



PILLAR III DISCLOSURE REPORT

Report reference date: 31 March, 2025

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1. OVERVIEW ON DISCLOSURES

The Report is prepared in accordance with National Bank of Romania Regulation no. 5/2013 regarding prudential requirements for credit institutions, Regulation no. 575/2013 of European Parliament and Council dated 26.06.2013 regarding prudential requirements for credit institutions and investment companies and amending Regulation (UE) no.648/2012, Capital Requirement Directive IV (CRD IV) (Directive 2013/36/EU), all, with subsequent amendments, and connected regulatory requirements as:

- National Bank of Romania Regulation no. 11/2020;
- National Bank of Romania Regulation no. 2/2022;
- Regulation no. 876/2019 of European Parliament and Council;
- REGULATION (EU) 2024/1623 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 31 May 2024 amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor;
- 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;
- Regulation (EU) 2021/763 of 23 April 2021 laying down implementing technical standards for the application of Regulation (EU) no 575/2013 of the European Parliament and of the Council and Directive 2014/59/EU of the European Parliament and of the Council with regard to the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities.

The information disclosed is compliant with the COMMISSION IMPLEMENTING REGULATION (EU) 2024/3172 of 29 November 2024 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to public disclosures by institutions of the information referred to in Part Eight, Titles II and III, of that Regulation, and repealing Commission Implementing Regulation (EU) 2021/637.

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

The following regulations are applicable as well:

- (i) the European Commission Regulatory Technical Standards (RTS) or Implementation Technical Standards (ITS) issued on proposal of the EBA and
- (ii) the guidelines issued by the EBA with reference to Pillar III disclosure time to time in force.

The document is available in electronic format at www.unicredit.ro, area Financial Reports, Basel II-Pillar III Disclosure, in the following location:

<https://www.unicredit.ro/en/institutional/the-bank/financial-reports.html#baseliipillariidisclosure>

The quantitative data are presented on consolidated basis, except those flagged at individual level, in RON equivalent, except those flagged in other currencies.

As the UniCredit Bank Romania has been identified as “Other Systemically Important Credit Institution (O-SII)” from Romania, the Bank provides its users with quarterly frequency the relevant information (Regulation no. 575/2013 of European Parliament and Council, with amendments, Article 447).

The Pillar III Report is approved by the Supervisory Board of UniCredit Bank Romania.

When assessing the disclosure requirements in accordance with Regulation (UE) No 575/2013 and with Regulation (EU) 3172/2024, the Bank considers the disclosure requirements as under the 8th Part of Regulation (UE) No. 575/2013.

2. SCOPE OF APPLICATION

2.1 Relevant scope of consolidation

The institution subject to disclosure is **UniCredit Bank SA**. (“the Bank” or “UCB”); the report includes Bank’s information and also information regarding the entities integrated in the consolidated prudential perimeter of UniCredit Bank (further described as “the Group”).

Starting August 2015, UniCredit Bank S.A. (the “Bank”) is the new brand name of formerly UniCredit Tiriac Bank SA that was established as a Romanian commercial bank on 1 June 2007 upon the merger by acquisition of the former UniCredit Romania S.A. (the absorbed bank) by Banca Comerciala HVB Tiriac S.A. (the absorbing bank) and is licensed by the National Bank of Romania (“NBR”) to conduct banking activities.

The Bank’s current registered office is 1F, Expozitiei Boulevard, District 1, Bucharest, Romania.

UniCredit Bank S.A. is controlled by UniCredit SpA (Italy), with registered office in Milano (Mi), Italia, Piazza Gae Aulenti 3 Cap 20154 Tower A.

The Bank provides retail and commercial banking services in Romanian Lei (“RON”) and foreign currency for individuals and legal entities. These include: accounts opening, domestic and international payments, foreign exchange transactions, working capital finance, medium and long term facilities, retail loans, bank guarantees, letter of credits and documentary collections, derivative financial instruments.

