

This document constitutes a supplement pursuant to Article 10, paragraph 1, and Article 23, paragraph 5, of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the "Prospectus Regulation").



1st Supplement dated 30 April 2020

(the "**Supplement**")

to the Registration Document of

UniCredit S.p.A.

approved by the *Commission de Surveillance du Secteur Financier* (the "CSSF") on

20 January 2020

(the "**Registration Document**")

This Supplement is to be read and construed in conjunction with the Registration Document, as approved by the CSSF, which is a constituent part of the following prospectuses:

- the Base Prospectus for the issuance of Single Underlying and Multi Underlying Securities (without capital protection) dated 20 January 2020 of UniCredit S.p.A.,
- the Base Prospectus for the issuance of Single Underlying and Multi Underlying Securities (with partial capital protection) dated 24 February 2020 of UniCredit S.p.A.,

both as approved by the CSSF and as supplemented from time to time (the “**Base Prospectuses**”). The terms used in this Supplement have the same meaning as the terms used in the Registration Document.

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

Investors who have already agreed to purchase or subscribe for securities before the Supplement is published shall have the right, exercisable within two working days after the publication of the Supplement, to withdraw their acceptances (Article 23, paragraph 2, of the Prospectus Regulation). Investors may therefore exercise the right of withdrawal up until 5 May 2020, contacting the relevant distributors as specified in the relevant final terms.

This Supplement, the Registration Document as well as any further supplements to the Registration Document, and the Base Prospectuses are published on the following website of the Issuer: <https://www.investimenti.unicredit.it/it/info/documentazione.html#programmi-di-emissione-unicredit-spa>. Furthermore, this Supplement and the documents incorporated by reference into the Registration Document by virtue of this Supplement will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

This Supplement has been approved by the CSSF in its capacity as competent authority under the Prospectus Regulation.

Purpose of the Supplement

This Supplement serves as update to the Registration Document in connection with the publication of the annual financial statements for the financial year ended on 31 December 2019.

In particular, the purpose of the submission of this Supplement is to update the information included into:

- (A) the following sections of the Registration Document:
 - a. "RISK FACTORS";
 - b. "PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL";
 - c. "STATUTORY AUDITORS";
 - d. "INFORMATION ABOUT THE ISSUER";
 - e. "BUSINESS OVERVIEW";
 - f. "ORGANISATIONAL STRUCTURE";
 - g. "TREND INFORMATION";
 - h. "ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES";
 - i. "MAJOR SHAREHOLDERS";
 - j. "FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES";
 - k. "ADDITIONAL INFORMATION";
 - l. "DOCUMENTS AVAILABLE",

(B) the APPENDIX I – INFORMATION FOR THE PURPOSES OF ART. 26 (4) OF THE REGULATION (EU) 2017/1129.

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1. Changes to the Registration Document

- 1.1 The "Section I - Risk Factors", on page 3 et seq. of the Registration Document, shall be deleted in its entirety and the following new section shall be inserted:**

"Section I - Risk Factors

*The following is a disclosure of risk factors (the "**Risk Factors**") that are material with respect to the ability of UniCredit to fulfill its obligations under securities issued by it.*

1.1 Risks related to the financial situation of the Issuer and of the Group

1.1.1. Risks connected with the Strategic Plan 2020 – 2023

On December 3rd 2019, following the completion of the 2016-2019 Strategic Plan, UniCredit presented to the capital markets in London the new 2020-2023 Strategic Plan called “Team 23” (the “**Strategic Plan**” or “**Plan**” or “**Team 23**”). The Strategic Plan contains a number of strategic, capital and financial objectives (collectively, the “**Strategic Objectives**”) based on four pillars. Specifically: (i) growth and strengthen client franchise; (ii) transform and maximise productivity; (iii) disciplined risk management & controls; (iv) capital and balance sheet management. UniCredit ability to meet the new Strategic Objectives depends on a number of assumptions and circumstances, some of which are outside UniCredit's control including those relating to developments in the macroeconomic and political environments in which our Group operates, developments in applicable laws and regulations and assumptions related to the effects of specific actions or future events which we can partially forecast/ manage. Financial results for this year could be reasonably influenced by the dynamics of the COVID-19, which were not foreseeable at the date of the Strategic Plan presentation and which are still uncertain. For all of these reasons, investors are cautioned against making their investment decisions based exclusively on the forecast data included in the Strategic Objectives. Any failure to implement the Strategic Objectives or meet the Strategic Objectives may have a material adverse effect on UniCredit's business, financial condition or results of operations. Furthermore it should be noted that, as disclosed to the Market in the context of Strategic Plan - Team 23 presentation, the capital distribution in the new plan is based on the concept of underlying net profit. Underlying net profit adjusts stated net profit for certain non-operating items to better demonstrate the recurring, sustainable profit base of the bank. Such adjustments include: (i) sale of non-strategic assets and selected real estate properties; (ii) non-operating non-recurring charges including, but not limited to, integration costs and extraordinary IT write-offs; (iii) non-operating items in loan loss provisions, for example the updated rundown strategy for Non Core and the regulatory headwinds.

As above mentioned, the Strategic Objectives are based on four pillars. Specifically:

- **Growth and strengthen client franchise:** through a renewed focus on customer satisfaction and service quality, confirming position as "go to" bank for small and mid-sized corporates, reinforcing market leadership in CEE and strengthen CIB and Commercial Banking cooperation, and redesign customer service for individuals thanks to a mix of integrated channels;
- **Transform and maximise productivity:** adopt new ways of working to continuously optimise processes, enhance customer experience and deliver efficiencies;
- **Disciplined risk management & controls:** further strengthen monitoring and management of Credit and Financial Risk: enhanced business accountability and in-depth monitoring by control functions. Targeted actions on Compliance and Operational Risk, reinforcing governance and risk of Anti Financial Crime controls, AML and KYC, Cyber security and Operational Risk;
- **Capital and balance sheet management:** proactive capital allocation based on financial performance, preference for share buybacks over M&A, only small bolt-on acquisitions might be considered to accelerate capital allocation towards businesses or geographies with higher risk-adjusted profitability. Gradual alignment of domestic sovereign bond portfolios with those of European peers. Evolution of Group structure with new Italian subholding: UC SpA to remain as operating holding, project of subholding incorporated in Italy, and not listed, subholding to optimise MREL requirement in the medium term, reduction of intragroup exposures and improvement of Group resolvability as pre-conditions for Group structure evolution, resolution strategy remains Single Point of Entry, which is the basis for the funding plan.

Team 23 plan is based on assumptions both in terms of interest rates and economic growth of the countries of presence of the Group. As macroeconomic variables are volatile, UniCredit has also developed two sensitivities on top of the base case scenario embedded in the Strategic plan, both on interest rates and economic growth. One sensitivity, internally called “Draghi”, assumes rates close to the current levels throughout the plan (Euribor 3M *end of period* at minus 50 basis points until 2023) and lower GDP growth both in Western Europe and Central Eastern Europe countries.

For further information please see Section 4 “Information about the Issuer”, paragraph 4.1 (History and development of the Issuer).

1.1.2 Credit risk and risk of credit quality deterioration

The activity, financial and capital strength and profitability of the UniCredit Group depend, among other things, on the creditworthiness of its customers.

In carrying out its credit activities, the Group is exposed to the risk that an unexpected change in the creditworthiness of a counterparty may generate a corresponding change in the value of the associated credit exposure and give rise to the partial or total write-down thereof. Following the COVID-19 outbreak it cannot be excluded that, credit quality for this year could be influenced with potential impacts not yet quantifiable.

In the context of credit activities, this risk involves, among other things, the possibility that the Group's contractual counterparties may not fulfil their payment obligations, as well as the possibility that Group companies may, based on incomplete, untrue or incorrect information, grant credit that otherwise would not have been granted or that would have been granted under different conditions.

Other banking activities, besides the traditional lending and deposit activities, can also expose the Group to credit risks. "Non-traditional" credit risk can, for example, arise from: (i) entering into derivative contracts; (ii) buying and selling securities, futures, currencies or goods; and (iii) holding third-party securities. The counterparties of said transactions or the issuers of securities held by Group entities could fail to comply due to insolvency, political or economic events, a lack of liquidity, operating deficiencies, or other reasons.

The Group has adopted procedures, rules and principles aimed at monitoring and managing credit risk at both individual counterparty and portfolio level. However, there is the risk that, despite these credit risk monitoring and management activities, the Group's credit exposure may exceed predetermined levels pursuant to the procedures, rules and principles it has adopted. The importance of reducing the ratio of non-performing loans to total loans has been stressed on several occasions by the supervisory authorities, both publicly and within the ongoing dialogue with the Italian banks and, therefore, with the UniCredit Group.

This risk is always inherent in the traditional activity of providing credit, regardless of the form it takes (cash loan or endorsement loan, secured or unsecured, etc.).

In particular, the UniCredit Group negotiates derivative contracts and repos on a wide range of products, such as interest rates, exchange rates, share prices/indices, commodities (precious metals, base metals, oil and energy materials) and credit rights, as well as repos, both with institutional counterparties, including brokers and dealers, central counterparties, central governments and banks, commercial banks, investment banks, funds and other institutional customers, and with non-institutional Group customers. These operations expose the UniCredit Group to the risk that the counterparty of said derivative contracts or repos may fail to fulfil its obligations or may become insolvent before the contract matures, when the Issuer or one of the other Group companies still holds a credit right against the counterparty.

As at 31 December 2019 the non performing loans of the Group dropped by €12.9 bn Year on Year (Y/Y) and €3.5 bn Quarter on Quarter (Q/Q). Group gross NPEs were down by 33.7% Y/Y and 12.0% Q/Q to €25.3 bn in 4Q19 with an improved gross NPE ratio of 5.0 per cent (-267 bps Y/Y, -70 bps Q/Q).

Building on the experience gained in Transform 2019, according to the new Strategic Plan 2020-2023 the Group will continue to manage NPEs proactively to optimise value and capital.

