/Q and down 3.8% Y/Y
- **Loan/Deposit ratio<sup>6</sup>:** 87.4%, up 1.1 p.p. Q/Q, and down 2.3 p.p. Y/Y
- **Gross NPEs:** €12.1 bn, up 3.4% Q/Q and down 4.0% Y/Y
- **Net NPEs:** €6.6 bn, up 6.7% Q/Q and up 1.5% Y/Y
- **NPE coverage ratio:** 45.5%, down 1.7 p.p. Q/Q and down 2.9 p.p. Y/Y

## GROUP KEY FINANCIAL 2024 GUIDANCE UPDATE

Upgrading 2024 Guidance ...

<b>NET REVENUE</b>	<b>CONFIRMED</b>	c.22.5bn	<b>c. 10bn<sup>1</sup></b> calendar year distributions
LLPs	<b>CONFIRMED</b>	<20bps	
<b>COST</b>	<b>CONFIRMED</b>	<9.5bn	
<b>SYSTEMIC CHARGES</b>	<b>UPGRADED</b>	- c.0.4bn	
<b>NET PROFIT</b>	<b>UPGRADED</b>	>8.5bn	
<b>EPS, DPS</b>	<b>CONFIRMED</b>	Double digit growth <sup>2</sup>	
<b>ROTE</b>	<b>CONFIRMED</b>	c.16.5%	
<b>OCG</b>	<b>CONFIRMED</b>	>300bps	
<b>DISTRIBUTIONS</b>	<b>UPGRADED</b>	<b>Total Distributions in line with FY23<sup>3</sup></b>	
			<b>RATES<sup>4</sup></b> 2023 <b>3.43%</b> 2024 Slightly above 2023
			<b>AVG. PASS-THROUGH<sup>4</sup></b> 2023 <b>c.25%</b> 2024 Slightly >30%

... Continue to progress in 2025-2026

Intention to either **deploy or return excess capital** no later than 2027

<b>Sustainable Growth</b>	<b>EPS, DPS</b> <b>Strong growth</b>	In the event of capital deployment, while expected to remain best-in-class, total annual distributions level dependent on return of acquisitions
<b>High sustainable Profitability</b>	<b>RoTE</b> <b>&gt;15%</b>	
<b>Best-in-class sustainable Distributions, supported by OCG</b>	<b>Total avg. annual distributions<sup>3</sup></b> <b>FY25-26 &gt; FY24</b> <small>excluding inorganic</small> ➤ Cash dividend policy ≥40% ➤ SBBs	
		<b>Our strict criteria for Inorganic excess capital deployment</b>  ✓ <b>Strategic fit</b> ✓ <b>Post synergies returns comparing favorably with share buy-backs</b>

Distribution subject to supervisory and shareholder approvals. The targets, outlook and trends on which the assumptions underlying the distribution ambitions are based on are forward looking assumptions, based on management current expectations and subject to potential change 1. o/w €3bn of cash dividend paid in April 2024, €1.1bn of FY23 share buy-back already executed in 1Q24 (i.e. not including the 1.4bn of FY23 share buy-back already executed during 2023 calendar year) and the €3.1bn related to the residual FY23 share buy-back, and circa €3bn FY24 interim distribution 2. Guidance FY24 net profit on expected average shares; assuming outstanding shares only net of the shares repurchased via residual calendar year SBB at an average price as of 02.05.2024 close 3. Ordinary distribution of at least 90% of Net Profit, capped at organic capital generation 4. Average 3M Euribor Rate. ECB Deposit Facility Rate "DFR" at 4% year end 2023, decreasing in 2024 (assumption).

<sup>6</sup> Net of Repos and Intercompany end of period.



## UNICREDIT GROUP CONSOLIDATED RESULTS

(€ million)	1Q23	4Q23	1Q24	Q/Q	Y/Y
Total revenues	5,930	5,962	6,371	+6.9%	+7.4%
o/w Net interest	3,298	3,610	3,578	-0.9%	+8.5%
o/w Fees	2,033	1,814	2,100	+15.8%	+3.3%
o/w Trading	463	339	558	+64.7%	+20.4%
Operating costs	-2,322	-2,478	-2,306	-6.9%	-0.7%
Gross operating profit	3,608	3,484	4,065	+16.7%	+12.7%
Loan Loss Provisions	-98	-311	-103	-66.8%	+5.5%
Net operating profit	3,510	3,173	3,962	+24.9%	+12.9%
Stated net profit/loss	2,064	2,810	2,558	-9.0%	+23.9%
Net profit	2,064	1,917	2,558	+33.4%	+23.9%
CET1 ratio	16.05%	15.89%	16.23%	+0.3 p.p.	+0.2 p.p.
RoTE	16.8%	13.9%	19.5%	+5.6 p.p.	+2.8 p.p.
Customers loans (excl. repos and IC)	430,236	409,478	407,780	-0.4%	-5.2%
Gross NPE	12,602	11,693	12,094	+3.4%	-4.0%
Customer deposits (excl. repos and IC)	479,769	474,383	466,721	-1.6%	-2.7%
Cost/income ratio	39.2%	41.6%	36.2%	-5.4 p.p.	-3.0 p.p.
Cost of risk (bps)	9	29	10	-19	+1

**Note:** 4Q23 and 1Q24 CET1r is net of the accrual for the total FY23 distribution following the new EBA Q&A 2023\_6887, i.e. including also the share buy-backs not authorized yet by shareholders and supervisor. 1Q23 CET1r is on a stated basis i.e. as reported at the time of 1Q23 and not pro forma for share buy-backs not authorized yet by shareholders and supervisor. For 4Q23: Net profit excludes DTA write-up from TLCF (+€893 m).

**Total revenues** stood at €6.4 bn in 1Q24, up 6.9% Q/Q, driven by NII at €3.6 bn (-0.9% Q/Q), fees at €2.1 bn (+15.8% Q/Q) and trading income at €0.6 bn (+64.7% Q/Q). Total revenues were up 7.4% Y/Y, driven by NII (+8.5% Y/Y), trading income (+20.4% Y/Y) and fees (+3.3% Y/Y).

**Net revenues** reached €6.3 bn in 1Q24, up 10.9% Q/Q and up 7.5% Y/Y thanks to a robust NII, a resilient Cost of Risk, and growing Fees.

In 1Q24, **NII** stood at €3.6 bn, down 0.9% Q/Q, largely driven by the lower number of calendar days in the quarter and thanks to a continued good management of the deposit pass-through as well as higher customer loan rates. NII in 1Q24 was up 8.5% Y/Y, driven by better customer loan rates and higher investment portfolio returns reflecting the higher market rates, offsetting higher funding costs and lower loan volumes.

