

This document constitutes a supplement (the "**First Supplement**") pursuant to Article 23 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**").



First Supplement dated 13 May 2020 to the

Base Prospectus

for the issuance of

**Single Underlying and Multi Underlying Securities
(with partial capital protection)**

under the

Euro 1,000,000,000 Issuance Programme of UniCredit S.p.A.

24 February 2020

This First Supplement is to be read and construed in conjunction with the base prospectus, which together with the registration document of UniCredit S.p.A. dated 20 January 2020, as supplemented on 30 April 2020, as both approved by the *Commission de Surveillance du Secteur Financier of the Grand Duchy of Luxembourg* (the "CSSF"), constitutes a base prospectus (the "**Base Prospectus**") consisting of separate documents within the meaning of Article 8(6) of the Prospectus Regulation.

Therefore, with respect to future issues of Securities under the Base Prospectus, references in the Final Terms to the Base Prospectus are to be read as references to the Base Prospectus as supplemented by this First Supplement.

The Issuer (as defined below) have requested the CSSF in its capacity as competent authority under the Prospectus Regulation to approve this First Supplement and to provide the competent authorities in the Federal Republic of Germany and the Republic of Italy with a certificate of approval attesting that the First Supplement has been drawn up in accordance with the Prospectus Regulation (each a "**Notification**").

This First Supplement has been approved by the CSSF, has been filed with said authority and will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of UniCredit S.p.A. <https://www.investimenti.unicredit.it/it/info/documentazione.html#programmi-di-emissione-unicredit-spa>.

UniCredit S.p.A. (the "**Issuer**") accepts responsibility for the information contained in this First Supplement and declares that the information contained in this First Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The terms used in this First Supplement have the same meaning as the terms used in the Base Prospectus.

To the extent that there is any inconsistency between any other statement in or incorporated by reference into the Base Prospectus, the statements in this First Supplement will prevail.

RIGHT TO WITHDRAW

Investors who have already agreed to purchase or subscribe for securities before this First Supplement is published shall have the right, exercisable within two working days after the publication of the First Supplement, to withdraw their acceptances (Article 23, paragraph 2, of the Prospectus Regulation). Investors may therefore exercise the right of withdrawal up until 15 May 2020, contacting the relevant distributors as specified in the relevant final terms.

Purpose of the Supplement

The purpose of this First Supplement is to update some sections of the Base Prospectus in order to reflect the provisions relating to the new regulatory framework introduced by the Directive (EU) 2019/879 and the Regulation 2019/876/EU, which will apply to certain type of Securities to be issued under the Base Prospectus.

In particular, the purpose of the submission of this First Supplement is to update the following sections of the Base Prospectus:

- RISK FACTORS
- GENERAL INFORMATION ON THE SECURITIES
- STRUCTURE OF THE CONDITIONS
- PART A – GENERAL CONDITIONS OF THE SECURITIES
- PART C – SPECIAL CONDITIONS OF THE SECURITIES

RISK FACTORS

Set out below are the amendments to the Base Prospectus in the Section entitled "RISK FACTORS".

- 1.1. All the Risk Factors in the section entitled "1. RISKS RELATED TO THE NATURE OF THE SECURITIES" shall be renumbered.
- 1.2. In the section entitled "1. RISKS RELATED TO THE NATURE OF THE SECURITIES", after the Risk Factor "*Credit risk of the Issuer and risks in relation to resolution measures in relation to the Issuer*" on page 11 of the Base Prospectus, shall be added the following Risk Factor:

"Regulatory restrictions with regard to certain types of Securities

The BRRD has been amended by Directive (EU) 2019/879 (the "**BRRD II**"), which has detailed the scope of liabilities that are intended to be eligible for the purposes of the minimum requirement for own funds and eligible liabilities ("**MREL**"). In particular, after the transposition into national law of the BRRD II within 28 December 2020, according to new Article 45b para. 2, certain types of Securities may be considered as eligible liabilities available to meet the MREL Requirements (as defined below).