In March 2018 the ECB published the Addendum to the Guidance on NPL which sets out supervisory expectations for the provisioning of exposures reclassified from performing to non-performing exposures (NPEs) after 1 April 2018 (the “ECB Addendum”). In addition, the ECB's supervisory expectations for

individual banks for the provisioning of the stock of NPLs (before 31 March 2018), as set out in its 2018 SREP letters. In April 2019 the European Commission's amendment to Capital Requirements Regulation (CRR) introduced a minimum loss coverage ratio for new loans becoming NPEs after 26 April 2019 (the "statutory backstop"). On 22 August 2019, the ECB has decided to revise its supervisory expectations for prudential provisioning of new non-performing exposures. The decision was made after taking into account the adoption of the new EU regulation that outlines the Pillar I treatment for NPEs (CRRII).

The initiatives originate from the ECB are strictly supervisory (Pillar II) in nature. In contrast, the European Commission's requirement is legally binding (Pillar I).

The above mentioned guidelines result in three "buckets" of NPEs based on the date of the exposure's origination and the date of NPE's classification:

1. NPEs classified before 1 April 2018 (Pillar II - Stock): 2/7 years vintage buckets for unsecured/secured NPEs, subject to supervisory coverage recommendations and phase-in paths as communicated in SREP letters;
2. NPEs originated before 26 April 2019 (Pillar II – ECB Flows): 3/7/9 years vintage buckets for unsecured/secured other than by immovable property/secured by immovable property, progressive path to 100%;
3. NPEs originated on or after 26 April 2019 (Pillar I – CRR Flows): 3/7/9 years vintage buckets for unsecured/secured other than by immovable property/secured by immovable property, progressive path to 100%.

Furthermore, since 2014, the Italian market has seen an increase in the number of disposals of non-performing loans, characterised by sale prices that are lower than the relative book values, with discounts greater than those applied in other European Union countries. In this context, the UniCredit Group has launched a structured activity to reduce the amount of non-performing loans on its books, while simultaneously seeking to maximise its profitability and strengthen its capital structure. Since 2017, UniCredit Group has disposed of loans with a gross book value of approximately € 35 billion. This amount includes the loans disposed of through Project Fino in July 2017 and IFRS 5 positions.

For further information, please see the consolidated financial statements of UniCredit as at 31 December 2019.

1.1.3 Risks associated with the Group's exposure to sovereign debt

Sovereign exposures are bonds issued by and loans given to central and local governments and governmental bodies. For the purposes of the current risk exposure, assets held for disposal and positions held through Asset Backed Securities (**ABS**) are not included.

Increased financial instability and the volatility of the market, with particular reference to the increase of credit spread, or the rating downgrade of sovereign debt, could negatively impact the financial position of UniCredit and/or the Group considering their exposure to sovereign debt.

With reference to the Group's sovereign exposures in debt, the book value of sovereign debts securities as at 31 December 2019 amounted to €105,370 million¹, of which about 88 per cent. was concentrated in eight countries: Italy with €43,849 million, representing about 42 per cent of the total; Spain with €17,415 million; Germany with €11,259 million; Japan with €6,223 million; Austria with €5,669 million; United States of America with €3,715 million; Romania with €2,099 million and Hungary with €1,980 million.

As at 31 December 2019, the remaining 12 per cent of the total sovereign exposures in debt securities, equal to €13,161 million as recorded at the book value, was divided between 35 countries, including: Bulgaria (€1,677 million), Croatia (€1,537 million), Czech Republic (€1,172 million), Poland (€1,033 million), Serbia (€922 million), France (€848 million) and Portugal (€556 million). The exposures in sovereign debt securities relating to Greece are immaterial.

¹ Information on Sovereign exposures refers to the scope of the consolidated financial statements of UniCredit as at 31 December 2019, determined under IAS/IFRS.

As at 31 December 2019, there is no evidence of impairment of the exposures in question.

Note that the aforementioned remainder of the sovereign exposures held as at 31 December 2019 also included debt securities relating to supranational organisations, such as the European Union, the European Financial Stability Facility and the European Stability Mechanism, worth €3,065 million.

In addition to the Group's sovereign exposure in debt securities, there were also loans issued to central and local governments and government bodies.

Total loans to countries to which the total exposure is greater than €130 million, which represented over 92 per cent. of said exposures, as at 31 December 2019 amounts to €22,341 million.

Furthermore, it should be noted that one of the pillars of the new Strategic Plan 2020-2023 is the Capital and balance sheet management, according to which the strengthening of the balance sheet will continue with the ongoing, gradual alignment of the domestic sovereign bond portfolio with those of Italian and European peers.

For further information, please see the consolidated financial statements of UniCredit as at 31 December 2019 incorporated by reference herein.

1.1.4 Risks relating to deferred taxes

Deferred tax assets (**DTAs**) and liabilities are recognised in UniCredit's consolidated financial statements according to accounting principle IAS 12. As of 31 December 2019, DTAs amounted in aggregate to €12,129 million, of which €8,302 million may be converted into tax credits pursuant to Law No. 214 of 22 December 2011 (**Law 214/2011**). As of 31 December 2018 DTAs amounted to €12,046 million, of which €8,310 million was available for conversion to tax credits pursuant to Law 214/2011. In relation to Convertible DTAs the fee due for fiscal year 2019 was paid on 28 June 2019 for an amount equal to €114 million.

The remaining DTAs (non-convertible DTAs) are related to costs deductible in the years following their recognition in the financial statements (typically provisions for risks, costs related to net equity increase, etc.), equal to €2,920 million net of compensation with related Deferred Tax Liabilities (DTL) as of 31 December 2019, and to tax losses carried forward (TLCF), for an amount equal to €907 million. DTAs on TLCF are mainly referred to UniCredit S.p.A., also as Italian Tax Group parent company, for €546 million, to UniCredit Bank Austria AG for €210 million, and to UniCredit Bank AG for €108 million.

If, for whatever reason, significant changes in the current tax legislation may occur, not foreseeable at present, such as the rate change, or the updating of the income statement estimates with the latest available official projections should lead to lower taxable future income than those estimated in the sustainability test, and therefore not sufficient to guarantee the reabsorption of the DTAs in question, negative and even significant effects on the activities and on the economic, equity and / or financial situation of the Issuer and / or the Group could occur.

Deferred tax assets and liabilities are recognized in the financial statements on the basis of the international accounting standard IAS 12, that takes into account the economic projections foreseeable for future years and the peculiarities of the fiscal legislations of each country, in order to check whether there are future taxable incomes against which TLCF can be offset. As of 31 December 2019, UniCredit Bank Austria AG has considered the official projections contained in the new Strategic Plan Team23 (i.e. the period 2020-2023), approved on 2 December 2019 (MYP), as the basis for determining future taxable incomes, usable for the recognition of TLCF. This determined the recognition of DTA TLCF for €210 million equal to the amount previously highlighted.

1.2 Risks related to the business activities and industry of the Issuer and of the Group

1.2.1 Liquidity Risk

Liquidity risk refers to the possibility that the UniCredit Group may find itself unable to meet its current and future, anticipated and unforeseen cash payment and delivery obligations without impairing its day-to-day operations or financial position. The activity of the UniCredit Group is subject in particular to funding liquidity risk, market liquidity risk, mismatch risk and contingency risk. The most relevant risks that the Group may face are: i) an exceptionally high usage of the committed and uncommitted lines granted to corporate customers; ii)

the capacity to roll over the expiring wholesale funding and the potential cash or collateral outflows the Group may suffer in case of rating downgrades of both the banks or the sovereign debt in the geographies in which it operates. In addition to this, some risks may arise from the limitations applied to the cross-border lending among banks, which have been increased in some countries.

Due to the financial market crisis, followed also by the reduced liquidity available to operators in the sector, the ECB has implemented important interventions in monetary policy, such as the "Targeted Longer-Term Refinancing Operation" (**TLTRO**) introduced in 2014 and the TLTRO II introduced in 2016. In March 2019 ECB announced a new series of quarterly targeted longer-term refinancing operations (TLTRO-III) to be launched in September 2019 to March 2021, each with a maturity of two years. On March 2020 new long term refinancing operations (LTROs) were announced to provide a bridge until the TLTRO III window in June 2020 and ensure liquidity and regular money market conditions. These measures were integrated with temporary collateral easing measures.

It is not possible to predict the duration and the amounts with which these liquidity support operations can be repeated in the future, with the result that it is not possible to exclude a reduction or even the cancellation of this support. This would result in the need for banks to seek alternative sources of borrowing, without ruling out the difficulties of obtaining such alternative funding as well as the risk that the related costs could be higher. Such a situation could therefore adversely affect UniCredit's business, operating results and the economic and financial position of UniCredit and / or the Group.

Funding liquidity risk refers to the risk that the Issuer may not be able to meet its payment obligations, including financing commitments, when these become due. In light of this, the availability of the liquidity needed to carry out the Group's various activities and the ability to fund long-term loans are essential for the Group to be able to meet its anticipated and unforeseen cash payment and delivery obligations, so as not to impair its day-to-day operations or financial position.

In order to assess the liquidity profile of UniCredit Group, the following principal indicators are also used:

- the short-term indicator Liquidity Coverage Ratio (LCR), which expresses the ratio between the amount of available assets readily monetizable (cash and the readily liquidable securities held by UniCredit) and the net cash imbalance accumulated over a 30-day stress period; as of 1 January 2018, the indicator is subject to a minimum regulatory requirement of 100 per cent; and
- the 12-month structural liquidity indicator Net Stable Funding Ratio (**NSFR**), which corresponds to the ratio between the available amount of stable funding and the required amount of stable funding. While the LCR is already in force, the NSFR has been introduced as a requirement in the CRR II published in June 2019 and will apply from June 2021.

The Group's access to liquidity could be damaged by the inability of the Issuer and/or the Group companies to access the debt market, including also the forms of borrowing from retail customers, thus compromising the compliance with prospective regulatory requirements, with consequent negative effects on the operating results and capital and/or financial position of the Issuer and/or the Group.

As regards market liquidity, the effects of the highly liquid nature of the assets held are considered as a cash reserve. Sudden changes in market conditions (interest rates and creditworthiness in particular) can have significant effects on the time to sell, including for high-quality assets, typically represented by government securities. The "dimensional scale" factor plays an important role for the Group, insofar as it is plausible that significant liquidity deficits, and the consequent need to liquidate high-quality assets in large volumes, may change market conditions. In addition to this, the consequences of a possible downgrade of the price of the securities held and on the criteria applied by the counterparties in repos operations could make it difficult to ensure that the securities can be easily liquidated under favourable economic terms.