**Fees** reached €2.1 bn in 1Q24, up 15.8% Q/Q mainly thanks to better Investment and Insurance fees, especially in Italy and Germany, and stronger Financing & Advisory fees, particularly in Germany. On a Y/Y basis, Fees were up 3.3% Y/Y or +7.6% excluding securitisations and the reduction in current account fees in Italy, driven by better Investment fees and growth in payment related fees. UniCredit's fee base continues to show its resilience, diversified and growing features. In particular, in 1Q24:

- **Investment fees** were €0.6 bn, up 36.1% Q/Q, with strong growth across all divisions, particularly in Italy and Germany. AuM related fees were especially strong, thanks to high level of gross sales in the quarter, as well as improving AuM management fees, thanks to higher average volumes. AuC related fees also improved both Q/Q and Y/Y. Overall Investment Fees were +18.2% Y/Y.
- **Insurance fees stood at** €0.2 bn, up 21.7% Q/Q driven by the positive results of Life insurance related commissions, with recovering gross sales and average volumes in 1Q24. Non-Life registered double-digit growth both Q/Q and Y/Y, with Property & Casualty continuing its strong momentum both Q/Q and Y/Y, as well as CPI related products growth. Total Insurance fees grew 5.3% Y/Y.

- **Current account & payments fees generated** €0.6 bn, up 3.9% Q/Q, mainly driven by Italy. Current Account & Payments were -0.4% Y/Y, entirely driven by the current account fee reduction in Italy, net of which fees grew +9.8% Y/Y, mainly thanks to growth in Cards related fees, both in issuing and acquiring.
- **Financing & advisory fees** were €0.5 bn, up 9.5% Q/Q, mainly driven by Germany, with better Loans and other financing services related fees, partially reflecting seasonality. On a Y/Y basis, Financing & Advisory fees were up +1.0%.
- **Client hedging fees** were €0.2 bn, up 12.9% Q/Q, mainly driven by Germany and thanks to sound client activity in Fixed Income derivatives. Client hedging fees were -11.4% Y/Y, reflecting the exceptionally high activity levels in commodities in 1Q23.

**Trading income** stood at €0.6 bn in 1Q24, up 64.7% Q/Q driven, among others, by high demand on client risk management products in Germany, particularly Rates, as well as growth in Equity & Brokerage Trading and positive XVA dynamics. Trading income was up 20.4% Y/Y, positively affected by client driven dynamics and higher rates, among others.

**Dividends**<sup>7</sup> were at €108 m in 1Q24, up 15.8% Q/Q and down 12.8% Y/Y.

**Operating costs** stood at €2.3 bn in 1Q24 down 6.9% Q/Q, and down 0.7% Y/Y, continuing to demonstrate operational excellence mitigating the inflationary pressures via targeted cost reduction and investing in our people, training and enhancing our product factories and digital capabilities. In particular:

- **HR costs** were €1.4 bn in 1Q24, down 9.3% Q/Q, mainly driven by the variable compensation contribution in 4Q23, and up 0.5% Y/Y with FTE savings largely compensating salary inflation.
- **Total Non-HR costs**<sup>8</sup> were €0.9 bn in 1Q24, down 2.8% Q/Q driven by a reduction of consultancy and real estate costs, offsetting higher depreciation; and down 2.5% Y/Y mainly thanks to lower real estate expenses.

The **Cost/Income ratio** reached 36.2% in 1Q24, down 5.4 p.p. Q/Q, and down 3.0 p.p. Y/Y.

**Cost of Risk** stood at 10 bps in 1Q24, mainly driven by flows to defaults, affected by a State guaranteed single name file in Italy, compensated by good performances of NPE repayments and related releases in Central and Eastern Europe. The amount of overlays on performing exposures is confirmed at circa €1.8 bn, which substantially reinforces the Group's capacity to withstand macroeconomic shocks.

**Systemic charges** in 1Q24 were €360 m, the Q/Q increase was mainly driven by the anticipation of the Deposit Guarantee Scheme ("DGS") charges in Italy from the third quarter to the first one as well as the booking of the banks' windfall tax in Hungary. On a Y/Y basis systemic charges were down 43.8%, reflecting the reduction in Single Resolution Fund ("SRF") charges, and partially offset by the aforementioned anticipation of the DGS costs in Italy.

The 1Q24 **Group stated tax rate** stood at 28.7%.

**Stated net profit** was €2.6 bn in 1Q24, down 9.0% Q/Q entirely driven by €0.9 bn DTA TLCF write-up in 4Q23 and up 23.9% Y/Y while **net profit**, also at €2.6 bn in 1Q24, was up 33.4% Q/Q and up 23.9% Y/Y.

<sup>7</sup> Include other dividends and equity investments.

<sup>8</sup> Includes Non-HR costs, recovery of expenses and amortisations and depreciations.

## BALANCE SHEET

**Average gross commercial performing loans** were €384.3 bn as of 31 March 2024 (-1.3% Q/Q, -5.6% Y/Y). The main contributors were Italy (€146.4 bn), Germany (€109.5 bn) and Central Europe (€90.9 bn).

**Gross customer performing loan rates** were 4.6% in 1Q24 up 7 bps Q/Q and up 104 bps Y/Y.

**Average commercial deposits** stood at €458.7 bn as of 31 March 2024 (+0.1% Q/Q, -3.8% Y/Y). The main contributors were Italy (€180.8 bn), Germany (€130.3 bn) and Central Europe (€92.9 bn).

**Customer deposit rates** stood at -1.31% in 1Q24 -9 bps Q/Q and -63 bps Y/Y.

**Loan/Deposit ratio** net of repos and intercompany at 1Q24 end of period was 87.4%, up 1.1 p.p. Q/Q, and down 2.3 p.p. Y/Y.

**Total Financial Assets (TFAs)** were €796.2 bn in 1Q24, up 1.9% Q/Q and up 6.1% Y/Y.

- **AuM:** €136.3 bn, up 4.6% Q/Q and up 8.0% Y/Y;
- **Insurance:** €57.6 bn, up 1.6% Q/Q and up 1.0% Y/Y;
- **AuC:** €198.6 bn, up 6.2% Q/Q and up 20.5% Y/Y;
- **Deposits:** €388.4 bn, down 1.4% Q/Q and down 0.5% Y/Y.