As a consequence, following such transposition, all the provisions concerning the eligible liabilities set out in the BRRD II and in the Regulation 2013/575/EU, as amended by Regulation 2019/876/EU (the "**CRR II**"), should be deemed applicable for the Securities which satisfy the conditions set out in the MREL Requirements.

In order to be considered eligible liabilities, Securities should fulfill certain conditions which will increase in the future, following the full applicability of the relevant provisions arising from the CRR II and the BRRD II and the implementation of the latter into national law by the end of 2020. In particular, eligible Securities will be subject to the following restrictions, among others, under the MREL Requirements:

- (1) claims arising from such Securities are not subject to set-off or netting arrangements that would undermine their capacity to absorb losses in resolution;
- (2) claims arising from such Securities are neither secured, nor subject to a guarantee or any other arrangement that enhances the seniority of the claims by the Issuer or other entities related to the Issuer;
- (3) the Security Holders are not entitled to accelerate the payments under the Securities, other than in the case of the insolvency or liquidation of the Issuer.

These restrictions are reflected into the conditions of the Securities issued in order to satisfy the MREL Requirements, with provisions which limit the rights of the Security Holders and might expose them to the risk that their investment will have a lower potential return than expected."

- 1.3. In the section entitled "1. RISKS RELATED TO THE NATURE OF THE SECURITIES", after the Risk Factor "*Risks related to Early Redemption Event*" on page 13 of the Base Prospectus, shall be added the following Risk Factor:

"Risk related to early redemption at the option of the Issuer

The relevant Final Terms of the Securities may provide for the conditions to exercise the option of the Issuer to terminate the Securities.

In relation to Series of Securities issued in order to satisfy the MREL Requirements, if at any time a MREL Disqualification Event occurs and is continuing in relation to any Series of such Securities and the applicable Final Terms specify that the Issuer may early redeem such Securities due to a MREL Disqualification Event, the Issuer may redeem all, but not some only, of the Securities of such Series as set out in the applicable Final Terms. Such Securities may only be redeemed by the Issuer provided that any conditions to such redemption prescribed by the MREL Requirements at the relevant time (including any requirements applicable to such redemption due

to the qualification of such Securities at such time as eligible liabilities available to meet the MREL Requirements) have been complied with by the Issuer.

If the Issuer should early redeem the Securities, the Security Holders may be exposed to the risk that due to the early redemption, their investment may have a lower than expected potential return, and that they may only reinvest the amount received to less favourable conditions.

Any early redemption or repurchase of Securities issued in order to satisfy the MREL Requirements is subject to compliance by the Issuer with any conditions or restrictions to such redemption or repurchase prescribed by the applicable regulations at the relevant time, including any requirements applicable to such redemption due to the qualification of such Securities at such time as eligible liabilities available to meet the MREL Requirements.

The new regulatory framework, set out in Articles 77 and 78a of CRR II, provides that the relevant resolution authority shall grant permission to call, redeem, repay or repurchase liabilities that are eligible to meet the MREL Requirements (eligible liabilities instruments), prior their contractual maturity.

Therefore, if the provisions set out in Articles 77 and 78a should be directly applicable to the Securities issued in order to satisfy the MREL Requirements, their redemption or purchase shall be subject to compliance with such provisions, including the condition that the Issuer has obtained the prior permission of the relevant resolution authority in accordance with Article 78a of the CRR II and subject in any event to any different conditions or requirements as may be applicable from time to time under the applicable law and regulations, as adopted by the Federal Republic of Germany or by the Republic of Italy.

There can be no assurance that the relevant resolution authority will permit such redemption or purchase. Moreover, the Issuer may elect not to exercise any option to redeem any Securities early or at any time. Security Holders of such Securities should be aware that they may be required to bear the financial risks of an investment in such securities for a period of time in excess of the minimum period.

The BRRD II and CRR II have been recently adopted and there is uncertainty as to their implementation and interpretation in the relevant Member States.”