In addition to risks closely connected to funding risk and market liquidity risk, a risk that could impact the day-to-day liquidity management is the differences in the amounts or maturities of incoming and outgoing cash flows (mismatch risk) and the risk that (potentially unexpected) future requirements (i.e. use of credit lines, withdrawal of deposits, increase in guarantees offered as collateral) may use a greater amount of liquidity than that considered necessary for day-to-day activities (contingency risk).

The slowdown in economic activity caused by lockdowns across Europe and the measures the Governments have taken to face the effects of the current health and economic emergency impacted the Group operations in

the different countries of its perimeter. The business continuity management plans were activated in order to ensure the regular execution of Treasury activities and the proper information flows to the senior management and the Supervisors.

Despite the overall liquidity situation of the Group is safe and under constant control, some risks may materialize in the coming months, depending on the length of the current lockdown and expected economic recovery. An important mitigating factor to these risks are the contingency management policies in place in the Group system of rules and the measures announced by the European Central Bank, which have granted a higher flexibility in the management of the current liquidity situation by leveraging on the available liquidity buffers.

As of 31 December 2019, the total debt of the UniCredit Group with the ECB through TLTRO II was €50.7 billion, with a timetable of maturities between the end of June 2020 and the end of March 2021.

Other than TLTRO II (e.g. one-week refinancing operations), as of 31 December 2019 UniCredit Group did not have any other refinancing operation in place with ECB.

Please find below the details of the TLTRO participations of the Group with ECB:

Effect from	Maturity	Amounts (Euro -billion)
29 June 2016	24 June 2020	26.16
28 September 2016	30 September 2020	0.110
21 December 2016	16 December 2020	0.050
29 March 2017	24 March 2021	24.391
Total		50.71

1.2.2 Risks associated with the impact of current macroeconomic uncertainties

The UniCredit Group's performance is affected by the financial markets and the macroeconomic and political environment of the countries in which it operates. Expectations regarding the performance of the global economy remain uncertain in both the short term and medium term. Material adverse effects on the business and profitability of the Group may also result from further developments of the monetary policies and additional events occurring on an extraordinary basis (such as political instability, terrorism and any other similar event occurring in the countries where the Group operates). Furthermore, the economic and political uncertainty of recent years has also introduced a considerable volatility and uncertainty in the financial markets. This, in turn, has made access to these markets increasingly complex, with a consequent rise in credit spreads and the cost of funding, and impacted the values the Group can realize from sales of financial assets.

The current macroeconomic situation is characterized by high levels of uncertainty, due in part to: (i) the Covid-19 (new Coronavirus) impact on global growth and individual countries; (ii) the U.S.-driven trend towards protectionism; (iii) Brexit and uncertain future relationship between the United Kingdom and the European Union; (iv) future developments in the European Central Bank (the **ECB**) and Federal Reserve (**FED**) monetary policies; and (v) the sustainability of the sovereign debt of certain countries and the related, repeated shocks to the financial markets.

The economic slowdown experienced in the countries where the Group operates has had (and might continue to have) a negative effect on the Group's business and the cost of borrowing, as well as on the value of its assets, and could result in further costs related to write-downs and impairment losses.

For further information on the impact of current macroeconomic situation, please see the consolidated financial statements of UniCredit as at 31 December 2019, incorporated by reference herein.

1.2.3 Risk related the property market trends

The UniCredit Group is exposed to risks relating to the property market as a result of our significant property portfolio (both in Italy and abroad), as well as due to loans we have granted to companies operating in the commercial real estate market, whose cash flow is generated mainly by the rental or sale of commercial properties, and loans to individuals secured by real property. A downturn in property prices could cause to the UniCredit Group to have to impair the property owned where book value is higher than market value, with possible material adverse effects on the business and results of operations of UniCredit.

Furthermore, UniCredit Group have outstanding a significant amount of loans to individuals secured by residential property. Should property prices, which represents most of the collateral securing our loans, continue to fall, the value of the collateral securing such loans would continue to decline.

In this regard, for the purposes of preparing the financial statements at 31 December 2019, the Group has decided to change - compared to the financial statements of previous year - the evaluation criterion of the Group's real estate portfolio, in particular for the properties used in business (ruled by IAS16 "Property, plant and machinery") providing for the transition from the cost model to the revaluation model for the measurement subsequent to initial recognition while for the properties held for investment (ruled by IAS40 "Investment property") providing for the transition from the cost model to the fair value model.

For further information, please see the consolidated financial statements of UniCredit as at 31 December 2019: Part A - Accounting policies - Section 5 Other matters.

1.2.4 Risks connected with the UniCredit Group's activities in different geographical areas

The UniCredit Group operates in different countries and, therefore, the UniCredit Group's activities are affected by the macroeconomic context of the markets in which it operates.

Italy accounted for 47 per cent. of the UniCredit Group's total revenue during 2019² and is the Group's primary market. As a result, the Group's business is closely connected to the Italian economy and could, therefore, be negatively impacted by any changes in its macroeconomic environment. Economic forecasts and the current political and social health situation generate considerable uncertainty surrounding the future growth of the Italian economy.

In addition to other factors that may arise in the future, declining or stagnating Italian Gross Domestic Product (**GDP**), rising unemployment and unfavourable conditions in the financial and capital markets in Italy could result in declining consumer confidence and investment in the Italian financial system and increases in the number of impaired loans and/or loan defaults, leading to an overall reduction in demand for products and services the Group offers. Thus, a persistence of adverse economic conditions, political and economic uncertainty and/or a slower economic recovery in Italy compared with other countries of the Organization for Economic Co-operation and Development (OECD) could have a material adverse effect on the Group's results of operations, business and financial condition.

The UniCredit Group also operates and has a significant presence in Austria and Germany (which accounted for 10 per cent. and 22 per cent., respectively, of the UniCredit Group's total revenue for 2019), as well as in Central and Eastern European countries (**CEE countries**) including, among others, Turkey, Russia, Croatia, the Czech Republic, Bulgaria and Hungary, which accounted for 21 per cent. of the Group's total revenue for 2019. The risks and uncertainties to which the UniCredit Group is exposed are of a different nature and magnitude depending on the country and whether or not the country belongs to the European Union, which is one of the main factors taken into consideration when evaluating these risks and uncertainties.

The deterioration in the macroeconomic conditions in either Austria, Germany or Italy (including the increase of domestic capital markets volatility) may adversely affect UniCredit Group's profitability, as well as its assets and operations, balance sheet and/or income statement.

An escalation of trade tensions and a deterioration of the macroeconomic environment in the euro area and the US would affect Central and Eastern European countries, in particular the most open economies. The

² Based on regional view

introduction of further sanctions remains a risk for Russia (also affected by oil price trends) and Turkey. In addition, the economic recovery in Turkey remains vulnerable to global financial conditions.

Additional and adverse effects may result from the more restrictive CEE regulations as they may bind the Group to implement further recapitalization operations for its subsidiaries taking into account the risk of being subject to - among other things - regulatory and governmental initiatives of these countries. As a result, the UniCredit Group may be called upon to ensure a greater level of liquidity for its subsidiaries in these areas. Furthermore, the Group may have to increase impairments on loans issued due to a rise in estimated credit risk. Negative implications in terms of quality of credit could, specifically, involve the UniCredit Group's exposures denominated in Swiss francs (CHF) in selected CEE countries, also as a result of the decision by the Swiss Central Bank in January 2015 to remove the Swiss franc/Euro ceiling.

Finally it should be noted that, on the other hand, as a result of the financial crisis, in many of the countries in which the Group operates, the supervisory authorities have adopted measures aimed at reducing the exposure of banks operating within these territories to associated banks that operate in countries other than those in which the said authorities exercise their regulatory powers. In this context, some supervisory authorities have asked that the Group companies reduce their credit exposure to other Group companies and, in particular, their exposure to UniCredit. This has prompted UniCredit to implement self-sufficiency policies, based essentially on increasing the commercial funding and using financing from outside the Group where necessary.

The implementation of such policies could result in a deterioration, whether real or perceived, in the credit profile (particularly in Italy) and could have a significant negative effect on borrowing costs and, consequently, on the operating and financial results of the Issuer and of the Group.

1.2.5 Market risks

Market risk derives from the effect that changes in market variables (interest rates, securities prices, exchange rates, etc.) can cause to the economic value of the Group's portfolio, including the assets held both in the Trading Book, as well as those posted in the Banking Book, both on the operations characteristically involved in commercial banking and in the choice of strategic investments. Market risk management within the UniCredit group accordingly includes all the activities relating to cash transactions and capital structure management, both for the Parent Company, as well as for the individual companies making up the Group.

Specifically, the trading book includes positions in financial instruments or commodities held either for trading purposes or to hedge other elements of the trading book. In order to be subject to the capital treatment for the trading book in accordance with the applicable policy "Eligibility Criteria for the Regulatory Trading Book Assignment", the financial instruments must be free from any contractual restrictions on their tradability, or able to be hedged. Furthermore, the positions must be frequently and accurately valued and the portfolio must be actively managed.

The risk that the value of a financial instrument (asset or liability, liquidity or derivative instrument) may change over time is determined by five standard market risk factors: (i) credit risk: the risk that the value of an instrument may decrease due to a change in credit spreads; (ii) share price risk: the risk that the value of an instrument may decrease due to changes in share prices or indices; (iii) interest rate risk: the risk that the value of an instrument may decrease due to a change in interest rates; (iv) exchange rate risk: the risk that the value of an instrument may decrease due to a change in exchange rates; and (v) commodity price risk: the risk that the value of an instrument may decrease due to a change in the prices of commodities (e.g. gold, crude oil).

The UniCredit Group manages and monitors its market risk using two sets of measures: (i) broad market risk measures; and (ii) granular market risk measures.