## ASSET QUALITY<sup>9</sup>

**Gross NPEs** were €12.1 bn in 1Q24 (+3.4% Q/Q and -4.0% Y/Y) leading to a **gross NPE ratio** of 2.7% (+0.1 p.p. Q/Q, flat Y/Y), while **net NPEs** were €6.6 bn in 1Q24 (+6.7% Q/Q and 1.5% Y/Y), with a **net NPE ratio** of 1.5% (+0.1 p.p. Q/Q, +0.1 p.p. Y/Y). The **NPE coverage ratio** was 45.5% (-1.7 p.p. Q/Q and -2.9 p.p. Y/Y).

**Gross bad loans** amounted to €3.3 bn in 1Q24 (+14.2% Q/Q, +23.6% Y/Y) with a coverage ratio of 66.2% (-7.8 p.p. Q/Q, -9.9 p.p. Y/Y), both these effects were largely driven by single name flows to NPE. **Gross unlikely to pay** stood at €8.0 bn (+2.4% Q/Q, -11.7% Y/Y), with a coverage ratio of 38.2% (-1.5 p.p. Q/Q, -4.1 p.p. Y/Y).

## CAPITAL & FUNDING

The Group's 1Q24 **CET1 ratio Fully Loaded** stood at 16.23%, up 35 bps Q/Q, mainly driven by +118 bps organic capital generation (+90 bps from net profit and +28 bps from RWA) and +11bps from other items<sup>10</sup>, only partially offset by -92 bps from distribution accrual (-54 bps share buy-backs, -36 bps cash dividends and -2 bps Cashes coupons) and -3 bps from regulatory impact.

**Group tangible equity** was €58.3 bn, up 2.5% Q/Q and up 5.6% Y/Y, while **Group tangible book value per share** was €34.7, up 4.3% Q/Q and 21.9% Y/Y.

The **RoTE** at 13% CET1 ratio was 23.0% in 1Q24, up 5.9 p.p. Q/Q and up by 2.6 p.p. Y/Y.

The **transitional leverage ratio** stood at 5.60% in 1Q24, down 18 bps Q/Q due to an increase in the total exposure.

**RWA** was €279.6 bn in 1Q24, down 1.7% Q/Q, driven by RWA savings resulting from active portfolio management (-€1.8 bn o/w -€0.7 bn of securitizations mainly in Germany) and -€3.0 bn from business dynamics; and were -6.4% Y/Y.

<sup>9</sup> NPEs excludes exposures classified as held for sale.

<sup>10</sup> Including -2 bps capital reserve (+2 bps FVOCI of which +1 bps BTPs; -4 bps FX reserve), +2 bps AVA/DVA/OCS, +6 bps Intangibles and +4bps threshold deduction.



**Regulatory liquidity ratios** are sound: **LCR**<sup>11</sup> above 140% in March 2024, meaningfully above the regulatory limit of 100% and within the 125-150% managerial target range. The **NSFR** above 125% as of 1Q24, also well above the regulatory limit of 100%.

The 2024 Funding Plan focuses mostly on covered bond issuance and more senior instruments, with limited MREL needs. UniCredit **MREL ratio on RWA** stood at 32.81%, up 153 bps Q/Q, implying a buffer of 621 bps, substantially above requirement of 26.60%. **The MREL ratio on leverage exposure** stood at 10.16%, up 2 bps Q/Q, implying a buffer of 414 bps above regulatory requirement of 6.02%.

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<sup>11</sup> End of period value.

## DIVISIONAL HIGHLIGHTS<sup>12</sup>

### ITALY

(€ million)	1Q23	4Q23	1Q24	Q/Q	Y/Y
Total revenues	2,716	2,709	2,907	+7.3%	+7.0%
o/w Net interest	1,469	1,662	1,661	-0.1%	+13.1%
o/w Fees	1,106	972	1,140	+17.3%	+3.1%
Operating costs	-977	-997	-982	-1.6%	+0.5%
Gross operating profit	1,740	1,712	1,925	+12.5%	+10.7%
Loan Loss Provisions	-139	-89	-144	+61.6%	+4.2%
Net operating profit	1,601	1,623	1,781	+9.7%	+11.2%
Stated net profit/loss	958	1,939	1,101	-43.2%	+14.8%
Net profit/Loss	958	1,045	1,101	+5.3%	+14.8%
RoAC	24.8%	27.0%	30.9%	+3.8 p.p.	+6.1 p.p.
Cost/income ratio	36.0%	36.8%	33.8%	-3.0 p.p.	-2.2 p.p.
Cost of risk (bps)	29	21	33	+13	+4

### GERMANY

(€ million)	1Q23	4Q23	1Q24	Q/Q	Y/Y
Total revenues	1,505	1,212	1,472	+21.5%	-2.1%
o/w Net interest	691	666	627	-6.0%	-9.4%
o/w Fees	454	330	442	+34.1%	-2.5%
Operating costs	-606	-604	-566	-6.2%	-6.6%
Gross operating profit	898	608	906	+49.0%	+0.9%
Loan Loss Provisions	-34	-43	-66	+52.9%	+92.0%
Net operating profit	864	565	840	+48.7%	-2.8%
Stated net profit/loss	513	291	563	+93.4%	+9.8%
Net profit/Loss	513	291	563	+93.4%	+9.8%
RoAC	19.5%	10.0%	23.3%	+13.3 p.p.	+3.8 p.p.
Cost/income ratio	40.3%	49.8%	38.5%	-11.4 p.p.	-1.8 p.p.
Cost of risk (bps)	10	14	21	+7	+10

<sup>12</sup> Please consider that (i) all divisional figures in "Divisional Highlights" represent the contribution of each division to Group data; (ii) Return on Allocated Capital (RoAC) related to each division and shown in this section is calculated as: annualised net profit / allocated capital. Allocated capital calculated as 13% of RWA plus deductions.