- 1.4. In the section entitled “2. RISKS RELATED TO THE UNDERLYING OR ITS COMPONENTS”, the paragraph “*Similar risks to a direct investment in shares*” of the risk factor “**Risks related to shares**”, on page 17 of the Base Prospectus, shall be deleted in its entirety and replaced by the following:

“*Similar risks to a direct investment in shares*

The performance of Securities linked to shares (including Depository Receipts, as defined below) (the “**Share-linked Securities**”) primarily depends on the performance of the respective share. The performance of a share may be subject to factors like the dividend or distribution policy, financial prospects, market position, corporate actions, shareholder structure and risk situation of the issuer of the share, short selling activities and low market liquidity as well as to cyclical, macro-economic or political influences. In particular, dividend payments lead to a fall in the share price and, therefore, may have an adverse effect on the Security Holder and its investment in the Securities. Accordingly, an investment in Share-linked Securities may bear similar risks to a direct investment in the respective shares. Corporate actions and other events in relation to the share or the issuer of the share may result in adjustments to the Securities (as described in *Risks in relation to Adjustment Events*) or in a conversion of the Securities (as described in *Risks arising from the Issuer's conversion right*). Disruptions regarding the trading of the shares may lead to Market Disruption Events (as described in *Risks related to Market Disruption Events*).”

- 1.5. In the section entitled “2. RISKS RELATED TO THE UNDERLYING OR ITS COMPONENTS”, the paragraphs “*Risks related to the regulation of benchmark indices*” and “*Similar risks to a direct investment in index components*” of the risk factor “**Risks related to indices**” on pages 18 and 19 of the Base Prospectus, shall be deleted in their entirety and replaced by the following:

“Risks related to the regulation of benchmark indices

If the Securities make reference to a Benchmark (the "**Benchmark**") within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council dated 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**"), there is a risk that the Benchmark may not be used as reference value of the Securities from a certain point in time. This is in particular the case, (i) in relation to existing benchmarks provided by administrators which have applied for the registration before 1 January 2020 unless and until such authorisation or registration is refused, or (ii) in relation to critical benchmarks, if its administrator has not obtained the authorisation or registration subject to a transitional period not ending before 31 December 2021, or (iii) in relation to an administrator based in a non-EU jurisdiction, if it does not satisfy the "equivalence" conditions or is not "recognised" pending such a equivalence decision or is not "endorsed" for such purpose, subject to a transitional period not ending before 31 December 2021.

In such event, depending on the particular Benchmark and the applicable terms of the Securities, the Securities could be de-listed (see also the risk as described under *Liquidity risk*), adjusted (as described under *Risks related to Adjustment Events*), converted (as described under *Risks arising from the Issuer's conversion right*) or otherwise impacted.

Any changes to a Benchmark as a result of the Benchmark Regulation could have a material adverse effect on the costs of refinancing a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with the Benchmark Regulation. Such factors may have the effect of discouraging market participants from continuing to administer or contribute input data to certain Benchmarks, trigger changes in the rules or methodologies used to determine certain Benchmarks, adversely affect the performance of a Benchmark or lead to the disappearance of certain Benchmarks. Potential investors should be aware that they face the risk that any changes to the relevant Benchmark may have a material adverse effect on the value of and the amount payable under the Securities. Furthermore, the methodology of a Benchmark might be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have an adverse effect on the Security Holders, including but not limited to an unfavourable adjustment of the published price or its volatility. Consequently, it might become necessary to also adjust (as described in *Risks related to Adjustment Events*) or even convert the Securities (as described in *Risks arising from the Issuer's conversion right*).

Similar risks to a direct investment in index components

The performance of Securities linked to indices (the "**Index-linked Securities**") depends on the performance of the respective index. The performance of an index depends primarily on the performance of its components (the "**Index Components**"). Changes in the price of the Index Components may have an effect on the index and, likewise, changes to the composition of the index or other factors may also have an effect on the index. Accordingly, an investment in an Index-linked Security may bear similar risks to a direct investment in the Index Components. Generally, an index may at any time be altered, terminated or replaced by any successor index. This may result in adjustments to the Securities (as described in *Risks in relation to Adjustment Events*) or in a conversion of the Securities (as described in *Risks arising from the Issuer's conversion right*). Disruptions regarding the trading of the shares may lead to Market Disruption Events (as described in *Risks related to Market Disruption Events*).”