As at 31 December 2019 RWA (Risk-Weighted Assets) for Market Risk (excluding credit valuation adjustments - CVA Risk) amounted to €9.3 billion out of a total of €378.7 billion of Total Group RWA . Total Market Risk RWA (excluding CVA Risk) are split between the part calculated under the internal model (€7,682 mln) and the standardised approach (€1,633 mln). In addition, an additional capital requirement of 500 million euros was introduced as of 31 December 2019.

1.2.6 Interest rate fluctuation and exchange rate

The UniCredit Group implements also a hedging policy of risks related to the fluctuation of interest rates.

Such hedges are based on estimates of behavioural models and interest rate scenarios, and an unexpected trend in the latter may have major negative effects on the activity, operating results and capital and financial position of the Group.

A significant change in interest rates may also have a major negative impact on the value of the assets and liabilities held by the Group and, consequently, on the operating results and capital and/or financial position of the Issuer and/or the Group.

Finally, assuming that a significant portion of the Group's business is done in currencies other than Euros, any negative change in exchange rates and/or a hedging policy that turns out to be insufficient to hedge the related risk could have major negative effects on the activity, operating results and capital and financial position of the Issuer and/or the Group. It should be considered that UniCredit Group is mainly exposed to foreign-exchange risk toward the U.S. dollar.

The Market Risk impact on the Group is low, in coherence with the mission of the Group and it is tracked by an ad hoc Key Performance Indicator (KPI) on the Ratio between Market Risk-Weighted Assets (RWA) and Overall RWA.

For further information, please see the consolidated financial statements of UniCredit as at 31 December 2019, incorporated by reference herein.

1.2.7 Operational risk

The complexity and geographical distribution of the UniCredit Group's activities requires, among other things, a capacity to carry out a large number of transactions efficiently and accurately, in compliance with the various different regulations applicable. The UniCredit Group is therefore exposed to operational risk, namely the risk of suffering losses due to errors, violations, interruptions, damages caused by internal processes, personnel, strikes, systems (including IT systems on which the UniCredit Group depends to a great extent) or caused by external events.

The main sources of operational risk statistically include the instability of operational processes, poor IT security, excessive concentration of the number of suppliers, changes in strategy, fraud, errors, recruitment, staff training and loyalty and, lastly, social and environmental impacts. It is not possible to identify one consistent predominant source of operational risk. The UniCredit Group has a system for managing operational risks, comprising a collection of policies and procedures for controlling, measuring and mitigating Group operational risks. These measures could prove to be inadequate to deal with all the types of risk that could occur and one or more of these risks could occur in the future, as a result of unforeseen events, entirely or partly out of the control of the UniCredit Group (including, for example, fraud, deception or losses resulting from the disloyalty of employees and/or from the violation of control procedures, IT virus / cyber attacks or the malfunction of electronic and/or communication services, possible terrorist attacks). The realisation of one or more of these risks could have significant negative effects on the activity, operating results and capital and financial position of the Issuer and/or the Group.

Moreover, in the context of its operation, the UniCredit Group outsources the execution of certain services to third companies, regarding, *inter alia*, banking and financial activities, and supervises outsourced activities according to policies and regulations adopted by the Group. The failure by the outsourcers to comply with the minimum level of service as determined in the relevant agreements might cause adverse effects for the operation of the Group.

The UniCredit Group has always invested a lot of energy and resources in upgrading its IT systems and improving its defence and monitoring systems. Based also on the Strategic Plan 2020-2023 operational risk remains a significant focus for the Group, with reinforced controls of business and governance process across all legal entities and with the launch of a permanent optimisation of work process. However, possible risks remain with regard to the reliability of the system (disaster recovery), the quality, integrity and confidentiality of the data managed and the threats to which IT systems are subject, as well as physiological risks related to the management of software changes (change management), which could have negative effects on the operations of the UniCredit Group, as well as on the capital and financial position of the Issuer and/or the Group.

Some of the more serious risks relating to the management of IT systems that the UniCredit Group has to deal with are possible violations of its systems due to unauthorised access to its corporate network, or IT resources,

the introduction of viruses into computers or any other form of abuse committed via the Internet. Like attack attempts, such violations have become more frequent over the years throughout the world and therefore can threaten the protection of information relating to the Group and its customers and can have negative effects on the integrity of the Group's IT systems, as well as on the confidence of its customers and on the actual reputation of the Group, with possible negative effects on the capital and financial position of the Issuer and/or the Group.

Considering the above, it should be noted that UniCredit group, over the past few years, has been subject to some cyber-attacks which led, even though only in a few limited cases, to the theft of personal data. In this regard, taking into account the type of risks detected, UniCredit, in addition to strengthening the protection measures already in place, carried out a wide and in-depth assessment of the effects that may derive also for financial statements purposes.

In addition, the investment by the UniCredit Group in important resources in software development creates the risk that when one or more of the above-mentioned circumstances occurs, the Group may suffer financial losses if the software is destroyed or seriously damaged, or will incur repair costs for the violated IT systems, as well as being exposed to regulatory sanctions.

Starting from 2018, UniCredit Group subscribes a Cyber Insurance Policy with European Insurance Companies with adequate rating, with reasonably high limits, to cover damages caused by Data Breach and other cyber-attacks on the IT systems.

1.2.8 Risks connected with legal proceedings in progress

1.2.8.1 Risks connected with legal proceedings

As at the date of this Registration Document, UniCredit S.p.A. and other UniCredit group companies are named as defendants in several legal proceedings. In particular, as at 31 December 2019, UniCredit and other UniCredit group companies were named as defendants in about 27,300 legal proceedings of which approx. 9,400 involving UniCredit (excluding labour law cases, tax cases and credit recovery actions in which counterclaims were asserted or objections raised with regard to the credit claims of Group companies). Moreover, from time to time, past and present directors, officers and employees may be involved in civil and/or criminal proceedings, the details of which the UniCredit Group may not be lawfully know about or communicate.

In many of these cases, there is substantial uncertainty regarding the outcomes of the proceedings and the amount of possible losses. These cases include criminal proceedings, administrative proceedings brought by supervisory or prosecution authorities and/or claims in which the claimed damages and/or potential liabilities of the Group is not and cannot be determined, either because of how the claims is presented and/or because of the nature of the actual proceedings. In such cases, until the time when it will be possible to estimate reliably the potential outcome, no provisions are made. However, where it is possible to estimate reliably the amount of possible losses and loss is considered likely, provisions have been made in the financial statements to the extent the parent company UniCredit S.p.A., or any of the Group companies involved, deemed appropriate based on the circumstances and in accordance with IAS. To provide for possible liabilities and costs that may result from pending legal proceedings (excluding labor law and tax cases), as of 31 December 2019, the UniCredit Group set aside a provision for risks and charges of €784 million, of which €465.5 million for the parent company UniCredit S.p.A. As of 31 December 2019, the total amount of claimed damages relating to judicial proceedings other than labor, tax and debt collections proceedings was €10.7 billion, of which approximately €6.7 billion for the proceedings involving the parent company UniCredit S.p.A. That figure reflects the inconsistent nature of the pending disputes and the large number of different jurisdictions, as well as the circumstances in which the UniCredit Group is involved in counterclaims.

It is also necessary for the Group to comply in the most appropriate way with the various legal and regulatory requirements in relation to the different aspects of the activity such as the rules on the subject of conflict of interest, ethical questions, anti-money laundering, customers' assets, rules governing competition, privacy and security of information and other regulations. For further information in relation to the single legal and arbitration proceedings please see Section 11.4 of this Registration Document.

1.2.8.2 Risks arising from tax disputes

At the date of this Registration Document, there are various tax-related proceedings pending with regard to UniCredit and other companies belonging to the UniCredit Group, as well as tax inspections by the competent authorities in the various countries in which the Group operates.

Specifically, as at 31 December 2019, there were 472 tax disputes involving counterclaims pending with regard to UniCredit and other companies belonging to the UniCredit Group's Italian perimeter, net of settled disputes, for a total amount equal to €146.09 million.

As of 31 December 2019, the total amount of provisions for tax risks amounted to €177.9 million, of which €6.5 million per legal expenses.

As far as the tax inspections which were concluded during the course of the financial year ended at 31 December 2019, reference is made to Section 11.4 of this Registration Document.

In consideration of the uncertainty that defines the tax proceedings in which the Group is involved, there is the risk that an unfavourable outcome and/or the emergence of new proceedings could lead to an increase in risks of a tax nature for UniCredit and/or for the Group, with the consequent need to make further provisions and/or outlays, with possible negative effects on the operating results and capital and financial position of UniCredit and/or the Group.

Finally, it should be pointed out that in the event of a failure to comply with or a presumed breach of the tax law in force in the various countries, the UniCredit Group could see its tax-related risks increase, potentially resulting in an increase in tax disputes and possible reputational damage.

For more information in relation to the tax proceedings please see Section 11.4 of this Registration Document.

1.3 Risks connected with the legal and regulatory framework

1.3.1 Basel III and Bank Capital Adequacy

In the wake of the global financial crisis that began in 2008, the Basel Committee on Banking Supervision (the **BCBS**) approved, in the fourth quarter of 2010, revised global regulatory standards (**Basel III**) on bank capital adequacy and liquidity, which impose requirements for, *inter alia*, higher and better-quality capital, better risk coverage, measures to promote the build-up of capital that can be drawn down in periods of stress and the introduction of a leverage ratio as a backstop to the risk-based requirement as well as two global liquidity standards.

The Basel III framework has been implemented in the EU through new banking requirements: Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the **CRD IV Directive**) and the Regulation 2013/575/EU (the **CRR**, together with the CRD IV Directive, the **CRD IV Package**) subsequently updated in the Regulation No. 876/2019 (Banking package with CRR II and CRD V).

According to Article 92 of the CRR, institutions shall at all times satisfy the following Own Funds requirements: (i) a CET1 Capital ratio of 4.5 per cent.; (ii) a Tier 1 Capital ratio of 6 per cent.; and (iii) a Total Capital ratio of 8 per cent. These minimum ratios are complemented by the following capital buffers to be met with CET1 Capital: *Capital conservation buffer*, *Counter-cyclical capital buffer*, *Capital buffers for globally systemically important institutions (G-SIIs)* and *Capital buffers for other systemically important institutions (O-SIIs)*.