### CENTRAL EUROPE

(€ million)	1Q23	4Q23	1Q24	Q/Q	Y/Y
				<i>at constant FX</i>	
Total revenues	990	1,064	1,070	+1.2%	+9.3%
o/w Net interest	638	668	698	+5.3%	+10.8%
o/w Fees	284	301	308	+3.3%	+9.7%
Operating costs	-393	-427	-393	-7.3%	+1.1%
Gross operating profit	597	637	677	+7.0%	+14.7%
Loan Loss Provisions	15	-86	47	<i>n.m.</i>	<i>n.m.</i>
Net operating profit	612	551	724	+31.9%	+19.6%
Stated net profit/loss	330	337	481	+44.3%	+47.4%
Net profit/Loss	330	337	481	+44.3%	+47.4%
RoAC	15.6%	14.2%	22.4%	+8.3 p.p.	+6.9 p.p.
Cost/income ratio	39.7%	40.1%	36.7%	-3.4 p.p.	-3.0 p.p.
Cost of risk (bps)	-6	36	-20	-55	-13

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

### EASTERN EUROPE

(€ million)	1Q23	4Q23	1Q24	Q/Q	Y/Y
				<i>at constant FX</i>	
Total revenues	592	682	701	+2.8%	+18.6%
o/w Net interest	403	514	493	-4.1%	+22.7%
o/w Fees	158	170	179	+5.4%	+13.0%
Operating costs	-204	-229	-213	-7.1%	+4.8%
Gross operating profit	389	453	488	+7.8%	+25.9%
Loan Loss Provisions	34	35	23	-35.7%	-32.9%
Net operating profit	423	489	511	+4.6%	+21.1%
Stated net profit/loss	308	369	392	+6.3%	+27.5%
Net profit/Loss	308	369	392	+6.3%	+27.5%
RoAC	33.3%	36.9%	38.9%	+2.0 p.p.	+5.7 p.p.
Cost/income ratio	34.4%	33.6%	30.4%	-3.2 p.p.	-4.0 p.p.
Cost of risk (bps)	-43	-42	-27	+16	+16

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

### GROUP CORPORATE CENTRE (GCC)

(€ million)	1Q23	4Q23	1Q24	Q/Q	Y/Y
Total revenues	-150	-104	-61	-41.6%	-59.4%
Operating costs	-78	-165	-96	-41.6%	+23.5%
Gross operating profit	-228	-270	-157	-41.6%	-31.0%
Loan Loss Provisions	2	0	0	-87.1%	-96.2%
Stated net profit/loss	-144	-364	-192	-47.3%	+32.9%
Net profit/Loss	-144	-364	-192	-47.3%	+32.9%
FTE	7,457	6,932	6,858	-1.1%	-8.0%
Costs GCC/total costs	3.4%	6.7%	4.2%	-2 p.p.	1 p.p.

### RUSSIA

(€ million)	1Q23	4Q23	1Q24	Q/Q	Y/Y
				<i>at constant FX</i>	
Total revenues	276	399	282	-24.0%	+27.9%
o/w Net interest	212	203	200	-1.8%	+17.7%
o/w Fees	46	50	44	-13.9%	+19.0%
Operating costs	-64	-56	-56	-0.3%	+9.7%
Gross operating profit	212	344	226	-28.2%	+33.3%
Loan Loss Provisions	25	-129	37	<i>n.m.</i>	+90.0%
Net operating profit	237	215	264	+36.6%	+39.2%
Stated net profit/loss	99	239	213	-1.8%	<i>n.m.</i>
Net profit/Loss	99	239	213	-1.8%	<i>n.m.</i>
RoAC	12.3%	39.7%	28.2%	-5.2 p.p.	+21.4 p.p.
Cost/income ratio	23.1%	13.9%	19.8%	+4.7 p.p.	-3.3 p.p.
Cost of risk (bps)	-161	<i>n.m.</i>	-498	<i>n.m.</i>	-340

## SIGNIFICANT EVENTS DURING AND AFTER 1Q24

With reference to the main events that occurred during 1Q24 and after, refer to section “Subsequent events” in the Consolidated report on operations, which is an integral part of 2023 Annual Reports and Accounts of UniCredit Group as well as the press releases published on the UniCredit Group website.

Here below therefore, the main financial press releases published after 29 February 2024 (date of approval of 2023 Annual Reports and Accounts of UniCredit Group):

- “The Shareholders' Meeting approves the 2023 Financial Statements” (press release published on 12 April 2024);
- “Pietro Carlo Padoan and Andrea Orcel appointed respectively Chair and Chief Executive Officer of UniCredit S.p.A. Appointment of corporate officers and Board Committees members” (press release published on 12 April 2024);
- “Notice of early redemption: UniCredit S.p.A. US\$1,250,000,000 Non Cumulative Temporary Write-Down deeply Subordinated Fixed Rate Resettable Notes ISIN XS1046224884” (press release published on 19 April 2024).

## ECONOMIC OUTLOOK

According to our latest forecast, US GDP is likely to expand by 2.4% this year and by 1.2% in 2025. The economy had strong momentum at the start of the year, as personal consumption proved to be more resilient than expected. We still project a slowdown later this year, albeit shallow, amid a softening labor market and tight credit conditions. We expect China's GDP growth to stay below 5% in 2024 (from 5.2% in 2023), despite a strong start to the year. We believe that low consumer confidence, high youth unemployment and the weakness of the real estate sector will weigh on China's economic performance. In the euro area, we expect the economy to expand by 0.5% this year and by 1.2% in 2025. We envisage a slow improvement in sequential GDP growth over the coming quarters, as real-wage growth should turn positive and support private consumption, while monetary policy will continue to be on drag on activity, although gradually less so. The Italian economy should grow moderately this year, expanding by 0.6% after 1% in 2023. A recovery in private consumption will play a key role, amid a faster disinflation process than initially expected. A gradual recovery in global trade will support exports and investment, together with the impulse related to the National Recovery and Resilience Plan. In the euro area, we forecast that headline inflation will slow to 2% in 2H24 and fall below the ECB's target in 2025. June is the most likely timing for the first rate cut by the ECB, but the path thereafter remains uncertain. We expect that there will be three 25bp rate cuts this year, one per quarter, followed by further cuts next year until a more-neutral monetary policy stance is reached, probably in the 2% area.