- 1.6. In the section entitled “2. RISKS RELATED TO THE UNDERLYING OR ITS COMPONENTS”, the paragraph "*Similar risks to a direct investment in futures contracts*" of the risk factor “***Risks related to futures contracts***" on page 21 of the Base Prospectus, shall be deleted in its entirety and replaced by the following:

“Similar risks to a direct investment in futures contracts

The performance of Securities linked to futures contracts (the "**Futures contract-linked Securities**") primarily depends on the performance of the respective futures contract. The performance of a futures contract may be subject to factors like the price of the reference asset underlying the futures contract, limited liquidity of the futures contract or the reference asset underlying the futures contract, as the case may be, speculations and cyclical, macro-economic or political influences. Accordingly, an investment in Futures contract-linked Securities may bear similar risks to a direct investment in the respective futures contracts or reference asset underlying the respective futures contract (see also the risks as described in *Risks related to commodities*). Changes in the contract specification made by the relevant determining futures exchange may result in adjustments to the Securities (as described in *Risks in relation to Adjustment Events*) or in a conversion of the Securities (as described in *Risks arising from the Issuer's conversion right*). Disruptions regarding the trading of the futures contracts may lead to Market Disruption Events (as described in *Risks related to Market Disruption Events*)."

- 1.7. In the section entitled "2. RISKS RELATED TO THE UNDERLYING OR ITS COMPONENTS", the paragraph "*Similar risks to a direct investment in commodities*" of the risk factor "**Risks related to commodities**" on pages 21 and 22 of the Base Prospectus, shall be deleted in its entirety and replaced by the following:

"Similar risks as a direct investment in commodities

The performance of Securities linked to a commodity (the "**Commodity-linked Securities**") primarily depends on the performance of the respective commodity. The performance of a commodity may be subject to factors like supply and demand; speculations in the financial markets; production bottlenecks; delivery difficulties; hardly any market participants; political turmoil; economic downturns; political risks (exporting restrictions, war, terrorist actions); unfavourable weather conditions; natural disasters. Changes in the trading conditions at the relevant reference market or other events, affecting the commodity may result in adjustments to the Securities (as described in *Risks in relation to Adjustment Events*) or in a conversion of the Securities (as described in *Risks arising from the Issuer's conversion right*). Disruptions regarding the trading of a commodity may lead to Market Disruption Events (as described in *Risks related to Market Disruption Events*)."

- 1.8. In the section entitled "2. RISKS RELATED TO THE UNDERLYING OR ITS COMPONENTS", the paragraph "*Similar risks to a direct investment in Fund Shares*" of the risk factor "**Risks related to fund shares**" on page 22 of the Base Prospectus, shall be deleted in its entirety and replaced by the following:

"Similar risks to a direct investment in Fund Shares

The market price development of Securities linked to a Fund Share, in principle, depends on the performance of the relevant Fund Share or the relevant Fund Shares. The performance of a Fund Share is decisively dependent on the success of the relevant investment fund's investment activities. The latter are affected in turn to a very great extent by the choice of assets acquired by the investment fund and the extent to which the investment risks associated with the acquisition of assets for the investment fund materialise. Therefore, an investment in a Security can be subject to a similar risk to a direct investment in Fund Shares. If an investment fund invests directly or indirectly in assets with a low credit rating (such as, for example, in securities with a rating below investment grade or distressed securities or loans), this will entail significant risks of loss for the relevant investment fund. Investments of this nature may be negatively affected by statutory provisions and other applicable regulations relating, for example, to insolvency proceedings, fraudulent transfers and other voidable transfers or payments, lender liability and the forfeiture of certain rights. In addition, the market prices of these assets are subject to abrupt and unpredictable market movements and above-average price volatility, while the spread between the bid and offer price of such securities may be larger than is usual in other securities markets.

Events affecting the Fund Share may result in adjustments to the Securities (as described in *Risks in relation to Adjustment Events*) or in a conversion of the Securities (as described in *Risks arising from the Issuer's conversion right*). Disruptions regarding the trading of a commodity may lead to Market Disruption Events (as described in *Risks related to Market Disruption Events*)."