In addition to the above-listed capital buffers, under Article 133 of the CRD IV Directive, each Member State may introduce a Systemic Risk Buffer of Common Equity Tier 1 Capital for the financial sector or one or more subsets of that sector in order to prevent and mitigate long-term non-cyclical systemic or macroprudential risks not otherwise covered by the CRD IV Package, in the sense of a risk of disruption in the financial system with the potential of having serious negative consequences on the financial system and the real economy in a specific Member State. As at the date of this Registration Document, no provision is taken on the systemic risk buffer in Italy.

Failure to comply with such combined buffer requirements triggers restrictions on distributions and the need for the bank to adopt a capital conservation plan on necessary remedial actions (Articles 141 and 142 of the CRD IV Directive).

In addition, UniCredit is subject to the Pillar 2 requirements for banks imposed under the CRD IV Package, which will be impacted, on an ongoing basis, by the SREP. Specifically, in October 2013, the Council of the European Union adopted regulations establishing the single supervisory mechanism (the **Single Supervisory Mechanism or SSM**) for all banks in the euro area, which have, beginning in November 2014, given the ECB, in conjunction with the national competent authorities of the eurozone states, direct supervisory responsibility over "banks of systemic importance" in the Banking Union as well as their subsidiaries in a participating non-euro area Member State. The ECB has fully assumed its new supervisory responsibilities of UniCredit and the UniCredit Group.

Based on the decision of ECB concerning the capital requirements following the results of its annual 2018 Supervisory Review and Evaluation Process (SREP), as of 31 December 2019, the following capital requirements apply:

- Common Equity Tier 1 ratio: 10.09%;
- Tier 1 ratio: 11.59%; and
- Total Capital ratio: 13.59%.

Furthermore UniCredit has been informed by ECB of its final decision of its 2019 SREP: the Pillar 2 capital requirement has been lowered by 25 basis point to 175 basis point, applicable from 1st January 2020. As a consequence UniCredit is required to meet the following overall capital requirements on a consolidated basis from 1 January 2020:

- Common Equity Tier 1 ratio 9.84%;
- Tier 1 ratio 11.34%;
- Total Capital ratio 13.34%³.

Should UniCredit not be able to implement the approach to capital requirements it considers optimal in order to meet the capital requirements imposed by the CRD IV Package, it may be required to maintain levels of capital which could potentially impact its credit ratings, and funding conditions and which could limit UniCredit's growth opportunities.

It should be noted that, on 12 March 2020, the ECB, taking into account the economic effects of the coronavirus (COVID-19), announced certain measures aimed at ensuring that banks, under its direct supervision, are still able to provide credit support to the real economy.

Considering that the European banking sector acquired a significant amount of capital reserves (with the aim of enabling banks to face with stressful situations such as the COVID-19), the ECB allows banks to operate temporarily below the capital level defined by the "Pillar 2 Guidance (P2G)" and the "capital conservation buffer (CCB)". Furthermore, the ECB expects these temporary measures to be further improved by an appropriate revision of the countercyclical capital buffer (CCyB) by the competent national authorities.

In addition, banks are also allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 (CET1) capital, e.g. Additional Tier 1 or Tier 2 instruments in order to comply with the Pillar 2 Requirements (P2R). This advances a measure that was initially planned to enter into force in January 2021, following the latest revision of the Capital Requirements Directive (CRD V).

Such measures result in a significant capital release for banks to support the economy, as their capital requirements are reduced.

³ Assuming the Countercyclical Capital Buffer equal to the 2019 year-end value. The Countercyclical Capital Buffer (CCyB) depends on the credit exposures of UniCredit to countries where countercyclical capital ratios have been or will be set and on the respective requirements set by the relevant national authorities, and may therefore vary on a quarterly basis over the reporting period.

The ECB is required under the SSM Regulation to carry out a SREP at least on an annual basis. The key purpose of the SREP is to ensure that institutions have adequate arrangements as well as capital and liquidity to ensure sound management and coverage of the risks to which they are or might be exposed, including those revealed by stress testing, as well as risks the institution may pose to the financial system.

As at 31 December 2019, the consolidated capital ratios (CETI Capital, Tier 1 and Total Capital ratios) were equal to, respectively, 13.22 per cent., 14.90 per cent. and 17.69 per cent.

Finally, please note that an important source of information for the purposes of the SREP is the stress test that could potential increase the minimum capital requirements, in case the Group is identified as vulnerable to the stress scenarios designed by the supervisory authorities.

UniCredit participated in the 2019 stress test conducted by the ECB, the "Sensitivity analysis of Liquidity Risk - Stress Test 2019" (LiST 2019), which is an analysis based on idiosyncratic liquidity shocks with no macro-economic scenario nor market risk shocks. The outcome has been included into the SREP 2019. The sensitivity analysis also aimed to integrate the ECB SREP analyses with respect to banks' ILAAP and to deep-dive on certain aspects of their liquidity risk management, such as the ability to mobilize collateral and impediments to collateral flows. No individual results have been published by the ECB.

It should be noted that if UniCredit participates in a new stress test, it may face a potential increase in minimum capital requirements, in the event that the Group is identified as vulnerable to the stress scenarios designed by the supervisory authorities. In this context, it should be noted that UniCredit was participating in the 2020 EBA EU-wide Stress Test, coordinated by the EBA together with the ECB, the European Systemic Risk Board and the competent national authorities. However, on 12 March 2020, EBA postponed, for all the banks involved, the exercise to 2021 in order to mitigate the impact of COVID-19 and allow banks to focus on the ordinary operation. During 2020, EBA could perform an additional EU-wide transparency exercise to provide update information on banks' exposures and asset quality to financial operators.

1.3.2 Evolution of banking prudential regulation

In terms of banking prudential regulations, the Issuer is principally subject, other than the CRD IV Package, also to the Bank Recovery and Resolution Directive 2014/59/EU of 15 May 2014 ("**BRRD**", implemented in Italy with the Legislative Decree 180 and 181 of 16 November 2015), as well as the relevant technical standards and guidelines from EU regulatory bodies (for example the European Banking Authority (EBA) and the European Securities and Markets Authority (ESMA)), which, *inter alia*, provide for capital requirements for credit institutions, recovery and resolution mechanisms.

The risk of non-compliance with different legal and regulatory requirements, could lead to additional legal risk and financial losses, as a result of regulatory fines or reprimands, litigations, or reputational damage, and in extreme scenarios, to the suspension of operations or even withdrawal of authorization to pursue business.

The Issuer is also subject to the Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 (Single Resolution Mechanism, "**SRM Regulation**") which set out uniform rules and procedures for the resolution of credit institutions and certain investment firms under the Single Resolution Mechanism (SRM) and the Single Resolution Fund. The SRM and BRRD enable a range of resolution tools and powers to be used in relation to credit institutions and investment firms considered to be at risk of failing.

Such instruments and powers include the possibility of applying the "Bail-in", *i.e.* the power to reduce, with the possibility of cancellation, the nominal value of shares and the write-down of receivables due from the bank with their conversion into shares. The aim of the bail-in is to absorb losses and recapitalize the failing bank in order to ensure the continuity of its critical economic functions, protecting financial stability and minimizing losses to the taxpayer, while still ensuring that no creditor suffers greater losses than if the bank had been liquidated under normal insolvency proceedings.

In the context of the bail-in, losses may be transferred, following a priority order and net of the exclusions provided for by the regulations, to shareholders, holders of subordinated debt securities, holders of senior non preferred securities, holders of not subordinated and unsecured debt securities, other unsecured creditors and, finally, depositors for the portion exceeding the guaranteed portion, or for the portion exceeding Euro 100,000.00 per depositor.

Furthermore, if the conditions are met, the Authorities may request the use of the Single Resolution Fund referred to in the SRMR, financed by contributions paid by banks at national level.

In the framework of the SRMR and BRRD, as of January 2016, the centralized decision-making power for resolution is entrusted to the Single Resolution Board (SRB), whose powers are attributed to the latter. In addition, the SRB cooperates closely with the national resolution authorities of Member States that are parties to the Banking Union. The national resolution authorities of Member States are empowered to implement the resolution programmes adopted by the SRB.

In addition to the capital requirements under CRD IV, the BRRD introduces requirements for banks to maintain at all times a sufficient aggregate amount of own funds and eligible liabilities (the **Minimum Requirement for Own Funds and Eligible Liabilities, MREL**). The Issuer has to meet MREL requirements currently received by the Single Resolution Committee and the Bank of Italy on a consolidated basis, which must be achieved by 30 June 2022 and complied with at all times from that date, as well as the standard on total loss absorbing capacity (TLAC). The MREL and TLAC requirements involve similar risks. They constrain the structure of liabilities and require the use of subordinated debt, which have an impact on cost and potentially on the Issuer's financing capacity. Directive (EU) 2019/879 ("**BRRD II**"), amending the BRRD, introduces significant changes to the standards regarding the calibration of the MREL requirement for banks that are systematically relevant and redefines the scope of MREL itself in order to align the eligibility criteria with those set out in the CRR so as to converge this ratio with the TLAC.

Among other things, the EU's banking reform proposals published in November 2016, as amended (the "**EU Banking Reform Proposals**"), have been adopted by the European Parliament and the European Council and published in the EU Official Journal on 7 June 2019, including, *inter alia*, the CRRII and CRDV texts. Member States have 18 months to transpose the CRDV (Directive (EU) 2019/878) texts into national law. The two measures entered into force on 27 June 2019. However, it is specified that (i) CRR II will apply from 28 June 2021 with some provisions providing for a different date of application (earlier or later); and (ii) the deadline for the transposition of CRD V into national legislation is 28 December 2020, while the application of the relevant provisions is 29 December 2020, except for some provisions which will be applied later.

Both CRD V and BRRD II are being implemented by the Italian Government. To this end, Parliament has begun the analysis of the European delegation draft law, which also sets out the principles of delegation. The decrees will be approved and will enter into force in national legislation by 28 December 2020 (with a staggered entry into force of the provisions relating to CRD V).