## GROUP TABLES

### UNICREDIT GROUP: RECLASSIFIED INCOME STATEMENT

(€ million)	1Q23	4Q23	1Q24	Q/Q	Y/Y
Net interest	3,298	3,610	3,578	-0.9%	+8.5%
Dividends	124	93	108	+15.8%	-12.8%
Fees	2,033	1,814	2,100	+15.8%	+3.3%
Trading income	463	339	558	+64.7%	+20.4%
Other expenses/income	11	105	27	-74.6%	n.m.
<b>Revenue</b>	<b>5,930</b>	<b>5,962</b>	<b>6,371</b>	<b>+6.9%</b>	<b>+7.4%</b>
HR costs	(1,422)	(1,576)	(1,429)	-9.3%	+0.5%
Non HR costs	(742)	(816)	(754)	-7.6%	+1.5%
Recovery of expenses	127	151	145	-3.9%	+14.0%
Amortisations and depreciations	(284)	(237)	(268)	+13.1%	-5.5%
<b>Operating costs</b>	<b>(2,322)</b>	<b>(2,478)</b>	<b>(2,306)</b>	<b>-6.9%</b>	<b>-0.7%</b>
<b>GROSS OPERATING PROFIT (LOSS)</b>	<b>3,608</b>	<b>3,484</b>	<b>4,065</b>	<b>+16.7%</b>	<b>+12.7%</b>
Loan Loss Provisions (LLPs)	(98)	(311)	(103)	-66.8%	+5.5%
<b>NET OPERATING PROFIT (LOSS)</b>	<b>3,510</b>	<b>3,173</b>	<b>3,962</b>	<b>+24.9%</b>	<b>+12.9%</b>
Other charges and provisions	(745)	99	(346)	n.m.	-53.6%
<i>of which: systemic charges</i>	(640)	(35)	(360)	n.m.	-43.8%
Integration costs	(17)	(788)	(18)	-97.7%	+5.0%
Net income from investments	(17)	(134)	1	n.m.	n.m.
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>2,731</b>	<b>2,349</b>	<b>3,599</b>	<b>+53.2%</b>	<b>+31.8%</b>
Income taxes	(661)	468	(1,033)	n.m.	+56.2%
Profit (Loss) of discontinued operations	-	-	-	n.m.	n.m.
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>2,070</b>	<b>2,817</b>	<b>2,566</b>	<b>-8.9%</b>	<b>+24.0%</b>
Minorities	(6)	(6)	(8)	+30.6%	+41.3%
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA</b>	<b>2,064</b>	<b>2,810</b>	<b>2,558</b>	<b>-9.0%</b>	<b>+23.9%</b>
Purchase Price Allocation (PPA)	-	-	-	n.m.	n.m.
Goodwill impairment	-	-	-	n.m.	n.m.
<b>GROUP STATED NET PROFIT (LOSS)</b>	<b>2,064</b>	<b>2,810</b>	<b>2,558</b>	<b>-9.0%</b>	<b>+23.9%</b>

**Note:** Figures of Reclassified consolidated income statement relating to 2023 have been restated with the effects of the:

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

UNICREDIT GROUP: RECLASSIFIED BALANCE SHEET

(€ million)	1Q23	4Q23	1Q24	Q/Q	Y/Y
<b>ASSETS</b>					
Cash and cash balances	126,377	61,000	65,433	+7.3%	-48.2%
Financial assets held for trading	62,293	57,274	55,472	-3.1%	-10.9%
Loans to banks	71,905	39,434	53,205	+34.9%	-26.0%
Loans to customers	453,754	429,452	434,834	+1.3%	-4.2%
Other financial assets	148,239	162,953	167,130	+2.6%	+12.7%
Hedging instruments	(3,679)	(1,340)	(1,425)	+6.4%	-61.3%
Property, plant and equipment	9,095	8,628	9,151	+6.1%	+0.6%
Goodwill	-	-	-	<i>n.m.</i>	<i>n.m.</i>
Other intangible assets	2,300	2,272	2,210	-2.7%	-3.9%
Tax assets	12,560	11,818	11,068	-6.4%	-11.9%
Non-current assets and disposal groups classified as held for sale	1,126	370	356	-3.9%	-68.4%
Other assets	11,357	13,112	13,145	+0.2%	+15.7%
<b>Total assets</b>	<b>895,327</b>	<b>784,974</b>	<b>810,578</b>	<b>+3.3%</b>	<b>-9.5%</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Deposits from banks	148,933	71,042	87,099	+22.6%	-41.5%
Deposits from customers	522,514	495,716	502,120	+1.3%	-3.9%
Debt securities issued	88,980	89,845	90,942	+1.2%	+2.2%
Financial liabilities held for trading	50,061	38,022	38,277	+0.7%	-23.5%
Other financial liabilities	12,705	13,751	14,332	+4.2%	+12.8%
Hedging instruments	(17,240)	(10,573)	(11,782)	+11.4%	-31.7%
Tax liabilities	1,804	1,483	1,748	+17.9%	-3.1%
Liabilities included in disposal groups classified as held for sale	490	-	-	<i>n.m.</i>	<i>n.m.</i>
Other liabilities	23,276	21,445	22,250	+3.8%	-4.4%
Minorities	163	164	172	+4.9%	+6.0%
Group Shareholders' Equity:	63,641	64,079	65,420	+2.1%	+2.8%
- <i>Capital and reserves</i>	61,577	54,572	62,862	+15.2%	+2.1%
- <i>Group stated net profit (loss)</i>	2,064	9,507	2,558	-73.1%	+23.9%
<b>Total liabilities and Shareholders' Equity</b>	<b>895,327</b>	<b>784,974</b>	<b>810,578</b>	<b>+3.3%</b>	<b>-9.5%</b>

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

With reference to the Group's sovereign exposures<sup>13</sup>, the book value of sovereign debt securities as of 31 March 2024 amounted to €108,536 million (of which €106,183 million classified in the banking book<sup>14</sup>), about the 77% of it concentrated in eight countries; Italy, with €38,283 million, represents over 35% of the total. For each of the eight countries, the following table shows the book value, the nominal value and the fair value of the exposures broken down by portfolio as at 31 March 2024.

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<sup>13</sup> Information on Sovereign exposures refers to the scope of the UniCredit Group consolidated results as of 31 March 2024, determined under IAS/IFRS. Sovereign exposures are bonds issued by and loans given to central and local governments and governmental bodies.

To the purpose of this risk exposure are not included:

- Sovereign exposures and Group's Legal entities classified as held for sale as of 31 March 2024
- ABSs.

<sup>14</sup> The banking book includes financial assets designated at fair value, those mandatorily at fair value, those at fair value through other comprehensive income and those at amortised cost.