GENERAL INFORMATION ON THE SECURITIES

Set out below are the amendments to the Base Prospectus in the Section entitled "GENERAL INFORMATION ON THE SECURITIES".

In the section entitled "1. GENERAL INFORMATION ON THE SECURITIES", after the paragraph "*Term*" on page 35 of the Base Prospectus, shall be added the following paragraph:

"Early redemption at the option of the Issuer"

The relevant Final Terms of the Securities may provide for the conditions to exercise the option of the Issuer to terminate the Securities at their Optional Redemption Amount.

In relation to Series of Securities issued in order to satisfy the MREL Requirements, any redemption is subject to compliance by the Issuer with any conditions to such redemption prescribed by the MREL Requirements at the relevant time (including any requirements applicable to such redemption due to the qualification of such Securities at such time as eligible liabilities available to meet the then applicable MREL Requirements).

If so specified in the Final Terms, the Securities may be redeemed at any time in whole but not in part, at the option of the Issuer at their Optional Redemption Amount, upon the occurrence of a MREL Disqualification Event.

However, according to the new regulatory framework set out in CRR II, in the future the redemption of Securities could be subject to different regulatory conditions.

In particular, if Articles 77 and 78a of the CRR II should be deemed applicable to such Securities and to the extent that such Securities qualify as liabilities that are eligible to meet the MREL Requirements (eligible liabilities instruments), any redemption of such Securities is subject to compliance with the then applicable law and regulations, including the condition that the Issuer has obtained the prior permission of the relevant Resolution Authority in accordance with Article 78a of the CRR II and subject in any event to any different conditions or requirements as may be applicable from time to time under the applicable law and regulations (even in the case of redemption of such Securities qualify at such time as liabilities that are eligible to meet the MREL Requirements before the occurrence of the MREL Disqualification Event).

"**MREL Disqualification Event**" means that, at any time, all or part of the outstanding nominal amount of Securities is or will be excluded fully or partially from the eligible liabilities available to meet the MREL Requirements provided that: (a) the exclusion of a Series of Securities from the MREL Requirements due to the remaining maturity of such Securities being less than any period prescribed thereunder, does not constitute a MREL Disqualification Event; (b) the exclusion of all or some of a Series of Securities from the MREL Requirements due to there being insufficient headroom for such Securities within a prescribed exception to the otherwise applicable general requirements for eligible liabilities does not constitute a MREL Disqualification Event; and (c) the exclusion of all or some of a Series of Securities from the MREL Requirements as a result of such Securities being purchased by or on behalf of the Issuer or as a result of a purchase which is funded directly or indirectly by the Issuer, does not constitute a MREL Disqualification Event.

"**MREL Requirements**" means the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for Own Funds and eligible liabilities applicable to the Issuer, from time to time, including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for Own Funds and eligible liabilities adopted by the Federal Republic of Germany or the Republic of Italy, a relevant resolution authority or the European Banking Authority from time to time (whether or not such requirements, guidelines or policies are applied generally or specifically to the Issuer), as any of the preceding laws, regulations, requirements, guidelines, rules, standards, policies or interpretations may be amended, supplemented, superseded or replaced from time to time."

STRUCTURE OF THE CONDITIONS

Set out below are the amendments to the Base Prospectus in the Section entitled "STRUCTURE OF THE CONDITIONS".

In the section entitled "STRUCTURE OF THE CONDITIONS", in the Special Conditions to apply to all Product Types, on page 146 of the base Prospectus, shall be added the following:

"[In the case of Securities with an early redemption at the option of the Issuer, the following applies:

§ 10 *Early redemption at the option of the Issuer]*"

PART A – GENERAL CONDITIONS OF THE SECURITIES

Set out below are the amendments to the Base Prospectus in the Section entitled "PART A – GENERAL CONDITIONS OF THE SECURITIES".