Moreover, it is worth mentioning that the Basel Committee on Banking Supervision (BCBS) concluded the review process of the standardised models (for credit risk, counterparty risk, operational risk and market risk) for the calculation of minimum capital requirements, including constraints on the use of internal models and introducing the so-called "output floor" (setting a minimum level of capital requirements calculated on the basis of internal models equal, when fully implemented, to 72.5% of those calculated on the basis of the standardised methods). The main purpose is to enhance consistency and comparability among banks. The new framework was finalised for market risk in 2016 and finally revised in January 2019. The new framework for credit risk and operational risk was completed in December 2017. Prior to becoming binding on the European banking system, the European Commission, which conducted a public consultation (closed on 5 January) is assessing the potential impacts on the European economy. It is expected that the future legislative proposal (CRRIII), which should incorporate these new standards into EU legislation, will be published in June 2020. Once agreed on the final text between the various stakeholders involved in the legislative process (European Commission, European Parliament and Council of the EU) and once implemented in the Union, these regulatory changes will impact the entire banking system and consequently could determine changes in the capital calculation and increase capital requirements. The analysis carried out by the European Banking Authority (EBA), published in December 2019 upon request of the European Commission, shows that the adoption of the new Basel III criteria would require banks to increase minimum capital requirements (MCR) by 23.6%, resulting in a current capital deficit of €124 billion.

Finally, it is worth mentioning the developments in Green Finance regulation. The banking system needs to be able to collect high quality data on companies' sustainable activities and projects to contribute to the radical transformation towards climate neutrality and sustainability, which are the basis for green finance decision-making. In this regard, the revision of the NFRD is a unique opportunity to align non-financial reporting requirements with taxonomy regulations and to collect all relevant information from companies. However, there is a gap between the application of the taxonomy (31 December 2021 - for climate risk mitigation objectives and

adaptation criteria), which requires financial institutions to disclose sustainable funded activities, and the potential timeframe in which companies will have to report the necessary information. The Commission's proposal for the revision of the NFRD is expected in the fourth quarter of 2020, with a possible entry into force no earlier than 2022/2023 (depending on the timing of the legislator). Therefore, it is reasonable to expect the first reporting cycle by financial sector (2021) to be carried out on the basis of the best possible effort.

Limited data availability is also recognised by TEG as an obstacle to compliance with the taxonomy, but no clear solution has been proposed.

For further information, please see the consolidated financial statements of UniCredit as at 31 December 2019, incorporated by reference herein.

1.3.3 *Risks connected with ordinary and extraordinary contributions to funds established under the scope of the banking crisis rules*

Following the crisis that affected many financial institutions from 2008, various risk-reducing measures have been introduced, both at European level and at individual Member State level. Their implementation involves significant outlays by individual financial institutions in support of the banking system.

The ordinary contribution obligations contribute to reducing profitability and have a negative impact on the Group's capital resources. It is not possible to rule out that the level of ordinary contributions required from the Group banks will increase in the future in relation to the development of the amount related to protected deposits and/or the risk relating to Group banks compared with the total number of banks committed to paying said contributions.

In addition, it is not possible to rule out that, even in future, as a result of events that cannot be controlled or predetermined, the Deposit Guarantee Scheme (**DGS**), the Single Resolution Fund (**SRF**), the National Resolution Fund (**NRF**) and/or the Fondo Interbancario di tutela dei depositi (**FITD**), do not find themselves in a situation of having to ask for more, new extraordinary contributions. This would involve the need to record further extraordinary expenses with impacts, including significant ones, on the capital and financial position of UniCredit.

For further information in relation to the above-mentioned ordinary and extraordinary contributions, please see the audited annual consolidated financial statements of the UniCredit Group and the Issuer's audited financial statements for the financial year ended on 31 December 2019, incorporated by reference herein.

1.3.4 *Risks connected with the entry into force of new accounting principles and changes to applicable accounting principles*

The UniCredit Group is exposed, like other parties operating in the banking sector, to the effects of the entry into force and subsequent application of new accounting principles or standards and regulations and/or changes to them (including those resulting from IFRS as endorsed and adopted into European law). Specifically, in the future, the UniCredit Group may need to revise the accounting and regulatory treatment of some existing assets and liabilities and transactions (and related income and expense), with possible negative effects, including significant ones, on the estimates in financial plans for future years and this could lead the Group to having to restate financial data published previously.

IFRS16, effective starting from 1 January 2019 and subject to the completion of the endorsement process by the European Union on 31 October 2017, modifies the previous set of international accounting principles and interpretations on leases and, in particular, IAS17.

IFRS16 introduces a new definition for leases and confirms the current distinction between two types of leases (operating and finance) with reference to the accounting treatment to be applied by the lessor.

With reference to the accounting treatment to be applied by the lessee, the new accounting standard sets, for all the leasing typologies, the recognition of an asset, representing the right of use of the underlying asset and, at the same time, a liability for the future payments requested by the lease contract. At the initial recognition such asset is measured on the basis of the lease contract cash flows. After the initial recognition the right of use will be measured on the basis of the rules set for the assets by IAS16, IAS38 or by IAS40 and therefore applying the cost model, less any accumulated depreciation and any accumulated impairment losses, the revaluation model or the fair value model as applicable.

With reference to the First time adoption of IFRS16 the Group decided, as allowed by the standard, to calculate the lease liability as the present value of future lease payments as at 1 January 2019 and to determine the right of use on the basis of the value of the lease liability. As a result comparative information has not been restated.

On 1 January 2019 the Group has recognised the right of use tangible assets for an amount of €2,486 million relating to lease contracts of buildings for an amount of €2,404 million; other tangible assets have been also recognised for an amount of €82 million (including land, office furniture and fitting, electronic systems, other).

At the same date the Group has also recognised lease liabilities for an amount of €2,555 million relating to lease contracts of buildings for an amount of €2,475 million; other lease liabilities have been also recognised for an amount of €80 million (including land, office furniture and fitting, electronic systems, other).

The difference between right of use and lease liability arises from the inclusion in the right of use of prepaid and deferred payments, from the recognition as part of the right of use of the provisions for risks and charges previously recognised for vacancies on rented buildings and from sublease contracts entered with third parties external to the Group that have been classified as finance lease. Indeed, in case the Group subleases to third parties assets acquired in lease contracts, it recognizes a finance lease receivable.

The impact accounted for in FTA Reserve amounts to -€6 million and it is mainly due to differences arising from sublease transactions if the terms of the head leases are not perfectly mirrored by the terms of the associated subleases.

On this regard, on 15 January 2020 the “Amendments to IFRS9, IAS39 and IFRS7 Interest Rate Benchmark Reform” (the Amendment) have been endorsed by the European Commission for use in the European Union (EU).

The Amendment solves a potential source of uncertainty on the effects of the Interbank offered rates (IBOR) reform on existing accounting hedge relationships that are affected by the IBOR reform, clarifying that the reform does not require to terminate such hedge relationships.

The EU effective start date for Amendment is the annual period beginning on or after 1 January 2020. As the earlier adoption is permitted, UniCredit group has adopted the Amendment with reference to 2019 Financials for its existing hedge accounting relationships involving other IBORs.”

1.2 The "Section II - Persons responsible, third party information, experts' reports and competent authority approval", on page 18 of the Registration Document, shall be amended as follows:

1.2.1. The subsection "Experts' reports", on page 18 of the Registration Document, shall be deleted and replaced as follows:

"2.3 Experts' reports

No statement or report attributed to a person as an expert is included in this Registration Document, except for the reports of the auditors of the Issuer who have audited the consolidated financial statements of the UniCredit Group and the financial statements of the Issuer for the financial year ended on 31 December 2019 and 31 December 2018. For further information please see Section 3 and Sections 11.2 and 11.3 below."

1.3 The "Section III - Statutory Auditors", on page 19 of the Registration Document, shall be amended as follows:

1.3.1. At the end of the subsection "Names and addresses of the Issuer's auditors", on page 19 of the Registration Document, the following paragraph shall be added:

"Furthermore, it should be noted that, with regard to the expiration of the statutory auditors' engagement described above, at the shareholders' meeting of UniCredit held on 9 April 2020, KPMG S.p.A., with registered office at Via Vittor Pisani 25, Milan, registered with the Register of Statutory Auditors (*Registro dei Revisori Legali*) with registration number no: 00709600159, has been appointed to act as UniCredit's external auditor for the 2022-2030 nine-year period."

1.3.2. The subsection "Information concerning the resignation, revocation or non-renewal of an audit engagement" on page 19 of the Registration Document, shall be deleted and replaced as follows:

"3.2 Information concerning the resignation, revocation or non-renewal of an audit engagement

No auditors have resigned, have been removed or have not been re-appointed during the financial statements 2018 and 2019."