UniCredit Bank Group is exercising direct and indirect control over the following subsidiaries:

- UniCredit Consumer Financing IFN S.A., having its current registered office at 1F, Expozitiei Boulevard, 6th floor, District 1, Bucharest, Romania, provides consumer finance loans to individual clients. The Bank has a shareholding of 50.10% in UCFIN since January 2013.
- UniCredit Leasing Corporation IFN (“UCLC”), having its headquarters in 1F, Expozitiei Boulevard, 1st, 7th and 8th floor, District 1, Bucharest, Romania, provides financial leasing services to corporate clients and individuals. UCLC, the former associate, has become the Bank’s subsidiary since April 2014 when the Bank gained indirect control of 99.95% (direct control: 99.90%). The Bank’s indirect controlling interest as of 31 December 2022 is 99.98% (direct control: 99.96%) as a result of the merger by absorption of UniCredit Leasing Romania SA (“UCLRO”) by UCLC finalized in June 2015, the date at which UCLRO was absorbed by UCLC.
- UniCredit Insurance Broker S.R.L. (“UCIB”), having its current registered office in 1F, Expozitiei Boulevard, District 1, Bucharest, Romania, intermediates insurance policies related to leasing activities to legal entities and individuals, and became a subsidiary of the Bank beginning with 31 December 2020. The Bank has an indirect controlling interest of 99.98% through UCLC which owns 100% UCIB.

3. Minimum Requirement for Own Funds and Eligible Liabilities (MREL)

On 12 May 2021 the Official Journal of the European Union published Regulation (EU) 2021/763 of 23 April 2021 laying down implementing technical standards for the application of Regulation (EU) no 575/2013 of the European Parliament and of the Council and Directive 2014/59/EU of the European Parliament and of the Council with regard to the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities.

The harmonised minimum level of the Total Loss-Absorbing Capacity (TLAC) Term Sheet ('TLAC standard') for global systemically important institutions (G-SIIs) ('the TLAC requirement') has been introduced into Union legislation by Regulation (EU) 2019/876 of the European Parliament and of the Council amending Regulation (EU) No 575/2013.

The institution-specific add-on for G-SIIs and the institution-specific requirement for non-G-SIIs, referred to as the minimum requirement for own funds and eligible liabilities (MREL), have been established through targeted amendments to Directive 2014/59/EU introduced by Directive (EU) 2019/879 of the European Parliament and of the Council.

Reporting and disclosure requirements for both TLAC standard and MREL are now included in Regulation (EU) No 575/2013 and Directive 2014/59/EU, respectively.

As per coming into force of the NBR Law no 320/2021 that transposes the stipulations of EU Directive 879/2020 (BRRD2) by updating and completing NBR Law no 312/2015 and following the Joint Decision of ECB and NBR on UCB MREL minimum requirements released in May 2024, National Bank of Romania issued Order no 40/12.06.2024 on the requirement for UCB to meet the minimum requirement for own funds and eligible liabilities, applicable starting 01.08.2024.

Thus, UCB must permanently meet, at individual level, a minimum requirement for own funds and eligible liabilities (determined based on the prudential consolidated level), as follows: 25.13% of total exposure at risk (TREA) and 5.90% of LRE binding requirement that must be met starting with 01.08.2024. The MREL requirement mentioned within this order does not contain the combined buffer requirement (CBR). The own funds used to meet the CBR requirement cannot be used also for meeting the MREL – TREA requirement (stacking order principle).