- 1.1. In the section entitled "PART A – GENERAL CONDITIONS OF THE SECURITIES", in the paragraph entitled "[Option 1: In the case of Securities governed by German law, the following applies:]", the Conditions "**§ 4 Status**" on page 149 of the Base Prospectus, shall be amended as follows:

“

§ 4

Status

- (1) The obligations of the Issuer under the Securities constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, ranking (subject to any obligations preferred by any applicable law (also subject to the bail-in instruments as implemented under Italian law)) pari passu with all other unsecured obligations (other than obligations ranking junior to the senior notes from time to time (including non-preferred senior notes and any further obligations permitted by law to rank junior to the senior notes following the Issue Date), if any) of the Issuer, present and future and, in the case of the senior notes, pari passu and rateably without any preference among themselves.
- [(2) The Security Holders unconditionally and irrevocably waive any right of set-off, netting, counterclaim, abatement or other similar remedy which they might otherwise have under the laws of any jurisdiction or otherwise in respect of such Securities.]
- [(3) Claims arising from Securities are neither secured, nor subject to a guarantee or any other arrangement that enhances the seniority of the claims.]
- [(4) The value of the claim arising from Securities in cases of the insolvency and of the resolution of the Issuer is fixed or increasing, and does not exceed the initially paid-up amount of the Securities, under all relevant laws and regulations amended from time to time, which are and will be applicable to the Issuer.]
- [(5) The Security Holders are not entitled to accelerate the payments under the Securities, other than in the case of the insolvency or liquidation of the Issuer, under all relevant laws and regulations amended from time to time, which are and will be applicable to it.]”

- 1.2. In the section entitled "PART A – GENERAL CONDITIONS OF THE SECURITIES", in the paragraph entitled "[Option 1: In the case of Securities governed by German law, the following applies:]", the Condition "**§ 5 Substitution of the Issuer**" on page 150 of the Base Prospectus, shall be amended as follows:

“

§ 5

Substitution of the Issuer

- (1) The Issuer may without the consent of the Security Holders, if no payment of principal or interest on any of the Securities is in default, at any time substitute the Issuer for any Affiliate of the Issuer as principal debtor in respect of all obligations of the Issuer under the Securities (the "**New Issuer**"), provided that
 - (a) the New Issuer assumes all obligations of the Issuer in respect of the Securities,
 - (b) the Issuer and the New Issuer have obtained all necessary authorisations and may transfer to the Principal Paying Agent in the currency required hereunder and without being obligated to deduct or withhold taxes or other duties of whatever nature levied by the country, in which the New Issuer or the Issuer has its domicile or tax

residence, all amounts required for the fulfilment of the payment obligations arising under the Securities,

- (c) the New Issuer has agreed to indemnify and hold harmless each Security Holder against any tax, duty or other governmental charge imposed on such Security Holder in respect of such substitution [and]
- (d) the Issuer guarantees proper payment of the amounts due under these Terms and Conditions[.]; and]
- [(e) (i) the proceeds are immediately available to the New Issuer, without limitation (ii) each Security Holder is treated as if the Substitution of the Issuer had not taken place [and (iii) the competent supervisory authority or resolution authority has granted its prior consent (if and to the extent required by law)].]

For purposes of this § 5 (1) "**Affiliate**" means an affiliated company (*verbundenes Unternehmen*) within the meaning of Section 15 of the German Stock Corporation Act (*Aktiengesetz*).

- (2) *Notice:* Any such substitution shall be notified in accordance with § 6 of the General Conditions.
- (3) *References:* In the event of any such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the New Issuer. Furthermore, any reference to the country, in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the New Issuer."

- 1.3. In the section entitled "PART A – GENERAL CONDITIONS OF THE SECURITIES", in the paragraph entitled "[Option 1: In the case of Securities governed by German law, the following applies:]", the Condition "**§ 7 Issuance of additional Securities, Repurchase**" on page 151 of the Base Prospectus, shall be amended as follows:

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§ 7

Issuance of additional Securities, Repurchase

- (1) *Issuance of additional Securities:* The Issuer reserves the right from time to time without the consent of the Security Holders to issue additional Securities with identical terms and conditions (except for the issue date and the issue price), so that the same shall be consolidated and form a single series (the "**Series**") with this Tranche. The term "*Securities*" shall, in the event of such increase, also comprise all additionally issued Securities.
- (2) *Repurchase:* The Issuer shall be entitled at any time to purchase Securities in the market or otherwise and at any price [subject to compliance with the then applicable MREL Requirements (including, without limitation, having obtained the prior permission of the competent supervisory authority or the resolution authority, if required)]. Securities repurchased by the Issuer may, at the Issuer's discretion, be held, resold or forwarded to the Principal Paying Agent for cancellation."