1.4 The "Section IV - Information about the Issuer", on page 20 et seq. of the Registration Document, shall be amended as follows:

1.4.1. In subsection "History and development of the Issuer", on page 20 et seq. of the Registration Document, the "Recent Developments" paragraph, on pages 21-22-23-24 of the Registration Document, shall be deleted in its entirety and replaced as follows:

"Recent Developments

- On 12 February 2020, UniCredit S.p.A. has issued Non-Cumulative Temporary Write-Down Deeply Subordinated Fixed Rate Resettable Notes - Additional Tier 1, for a total amount of EUR 1.25 billion targeted to institutional investors.
- On 11 March 2020, after the disposals of stakes in Yapi ve Kredi Bankasi A.Ş. ("YKB"), the ECB has notified UniCredit its decision to allow the application of the equity method pursuant to Article 18(5) of the CRR. Following such notification, the Group risk weighted assets will no longer include YKB's proportional contribution; instead, the remaining approx. 20% stake held by UniCredit in the YKB will be consolidated via the equity method and subject to the deduction mechanism applicable to the significant investments in financial sector entities. In addition, the Group will not include YKB either when calculating its consolidated regulatory liquidity ratios.
- On 29 March 2020 the Board of Directors of UniCredit held an extraordinary meeting and resolved to withdraw the proposed resolutions (i) to distribute a FY19 dividend and (ii) to authorise a share buyback and (iii) to cancel the treasury shares that may be purchased under the above mentioned authorisation. This decision was taken following the ECB's recommendation on 27 March 2020 to not pay dividends until at least October 2020. The Board reserves the right to convene a new Shareholders' Meeting in order to submit new resolution proposals on the three items withdrawn subject to an ECB review of its recommendation.
- On 2 April 2020, UniCredit and Italian Trade Unions reached an agreement on the implementation of the "Team 23" strategic plan in Italy. In the next four years, 5,200 FTEs will be offered a voluntary pre-retirement plan with access to the financial sector solidarity fund. In line with the development of the multichannel offer of the Group, 800 FTEs will be requalified and reskilled for new professional roles. As part of the agreement the Group commits to hiring 2,600 people over the next four years to ensure a positive generational turnover and digital upskilling of the workforce. In addition, UniCredit will convert 900 apprenticeships into standard employment contracts to increase job security. With this agreement, negotiations with trade unions related to the implementation of Team 23 have been completed with a socially responsible outcome.
- On 6 April 2020, with reference to the "*UNICREDIT S.P.A. 2015-2025 OBBLIGAZIONI SUBORDINATE TIER II A DIECI ANNI E DUE MESI CON CEDOLE TRIMESTRALI A TASSO VARIABILE INDICIZZATE AL TASSO EURIBOR A 3 MESI AUMENTATE DI UN MARGINE PARI AL 2,75% ANNUO, CON FACOLTÀ DI RIMBORSO ANTICIPATO AD INIZIATIVA DELL'EMITTENTE*", UniCredit S.p.A. announced to exercise its right to early redeem in whole the bonds on 3 May 2020.
- On 9 April 2020 the Ordinary and Extraordinary Shareholders' Meeting of UniCredit S.p.A. was held in Milan and has resolved for the items on the agenda. In accordance with the decision of the Board of Directors, communicated to the market on March 29, 2020, taken following the ECB recommendation of March 27, 2020, the Shareholders' Meeting has not resolved on the following items on the agenda:
 - Ordinary Session "Distribution of a dividend from profit reserves";
 - Ordinary Session "Authorisation to purchase treasury shares. Consequent and inherent resolutions";
 - Extraordinary Session "Cancellation of treasury shares with no reduction of share capital; consequent amendment to clause 5 of the Articles of Association. Consequent and inherent resolutions".

- On 22 April 2020 UniCredit, to provide relevant guidance to all market participants, announced that it is anticipating the update of macroeconomic assumptions underlying the IFRS9 calculation of generic Loan Loss Provisions (LLPs).

For the eurozone, UniCredit sees a FY20 GDP decline of 13 per cent followed by a 10 per cent recovery in FY21. These assumptions include the expected COVID-19 impact as well as the announced government and ECB mitigating actions, and are aligned with those published by UniCredit Economics Research on 2 April 2020 and also track closely, if somewhat more conservatively, those published by the IMF on 14 April 2020.

As a result, in 1Q20 UniCredit will book an additional €0.9 billion generic LLPs. Thus, Cost of Risk (CoR) for 1Q20 is estimated to be around 110bps, of which 80bps due to the updated IFRS9 macro scenario and 30bps underlying CoR. The latter is materially better than the original target of 46bps for the year.

For the full FY20, whilst difficult to forecast due to the current unprecedented situation, CoR is estimated to be in the range of 100-120bps. CoR will be a combination of the IFRS9 LLPs and of the expected recognition of sector and specific LLPs throughout the year as risks materialise, likely to occur towards the end of the year once the moratoria expire.

For FY21, the Group currently estimates a CoR of 70-90bps.

Thanks to the success of Transform 2019, UniCredit is in a position of great capital strength with a CET1 MDA buffer which is to remain well above its 200-250bps target range throughout FY20. The Group also benefits from a strong liquidity position, with a Liquidity Coverage Ratio above 140 per cent at the end of 1Q20.

UniCredit announced that its CEO, Jean Pierre Mustier, in addition to foregoing his full variable 2020 LTIP remuneration, equivalent to a maximum of 2.4 million euros, has proposed to reduce his 2020 salary by 25 per cent, equivalent to 300,000 euros. The total reduction of the CEO's compensation is thus 2.7 million euros, which the board of directors, will donate with immediate effect, to the UniCredit Foundation. The CEO's contribution will be added to the already ongoing efforts to alleviate the impact of the pandemic on local communities and provide extra resources to the health services in their fight against the virus. As a consequence, Jean Pierre Mustier's total remuneration for the year 2020 will be 900,000 euros, a 75 per cent reduction of his overall full year target remuneration.

For UniCredit, the primary objective is to protect the health and safety of its team members and clients. The Group will continue to do the right thing and actively serve its customers and support the economies and communities where it is present.

UniCredit's 1Q20 quarterly results will be published on 6 May 2020.”

1.4.2. In subsection “The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer”, on page 24 of the Registration Document, the following sentence shall be deleted:

"Details in relation to the most significant regulatory provisions and european initiatives for the Issuer are provided below."

1.4.3. In subsection "Credit ratings", on pages 24-25 of the Registration Document, the table and the note (6) on page 25 of the Registration Document shall be replaced as follows:

”

Rating Agencies	Short Term Counterparty Credit Rating	Long Term Counterparty Credit Rating	Outlook	Last update
Fitch	F2 ⁽¹⁾	BBB ⁽²⁾	negative ⁽³⁾	24 March 2020
S&P	A-2 ⁽⁴⁾	BBB ⁽⁵⁾	negative ⁽⁶⁾	29 April 2020
Moody's	P-2 ⁽⁷⁾	Baa1 ⁽⁸⁾	stable ⁽⁹⁾	18 July 2019

[...]

- (6) Outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). In determining a rating outlook, consideration is given to any changes in economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action. Negative means that a rating may be lowered (**Source: S&P**).

"

1.4.4. The subsection "Information on the material changes in the Issuer's borrowing and funding structure since the last financial year", on page 26 of the Registration Document, shall be deleted and replaced as follows:

"4.1.7 Information on the material changes in the Issuer's borrowing and funding structure since the last financial year

There are no material changes in the Issuer's borrowing and funding structure since the last financial year ended on 31 December 2019."

1.4.5. The subsection "Description of the expected financing of the Issuer's activities", on page 26 of the Registration Document, shall be deleted and replaced as follows:

"4.1.8 Description of the expected financing of the Issuer's activities

As at 31 December 2019 the loans to deposits ratio (LDR), a ratio between the customer loans and deposits, including the repo activity, is equal to 102.6%. Such ratio increases compared to 31 December 2018, equal to 98.5%, due to the deconsolidation of Fineco during the year.

However the Group's liquidity is always well above the minimum regulatory requirements - liquidity coverage ratio (LCR) and Net Stable Funding Ratio (NSFR) - as provided by EU 2013/575 Regulation and EU/36/2013 Directive.

As at 31 December 2019 the liquidity buffer is equal to Euro 139,389 millions (Euro 126,256 millions at 31 December 2018).

As at 31 December 2019, the TLTRO participations of the Group is equal to Euro 50.7 billions (compared to Euro 51.15 billions at the end of 2018)."

1.5 The "Section V - Business Overview", on page 27 et seq. of the Registration Document, shall be amended as follows:

1.5.1. Under the subsection "Principal activities", on page 27 of the Registration Document, the paragraphs before paragraph "Commercial Banking Italy", shall be replaced as follows:

"UniCredit is a simple pan-European commercial bank with a fully plugged in Corporate & Investment Bank, delivering a unique Western, Central and Eastern European network to its extensive client franchise.

UniCredit provides local and international expertise and, thanks to its European network, offers unique access to products and services in its 13⁴ main markets.

As at the date of this Registration Document no significant new product or activity has been introduced.

Brief descriptions of the business segments through which the UniCredit Group operates are provided below."

1.5.2. On page 27 of the Registration Document, under the subsection "Principal activities", the "Commercial Banking Italy" paragraph shall be deleted and replaced as follow:

"Commercial Banking Italy

Commercial Banking Italy is composed by UniCredit SpA commercial network limited to Core clients (excluding Corporate clients, supported by Corporate and Investment Banking Division and clients supported by Foreign Branches), Leasing (excluding Non-Core clients), Factoring and UniCredit SpA structures included in local Corporate Centre that support the Italian business network.

In relation to individual clients (Mass market, Affluent, Private and Wealth), Commercial Banking Italy's goal is to offer a full range of products, services and consultancy to fulfill transactional, investments and credit needs, relying on branches and multichannel services provided thanks to new technologies.

The territorial organisation promotes a bank closer to customers and faster decision-making processes, while the belonging to UniCredit group allows to support companies in developing International attitude."

1.5.3. On page 29 of the Registration Document, under the subsection "Principal activities", the "Group Corporate Centre" paragraph shall be deleted and replaced as follow:

"Group Corporate Centre

The Group Corporate Centre's objective is to lead, control and support the management of the assets and related risks of the Group as a whole and of the single Group companies in their respective areas of competence. In this framework, an important objective is to optimize costs and internal processes guaranteeing operating excellence and supporting the sustainable growth of the Business Lines. In the Group Corporate Centre are included also the Group's Legal Entities that are going to be dismissed."

⁴ On 5 February 2020 UniCredit announced a 20% reduction in the shares held in Yapı ve Kredi Bankası A.Ş..