(€ million)	Book Value	Nominal value	Fair Value
<b>As of 31 March 2024</b>			
<b>- Italy</b>	<b>38,283</b>	<b>38,831</b>	<b>38,366</b>
financial assets/liabilities held for trading (net exposures*)	393	296	393
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	58	55	58
financial assets at fair value through other comprehensive income	18,207	18,005	18,207
financial assets at amortised cost	19,625	20,475	19,708
<b>- Spain</b>	<b>14,472</b>	<b>15,129</b>	<b>14,378</b>
financial assets/liabilities held for trading (net exposures*)	101	176	101
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	-	-	-
financial assets at fair value through other comprehensive income	3,306	3,493	3,306
financial assets at amortised cost	11,065	11,460	10,971
<b>- U.S.A.</b>	<b>7,056</b>	<b>8,414</b>	<b>7,098</b>
financial assets/liabilities held for trading (net exposures*)	824	1,171	824
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	-	-	-
financial assets at fair value through other comprehensive income	3,993	4,083	3,993
financial assets at amortised cost	2,239	3,160	2,281
<b>- Germany</b>	<b>7,029</b>	<b>7,037</b>	<b>6,925</b>
financial assets/liabilities held for trading (net exposures*)	85	112	85
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	345	350	345
financial assets at fair value through other comprehensive income	2,384	2,388	2,384
financial assets at amortised cost	4,215	4,187	4,111
<b>- Japan</b>	<b>6,586</b>	<b>6,621</b>	<b>6,591</b>
financial assets/liabilities held for trading (net exposures*)	-	-	-
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	-	-	-
financial assets at fair value through other comprehensive income	5,928	6,009	5,928
financial assets at amortised cost	658	612	663
<b>- Czech Republic</b>	<b>3,513</b>	<b>3,382</b>	<b>3,463</b>
financial assets/liabilities held for trading (net exposures*)	35	35	35
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	-	-	-
financial assets at fair value through other comprehensive income	2,179	2,113	2,179
financial assets at amortised cost	1,299	1,234	1,249
<b>- Austria</b>	<b>3,444</b>	<b>3,646</b>	<b>3,421</b>
financial assets/liabilities held for trading (net exposures*)	134	127	134
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	83	82	83
financial assets at fair value through other comprehensive income	2,497	2,713	2,497
financial assets at amortised cost	730	724	707
<b>- France</b>	<b>3,012</b>	<b>3,148</b>	<b>2,917</b>
financial assets/liabilities held for trading (net exposures*)	108	184	108
financial assets designated at fair value	-	1	-
financial assets mandatorily at fair value	17	17	17
financial assets at fair value through other comprehensive income	1,550	1,609	1,550
financial assets at amortised cost	1,337	1,337	1,242
<b>Total on-balance sheet exposures</b>	<b>83,395</b>	<b>86,208</b>	<b>83,159</b>

**Note:**

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

### UNICREDIT GROUP: WEIGHTED DURATION

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

Weighted duration (years)	Banking Book	Trading Book	
		Assets positions	Liabilities positions
Italy	3.84	4.96	5.11
Spain	4.44	21.85	15.22
U.S.A.	8.05	18.62	-
Germany	4.59	10.97	6.74
Japan	4.55	-	-
Czech Republic	4.38	1.81	5.61
Austria	7.74	12.37	14.33
France	6.67	21.23	9.51

The remaining 23% of the total of sovereign debt securities, amounting to €25,141 million with reference to the book values as at 31 March 2024, is divided into 35 countries, including Romania (€2,727 million), Croatia (€2,455 million), Bulgaria (€2,214 million), Hungary (€1,873 million), Portugal (€1,111 million), Poland (€1,089 million), Slovakia (€1,072 million), Serbia (€913 million), China (€716 million), Ireland (€696 million) and Russia (€642 million).

With respect to these exposures, as at 31 March 2024 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.

It should also be noted that among the aforementioned remaining part of sovereign debt securities as at 31 March 2024 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 €7,724 million.

In addition to the exposures to sovereign debt securities, loans<sup>15</sup> given to central and local governments and governmental bodies must be taken into account, amounting to €24,240 million as at 31 March 2024, of which about 69% to Germany, Austria and Italy.

### UNICREDIT GROUP: RATINGS

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

**Note:** \*UniCredit SpA's bank deposit outlook is 'stable', while senior unsecured outlook is 'negative'

<sup>15</sup> Tax items are not included.



## BASIS OF PREPARATION

1. This Consolidated interim report as at 31 March 2024 - Press release has been prepared on a voluntary basis, with the aim of ensuring continuity with the previous quarterly reports, following the elimination of the requirement to disclose additional financial information to the half-year and annual reports pursuant to law (D.Lgs. 25/2016), issued in application of Directive 2013/50/EU. This Consolidated interim report as at 31 March 2024 - Press release as well as the press releases on significant events occurred during the period, the market presentation of first quarter 2024 results and the Divisional Database are available on UniCredit Group website.

This Consolidated interim report as at 31 March 2024 - Press release is not audited by the External Auditors.

2. Reclassified balance sheet and income statements items have been prepared pursuant to Banca d'Italia instructions laid down in Circular 262/2005 (and subsequent amendments) by applying the aggregations and reclassifications disclosed in Annex 1 of 2023 Consolidated Reports and Accounts of UniCredit Group and supplemented by the notes below the reclassified balance sheet and income statement of this document.

3. The contents of this Consolidated interim report as at 31 March 2024 - Press release are not prepared according to the international accounting standard on interim reporting (IAS34).

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

The description of such APIs (such as Cost/Income ratio, 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) is included in the 2023 Consolidated Reports and Accounts of UniCredit Group (Consolidated report on operations and Annexes). Further APMs (i.e. Coverage ratio, Default rate, ROTE at 13% CET1r) have been described in the first quarter 2024 market presentation.

4. The Consolidated interim report as at 31 March 2024 - Press release, within which the accounts are presented in reclassified form, was prepared on the basis of IAS/IFRSs standards in force.

As at 31 December 2023, considering the context of persisting uncertainty, and also taking into account the ESMA communication ("European common enforcement priorities for 2023 Annual Financial Reports"), UniCredit group defined different macroeconomic scenarios, to be used for the purposes of the evaluation processes of 2023 Consolidated financial statements. In particular, in addition to the "Base" scenario (weighted at 60%), which reflects the expectations considered most likely concerning macroeconomic trends, an "Alternative" scenario (weighted 40%) was outlined, the latter reflecting a downward forecast of the macroeconomic parameters and consequently in the expected profitability of the business; in light of the persistent level of uncertainty, no positive scenario was included in the approach (thus, the positive scenario was weighted at zero percent). These scenarios were used for the DTA sustainability test and for LLP calculation.

Such uncertainty did not decrease in the first quarter 2024, due to the persisting geopolitical tensions between the Russian Federation and the Ukraine, as well as to evolution of the conflict in Middle east. Indeed, the ECB

Macroeconomic projections published in March 2024, report that incoming information suggests a slower recovery in the short run than what was foreseen in the December 2023 projections, as the Euro area economy stagnated at the end of 2023 amid tight financing conditions, subdued confidence and past competitiveness losses. Nevertheless, economic growth is projected to gradually pick up during this year as real disposable income rises, amid declining inflation and robust wage growth, and as the terms of trade improve. With the current shipping disruptions in the Red Sea unlikely to cause significant renewed supply constraints, export growth is expected to catch up with strengthening foreign demand. Over the medium term, the recovery is seen to also be supported by the gradual fading of the impact from the ECB's monetary policy tightening.