- 1.4. In the section entitled "PART A – GENERAL CONDITIONS OF THE SECURITIES", in the paragraph entitled "[Option 2: In the case of Securities governed by Italian law, the following applies:]", the Conditions "**§ 4 Status**" on page 154 of the Base Prospectus, shall be amended as follows:

“

§ 4

Status

- (1) The obligations of the Issuer under the Securities constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, ranking (subject to any obligations preferred by any applicable law (also subject to the bail-in instruments as implemented under Italian law)) pari passu with all other unsecured obligations (other than obligations ranking junior to the senior notes from time to time (including non-preferred senior notes and any further obligations permitted by law to rank junior to the senior notes following the Issue Date), if any) of the Issuer, present and future and, in the case of the senior notes, pari passu and rateably without any preference among themselves.
 - [(2) The Security Holders unconditionally and irrevocably waive any right of set-off, netting, counterclaim, abatement or other similar remedy which they might otherwise have under the laws of any jurisdiction or otherwise in respect of such Securities.]
 - [(3) Claims arising from Securities are neither secured, nor subject to a guarantee or any other arrangement that enhances the seniority of the claims.]
 - [(4) The value of the claim arising from Securities in cases of the insolvency and of the resolution of the Issuer is fixed or increasing, and does not exceed the initially paid-up amount of the Securities, under all relevant laws and regulations amended from time to time, which are and will be applicable to the Issuer.]
 - [(5) The Security Holders are not entitled to accelerate the payments under the Securities, other than in the case of the insolvency or liquidation of the Issuer, under all relevant laws and regulations amended from time to time, which are and will be applicable to it.]”
- 1.5. In the section entitled “PART A – GENERAL CONDITIONS OF THE SECURITIES”, in the paragraph entitled “[*Option 2: In the case of Securities governed by Italian law, the following applies:*”, the Condition “**§ 5 Substitution of the Issuer**” on pages 154 and 155 of the Base Prospectus, shall be amended as follows:

“

§ 5

Substitution of the Issuer

- (1) The Issuer may without the consent of the Security Holders, if no payment of principal or interest on any of the Securities is in default, at any time substitute the Issuer for any Affiliate of the Issuer as principal debtor in respect of all obligations of the Issuer under the Securities (the "**New Issuer**"), provided that
 - (a) the New Issuer assumes all obligations of the Issuer in respect of the Securities,
 - (b) the Issuer and the New Issuer have obtained all authorizations and have satisfied all other conditions as necessary to ensure that the Securities are legal, valid and enforceable obligations of the New Issuer;
 - (c) the Issuer and the New Issuer may transfer to the Principal Paying Agent in the currency required hereunder and without being obligated to deduct or withhold taxes or other duties of whatever nature levied by the country, in which the New Issuer or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Securities,
 - (d) the New Issuer has agreed to indemnify and hold harmless each Security Holder against any tax, duty or other governmental charge imposed on such Security Holder in respect of such substitution [and]
 - (e) the Issuer irrevocably and unconditionally guarantees proper payment of the amounts due under these Terms and Conditions[.];[and]

- [(f) (i) the proceeds are immediately available to the New Issuer, without limitation (ii) each Security Holder is treated as if the Substitution of the Issuer had not taken place [and (iii) the competent supervisory authority or resolution authority has granted its prior consent (if and to the extent required by law)].]

For purposes of this § 5 (1) "**Affiliate**" means a company controlling, controlled by, or under common control with, the Issuer, provided that the term "controlled" ("*controllate*") shall have the meaning ascribed to it in Section 93 of the Consolidated Law on Financial Intermediation and the terms "controlling" and "common control" shall be interpreted accordingly.

- (2) *Notice:* Any such substitution shall be notified in accordance with § 6 of the General Conditions.
- (3) *References:* In the event of any such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the New Issuer. Furthermore, any reference to the country, in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the New Issuer."