The total MREL requirements at individual level (including combined buffer requirement CBR) that UCB must meet from 01.08.2024 are as follows:

1. MREL ratio of 28.63% of TREA (composed of minimum requirement of 25.13% of TREA and combined buffer requirement at individual level of 3.5%)
2. Total exposure ratio (MREL leverage ratio) of 5.90% of TEM (total exposure)

The total MREL requirements at sub-consolidated level (including combined buffer requirement CBR) that UCB must meet from 01.08.2024 are as follows:

1. MREL ratio of 30.13% of TREA (composed of minimum requirement of 25.13% of TREA and combined buffer requirement at sub-consolidated level of 5%)
2. Total exposure ratio (MREL leverage ratio) of 5.90% of TEM (total exposure)

Article 45 of BRDD2 classifies that Internal MREL is set equal to the external MREL the subsidiary would be imposed if it was a Resolution Entity and has to be met by liabilities issued "internally", i.e. by subsidiaries and bought by the Resolution Entity. Thus, Internal MREL instruments are subordinated i.e. can be met with Own Funds and subordinated liabilities only (i.e. Senior Non Preferred).

Thus, during 2022, UCB issued subordinated liabilities (Senior Non Preferred) in amount of 160mn EUR (in June 2022) and 250mn EUR (in December 2022) that were bought by the UniCredit S.p.A (acting as Single-Point-of-Entry (SPE) from the resolution strategy point of view), in addition to the SNP amount already issued in 2021, in amount of 110mn EUR.

Also, UCB issued in August 2022 a subordinated loan in amount of 48.5mn EUR (with a 10y tenor and fully subscribed by UniCredit SpA), considered as Tier 2 capital instrument starting September 2022 (based on NBR approval received mid of September).

During 2023, UCB has not issued any subordinated liabilities (Senior Non-Preferred) in addition to the already MREL eligible overall amount of 520mn EUR SNP.

During 2025, UCB has issued subordinated liabilities (Senior Non-Preferred) in total amount of 80 mn EUR, in addition to the already MREL eligible overall amount of 760 mn EUR SNP.

All Senior Non-Preferred issuances mentioned above are MREL eligible during 2025, having maturity higher than 1 year.

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EU ILAC - Internal loss absorbing capacity: internal MREL and, where applicable, requirement for own funds and eligible liabilities for non-EU G-SIIs

		a	b	c
		Minimum requirement for own funds and eligible liabilities (internal MREL)	Non-EU G-SII requirement for own funds and eligible liabilities (internal TLAC)	Qualitative information
Applicable requirement and level of application				
EU-1	Is the entity subject to a non-EU G-SII requirement for own funds and eligible liabilities? (Y/N)			N
EU-2	If EU-1 is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)			
EU-2a	Is the entity subject to an internal MREL? (Y/N)			Y
EU-2b	If EU-2a is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)			C
Own funds and eligible liabilities				
EU-3	Common Equity Tier 1 capital (CET1)	8,447,310,511		
EU-4	Eligible Additional Tier 1 capital			
EU-5	Eligible Tier 2 capital	687,822,509		
EU-6	Eligible own funds	9,135,133,020		
EU-7	Eligible liabilities	4,570,809,788		
EU-8	of which permitted guarantees	-		
EU-9a	(Adjustments)	-		-
EU-9b	Own funds and eligible liabilities items after adjustments	13,705,942,808	-	-
Total risk exposure amount and total exposure measure				
EU-10	Total risk exposure amount (TREA)	38,465,148,999		
EU-11	Total exposure measure (TEM)	91,311,948,432		
Ratio of own funds and eligible liabilities				
EU-12	Own funds and eligible liabilities as a percentage of the TREA	35.63%		
EU-13	of which permitted guarantees	-		
EU-14	Own funds and eligible liabilities as a percentage of the TEM	15.01%		
EU-15	of which permitted guarantees	-		
EU-16	CET1 (as a percentage of the TREA) available after meeting the entity's requirements	10.50%		
EU-17	Institution-specific combined buffer requirement			
Requirements				
EU-18	Requirement expressed as a percentage of the TREA	25.13%		
EU-19	of which part of the requirement that may be met with a guarantee			
EU-20	Requirement expressed as percentage of the TEM	5.90%		
EU-21	of which part of the requirement that may be met with a guarantee			
Memorandum items				
EU-22	Total amount of excluded liabilities referred to in Article 72a(2) of Regulation (EU) No 575/2013			