In light of the above-mentioned uncertainties, specific analyses were performed in the first quarter of 2024 with the aim to evaluate whether the scenarios used as at 31 December 2023 - for the purposes of the evaluation process of the DTAs and credit exposures subject to valuation uncertainties - were still valid or, conversely, which adjustments should have been put in place to reflect the updated economic environment. As outlined below, the assessment also leveraged on an updated macro-economic scenario developed by UniCredit Research. The outcome of such analysis has shown that scenarios used for December 2023 valuations are considered still adequate for 31 March 2024 valuation purposes.

5. Starting from 31 December 2019, the calculation of the sustainability test methodology was updated by the Group considering appropriate a 10 years' time horizon, for the recognition of DTA arising from tax losses carrying forward deemed coherent for assessing the generation of sufficient taxable profit to be available against which tax assets can be utilised. As at 31 March 2024 the following analyses were performed with reference to the Italian Tax Perimeter (which accounts for the significant majority of the Group DTAs) with the aim to evaluate whether the DTAs recognised as at December 2023 are still sustainable: (i) evolution of the macroeconomic scenario for the period 2024-2026, compared to the scenarios underlying the valuation process at 31 December 2023; (ii) comparison between the actual profit before taxes and the budget underlying the test executed in December 2023; (iii) confirmation of the validity of the additional methodological assumptions (e.g., reference tax legislation, perimeter of companies, volatility of the parameters underlying the model) used in the valuation process.

By assessing the overall outcome of the analyses, no material changes were retrieved vis-à-vis the parameters and the assumptions which featured the sustainability test as at 31 December 2023, whose results were confirmed as at 31 March 2024.

It shall be noted that the outcome of the measurement of deferred tax assets is significantly influenced by assumptions on future cash flows, which - on turn - incorporate assumptions about the evolution of the macroeconomic scenario. Moreover, the sustainability of DTAs 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, by 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. 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, specifically regarding the future cash flows, and the consequent changes in the valuation.

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

In light of the evolution of the geo-political environment in the first quarter 2024, a specific analysis was put in place as at 31 March 2024 by comparing (i) the scenarios used in the evaluation process of credit exposures as at 31 December 2023, and (ii) the updated macro-economic scenario released by UniCredit Research, with the aim to evaluate whether the assumptions used for December 2023 valuations were to be confirmed.

In this regard, considering that the updated UniCredit Base scenario is basically in line with fourth quarter IFRS9 baseline scenario, with a limited downward revision for 2024-26 cumulative GDP, the update of the IFRS9 macro-economic scenario will be executed in the second quarter 2024, in line with the Group policy.

Always, during 2023, given the persisting level of uncertainty which followed the Russian-Ukraine conflict even worsened by the Middle east conflicts, UniCredit continued to apply a geopolitical overlay originally adopted in 2022, when calculating the Loan Loss Provisions.

In addition, the ECB Economic Bulletin (Issue 7, 2023, published on 9 November 2023) noted specific risks with reference to real estate, whose decline in the activity in the last periods amplified a cumulative loss in housing investments. Given the real estate risk, which might impact the ability of Commercial Real Estate clients to repay their credit exposures giving the persistent high interest rates and lower price of real estate assets, an overlay was recognised to cover refinancing risk and collateral value reduction; such overlay was applied to clients having Commercial Real Estate Financing business or belonging to Real Estate Industry.

As a result of the circumstances highlighted above, as at 31 December 2023 the overlays amounted to €1.8 billion composed by (i) €1.3 billion geopolitical overlays and (ii) €0.5 billion Commercial Real estate overlay.

During first quarter 2024, given the persistence of these risks, the overlays were confirmed as deemed still adequate to cope with downside risks.

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

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

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

7. With reference to the real estate portfolio, which starting from 31 December 2019 is measured at fair value, the evaluations through external appraisals are usually updated on a semi-annual basis in June and December, in accordance with the Group policies. As at 31 March 2024, the Group performed an analysis on the real estate market and the status of the properties ("trigger analysis") aimed to evaluate whether the values determined as at 31 December 2023 were confirmed.

The trigger analysis performed did not reveal significant events causing impacts on the evaluation of real estate portfolio. As per the previous evaluation matters, it cannot be excluded that - within next reporting periods - the fair value of these assets might be different from the values presented as at 31 March 2024 because of possible evolutions of prices in the real estate market, which also depend on the evolution of the macro-economic scenario, including but not limited to the geo-political tensions.

8. On 2 March 2022, the ECB stopped the quotation of EUR/RUB exchange rate; therefore, for the preparation of the Consolidated interim report as at 31 March 2024, and in coherence with the approach adopted since the first quarter

2022, the Group is applying an OTC foreign exchange rate provided by Electronic Broking Service<sup>16</sup> (EBS). In this regard, it cannot be excluded that, once the ECB will restart listing RUB/EUR FX rate, these quotes might be different from EBS quotes, thus requiring the recognition impacts in Net Equity and P&L.

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

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

While evaluations have been made on the basis of information deemed to be reasonable and supportable as at 31 March 2024, they might be subject to changes not foreseeable at the moment, as a result of the evolution in the parameters used for the evaluation.

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

10. Starting from fiscal year 2024, the newly designed Pillar Two regulation has entered into force.

The rules were firstly designed by the Inclusive Framework of the OECD and then implemented in the European Union through the EU Council Directive 2022/2523 of 14 December 2022. For EU countries, this Directive entered into force in 2024 (in Italy, the provisions of the Directive were transposed into Italian law with the Legislative Decree No.209/2023). Certain non-EU Member States in which UniCredit group operates have implemented Pillar Two rules starting from 2024, while other jurisdictions have not yet communicated if and when they will implement such set of rules. The Pillar Two rules provide that, should UniCredit group operates in certain jurisdictions applying an effective tax rate below 15% (given by the ratio between the accounting result and relevant taxes in each jurisdiction adjusted pursuant to the requirements of the Pillar Two law), then it is required to pay an additional tax (so-called top-up tax) to reach the mentioned tax rate threshold.

The relevant set of rules also provides for a transition period (Transitional Safe Harbor - "TSH") in which the in-scope multinational groups may avoid undergoing the complex effective tax rate calculation required by the new piece of legislation, provided that certain tests are fulfilled.

For the minor number of jurisdictions in which it is expected that the TSH will not be met for fiscal year 2024, according to the IAS12, the Group has determined - and recognised through P&L, starting from the first quarter of 2024 - the financial effects associated with the application of the full Pillar Two rules. In this regard, the process underlying the calculation relies, time by time, on the most recent available financial information; hence, the amount recognised is progressively subject to adjustments. As well, in application of IAS 12 paragraph 4A, no deferred tax assets and liabilities arising from the application of Pillar Two rules have been recognised.