- 1.6. In the section entitled "PART A – GENERAL CONDITIONS OF THE SECURITIES", in the paragraph entitled "[*Option 2: In the case of Securities governed by Italian law, the following applies:*]", the Condition "**§ 7 Issuance of additional Securities, Repurchase**" on pages 155 and 156 of the Base Prospectus, shall be amended as follows:

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§ 7

Issuance of additional Securities, Repurchase

- (1) *Issuance of additional Securities:* The Issuer reserves the right from time to time without the consent of the Security Holders to issue additional Securities with identical terms and conditions (except for the issue date and the issue price), so that the same shall be consolidated and form a single series (the "**Series**") with this Tranche. The term "*Securities*" shall, in the event of such increase, also comprise all additionally issued Securities.
- (2) *Repurchase:* The Issuer shall be entitled at any time to purchase Securities in the market or otherwise and at any price [subject to compliance with the then applicable MREL Requirements (including, without limitation, having obtained the prior permission of the competent supervisory authority or the resolution authority, if required)]. Securities repurchased by the Issuer may, at the Issuer's discretion, be held, resold or forwarded to the Principal Paying Agent for cancellation.”

PART C – SPECIAL CONDITIONS OF THE SECURITIES

Set out below are the amendments to the Base Prospectus in the Section entitled "PART C – SPECIAL CONDITIONS OF THE SECURITIES".

In the section entitled "PART C – SPECIAL CONDITIONS OF THE SECURITIES", in the paragraph entitled "[Special Conditions that apply to all product types:]", on page 607 of the base Prospectus, shall be added the following Condition:

"[In the case of Securities with an early redemption at the option of the Issuer, the following applies:]

§ 10

Early redemption at the option of the Issuer

- (1) The Securities may be early redeemed at any time in whole but not in part, at the option of the Issuer, [upon the occurrence of the MREL Disqualification Event,][but subject to compliance with the then applicable MREL Requirements (including, without limitation, the Issuer having obtained the prior permission of the competent supervisory authority or the resolution authority, in each case to the extent required by provisions of law),] upon not more than [•] days' nor less than [•] days' prior notice of such early redemption, at their Optional Redemption Amount[, in accordance with the MREL Requirements].

["**MREL Requirements**" means the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for Own Funds and eligible liabilities applicable to the Issuer, from time to time, including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for Own Funds and eligible liabilities adopted by the Federal Republic of Germany or the Republic of Italy, a relevant Resolution Authority or the European Banking Authority from time to time (whether or not such requirements, guidelines or policies are applied generally or specifically to the Issuer), as any of the preceding laws, regulations, requirements, guidelines, rules, standards, policies or interpretations may be amended, supplemented, superseded or replaced from time to time.]

["**MREL Disqualification Event**" means that, at any time, all or part of the outstanding nominal amount of Securities is or will be excluded fully or partially from the eligible liabilities available to meet the MREL Requirements provided that: (a) the exclusion of a Series of such Securities from the MREL Requirements due to the remaining maturity of such Securities being less than any period prescribed thereunder, does not constitute a MREL Disqualification Event; (b) the exclusion of all or some of a Series of Securities due to there being insufficient headroom for such Securities within a prescribed exception to the otherwise applicable general requirements for eligible liabilities does not constitute a MREL Disqualification Event; and (c) the exclusion of all or some of a Series of Securities as a result of such Securities being purchased by or on behalf of the Issuer or as a result of a purchase which is funded directly or indirectly by the Issuer, does not constitute a MREL Disqualification Event.]

The "**Optional Redemption Amount**" shall be [its Nominal Amount] [the Minimum Amount] [•].

[The right for payment of the Additional Amount ceases to exist in relation to all Additional Amount Payment Dates following the early redemption of the Securities in accordance with this paragraph.]

[The Optional Redemption Amount will be paid pursuant to the provisions of § 6 of the Special Conditions.]

- (2) Any notice in accordance with this paragraph (2) shall be given by a notice in accordance with § 6 of the General Conditions. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement that the redemption is made in accordance with this §10.]”