11. Regarding the scope of consolidation, the following changes occurred in the first three months of 2024:

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

- the number of fully consolidated companies, including those ones classified as non-current assets and asset disposal groups based on the accounting principle IFRS5, increased for 2 changing from 325, as at 31 December 2023, to 327 as at 31 March 2024;
- the number of companies consolidated by using the equity method, including those ones classified as non-current assets and asset disposal groups, decreased from 27 as at 31 December 2023 to 26 as at 31 March 2024, due to 1 liquidation.

12. As at 31 March 2024, 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 companies Risanamento S.p.A. and Barn B.V.;
- the loans included in some sale's initiatives of portfolios;
- the real estate properties held by certain companies in the Group.



## GENERAL NOTES

- **CET1 ratio** fully loaded throughout the document, unless otherwise stated.
- **Numbers** throughout the press release may not add up precisely to the totals provided in tables and text due to rounding.
- **Russia** includes the local bank and legal entities, plus the cross-border exposure booked in UniCredit SpA.
- **Shareholders distribution** subject to supervisory and shareholder approvals.
- **Q/Q means:** current quarter versus previous quarter (in this document equal to 1Q24 versus 4Q23)
- **Y/Y means:** current quarter of the current year versus the same quarter of the previous year (in this document equal to 1Q24 versus 1Q23)

## MAIN DEFINITIONS

- **Allocated capital** calculated as 13.0% of RWA plus deductions.
- **Average commercial deposits** (excluding repurchase agreements – repos) are managerial figures and are calculated as daily averages. Deposits net of Group bonds are placed by the network.
- **Average gross commercial performing loans** defined as average stock for the period of performing loans to commercial clients (e.g., excluding markets counterparts and operations); managerial figures, key driver of the NII generated by the network activity.
- **Client Hedging Fees** refers to the client markup on client hedging transactions. The client markup is the difference between the final price to the client and the offer price, containing bid/ask spread, market risk hedging costs and day one XVA.
- **Cost of risk (CoR)** is based on reclassified P&L and Balance sheet, calculated as (i) LLPs of the period (annualised in the interim periods) over (ii) average loans to customers ((including active repos, excluding debt securities and IFRS5 reclassified assets).
- **Coverage ratio (on NPE)** defined as stock of LLPs on NPEs over gross NPEs excluding IFRS5 reclassified assets.
- **EPS** calculated as Net profit - as defined below - on average number of outstanding shares excluding avg. treasury and CASHES usufruct shares.
- **Dividend per share (DPS)** calculated as end-of-reference-period cash dividend amount accrued, divided by the number of outstanding shares eligible for cash dividend payments, as at the end-of-reference-period (i.e. excluding treasury shares bought back as of the same date, excluding the ordinary shares underlying the Usufruct contract (Cashes)).
- **Gross Non Performing Exposure (Gross NPE)** defined as non-performing exposures before deduction of provisions comprising bad loans, unlikely to pay, and past due; including only loans to customers (including repurchase agreements – repos), excluding debt securities and IFRS5 reclassified assets.
- **Gross Non Performing Exposure ratio (Gross NPE ratio)** defined as (i) gross NPEs over (ii) gross loans (including repurchase agreements – repos) excluding debt securities and IFRS5 reclassified assets.
- **IFRS5 reclassified assets** means exposures classified as Held for Sale.
- **LCR** means Liquidity Coverage Ratio - ratio between the high-quality liquid assets (HQLA) and the net cash outflows expected over the coming 30 days, under stress test conditions.
- **Net non performing exposure (Net NPE)** defined as loans to customers non-performing exposures after deduction of provisions, comprising bad loans, unlikely to pay and past due (including active repurchase agreements – repos, excluding debt securities and IFRS5 reclassified assets).
- **Net Non Performing Exposure ratio (Net NPE ratio)** defined as (i) Net NPEs over total net loans (including repurchase agreements – repos), excluding debt securities and IFRS5 reclassified assets.
- **Net profit** means stated net profit adjusted for impacts from DTAs tax loss carry forward resulting from sustainability test. The result is used for cash dividend accrual / total distribution.
- **Net revenue** means (i) revenues minus (ii) Loan Loss Provisions (LLPs).
- **NPE** means Non Performing Exposure

- **NSFR** means Net Stable Funding Ratio - ratio between the available amount of stable funding and the required amount of stable funding that are calculated applying defined weighting factors to on and off-balance sheet items. The relevant instructions for its calculation are included in the Regulation (EU) 876/2019 of the European Parliament.
- **Organic capital generation** for Group calculated as (Net profit, as defined above, minus delta RWA excluding Regulatory impacts and PD scenario impacts x CET1r actual)/ RWA.
- **Pass-through** calculated as average cost of total deposits on average Euribor 3M or equivalent interest rate in the period. Deposit amount including term and sight products.
- **PD scenario** means the impacts deriving from probability of default scenario, including rating dynamics.
- **Regulatory impacts** are impacts mostly driven by regulatory changes and model maintenance, shortfall, and calendar provisioning (impacting on capital).
- **RoAC** means annualized ratio between (i) Net profit after AT1/Cashes minus excess capital charge (where applicable) and (ii) allocated capital, both as defined above.
- **RoTE** means (i) Net profit after AT1/ CASHES – as defined above, over (ii) average tangible equity excluding CASHES and DTA from tax loss carry forward contribution.
- **RoTE at 13% CET1 ratio** means RoTE as defined above, but with a tangible equity assuming to distribute the capital in excess of a 13% CET1r (FL), upper end of UniCredit CET1 ratio management target, reducing immediately the tangible equity by this amount of distribution.
- **Share buy-back** defined as repurchasing of shares by the company that issued them to reduce the number of shares available on the open market.
- **Stated net profit** means accounting Net profit.
- **Tangible book value per share** for Group calculated as end-of-period tangible equity over end-of-period number of outstanding shares excluding treasury shares.
- **Tangible equity** for Group calculated as shareholders' equity (including Group Stated profit of the period) minus intangible assets (goodwill and other intangibles), minus AT1 component.

Declaration by the Manager charged with preparing the financial reports

The undersigned, Bonifacio Di Francescantonio, in his capacity as the Manager charged with preparing UniCredit S.p.A.'s financial reports

DECLARES

that, pursuant to article 154 bis, paragraph 2, of the “Consolidated Law on Finance”, the information disclosed in this document corresponds to the accounting documents, books and records.

Milan, 06 May 2024

**Manager charged with  
preparing the financial reports**