1.6 The "Section VI - Organisational Structure", on page 30 et seq of the Registration Document, shall be amended as follows:

1.6.1. The subsection "Brief description of the group and the Issuer's position within the group", on pages 30-31-32 of the Registration Document, shall be deleted in its entirety and replaced as follows:

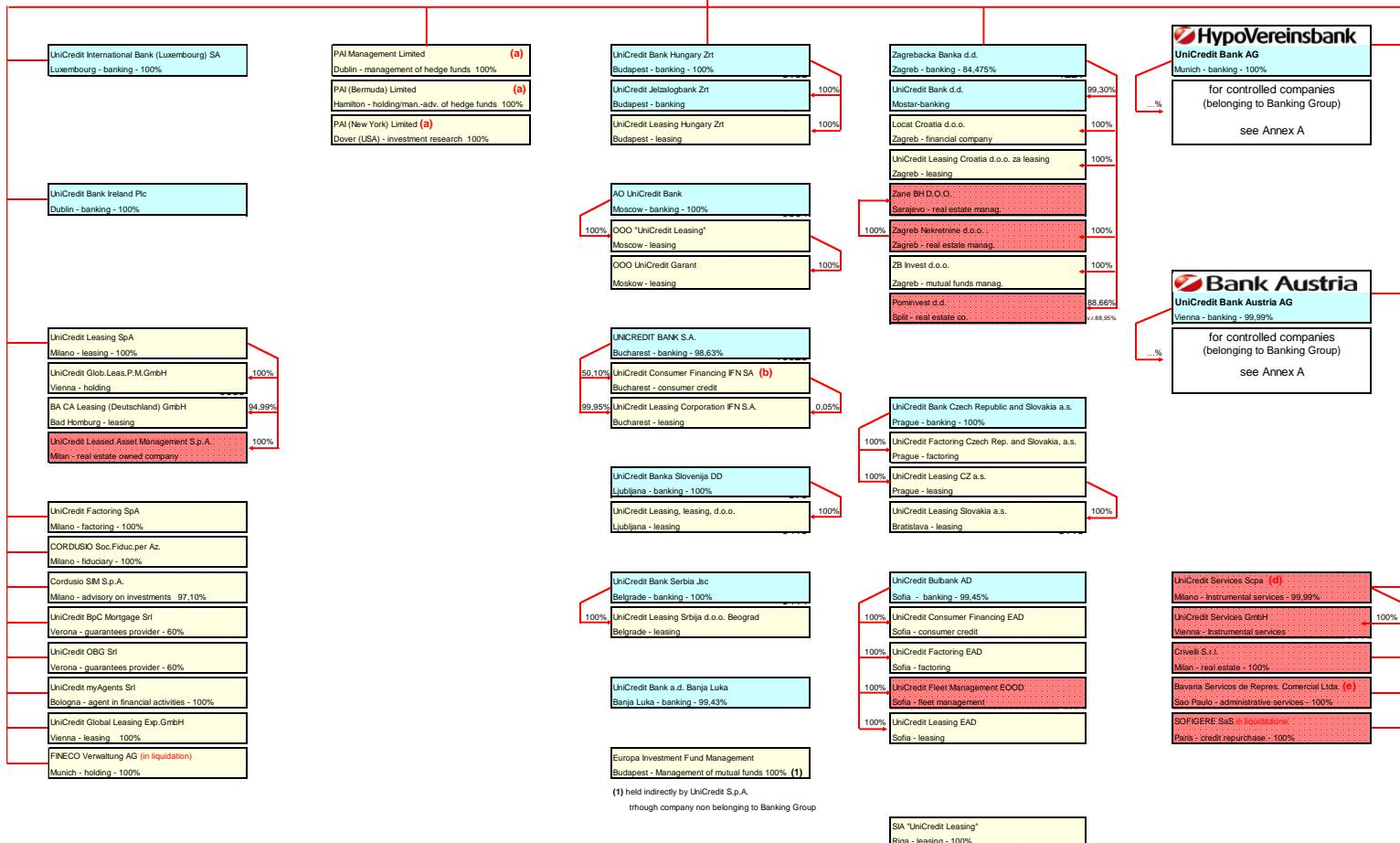
"6.1 Brief description of the group and the Issuer's position within the group.

UniCredit is the parent company of the UniCredit Group and, in addition to banking activities, it carries out organic policy, governance and control functions vis-à-vis its subsidiary banking, financial and instrumental companies.

UniCredit, as a bank which undertakes management and co-ordination activities for the UniCredit Group, pursuant to Article 61 of the Italian Banking Act issues, when exercising the management and co-ordination activities, instructions to the other members of the banking group in respect of the fulfilment of the requirements laid down by the supervisory authorities in the interest of the banking group's stability.

The following diagram illustrates the banking group companies as at 15 March 2020:

Banking Group (cod. 2008.1)



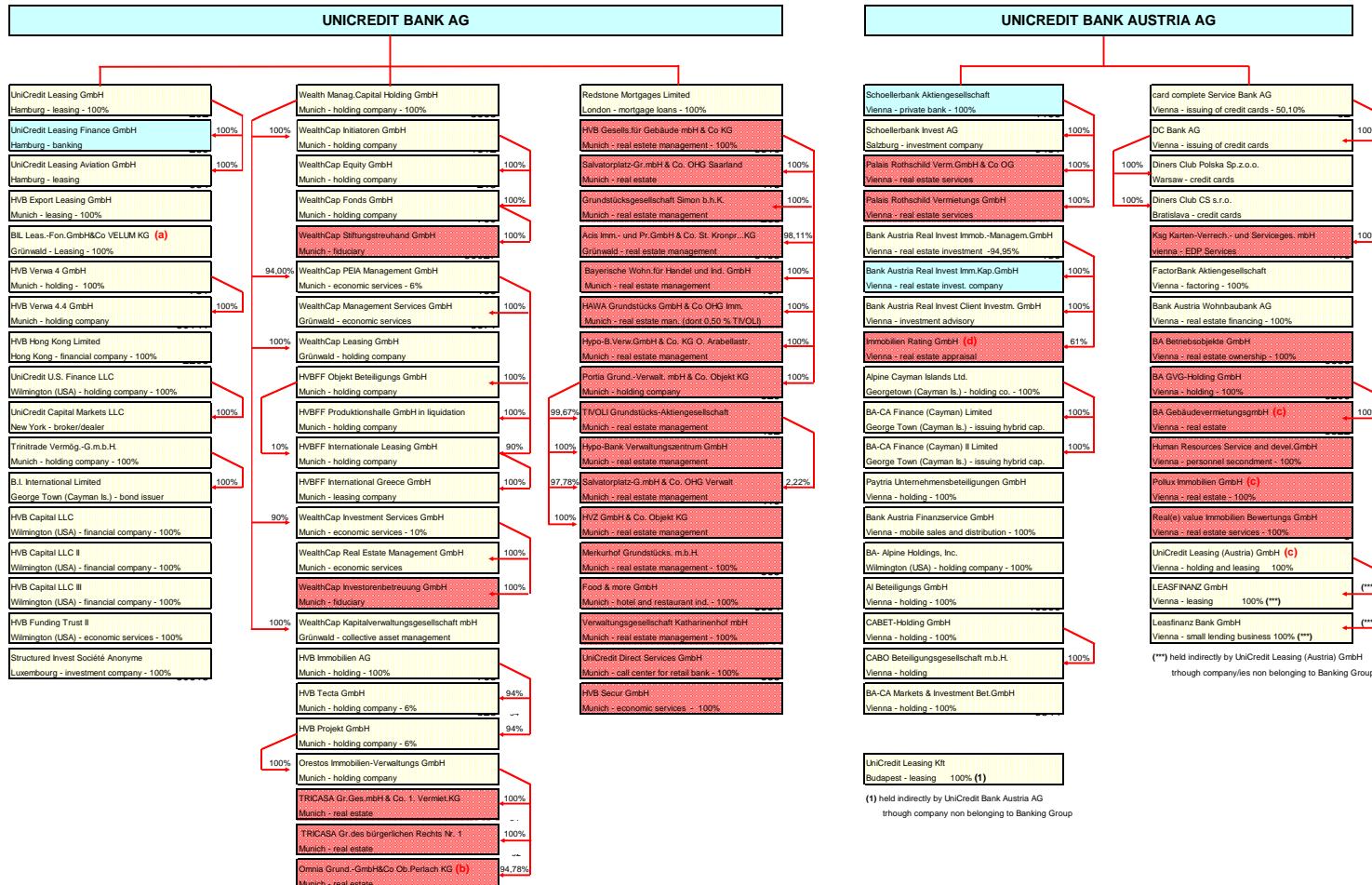
Companies belonging to
the Banking Group

banking
financial
instrumental

Updated

March 15th 2020

Annex A



(a) voting rights held by UCB AG (33,33%) and by BIL Leasing-Fonds Verwaltungs GmbH (33,33%) (b) 5,22% held by WealthCap Leasing GmbH (c) % considering shares held by other Companies controlled by BA

(d) 19% held by BA and 19% held by UniCredit Leasing (Austria) GmbH

(z) Requested to Bank of Italy the inclusion in the Banking Group

Companies belonging to
the Banking Group

banking
financial
instrumental

Updated

March 15th 2020

- 1.7 The "Section VII - Trend Information", on page 34 of the Registration Document, shall be deleted in its entirety and the following new section shall be inserted:**

"Section VII – Trend Information

7.1 Material adverse change in the prospects of the Issuer since the date of its last published audited financial statements

There has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements as at 31 December 2019.

There has been no significant change in the financial performance of the Group since the end of the last financial period as at 31 December 2019 for which financial information has been published to the date of this Registration Document.

7.2 Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year

On February 5th 2020 UniCredit announced the completion of the accelerated bookbuild operation following which it reduced the shares held in Yapı ve Kredi Bankası A.Ş to 20%. In addition we highlight that the current Market environment is characterized by uncertainties also on the financial markets due to the Covid-19 crisis, whose impact on Group profitability, in particular in terms operating income and cost of risk, cannot yet be finally assessed as at the date of this Registration Document. Except what aforementioned, the Issuer is not aware about any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year."

1.8 The "Section IX - Administrative, management, and supervisory bodies", on page 36 et seq. of the Registration Document, shall be deleted in its entirety and the following new section shall be inserted:

"Section IX – Administrative, management, and supervisory bodies

9.1 Names, business addresses and functions of the members of the Board of Directors and Board of Statutory Auditors and an indication of the principal activities performed by them outside of the Issuer where these are significant with respect to the Issuer

The board of directors (the **Board** or the **Board of Directors**) is elected by UniCredit shareholders at a general meeting for a three financial year term, unless a shorter term is established upon their appointment, and Directors may be re-elected. Under UniCredit Articles of Association, the Board is composed of between a minimum of 9 and a maximum of 24 members.

The Board of Directors currently in office was appointed by the UniCredit Ordinary Shareholders' Meeting on 12 April 2018 for a term of three financial years and, at the date of this Registration Document, is composed of 14 members. The term in office of the current members of the Board will expire on the date of the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2020.

The following table sets forth the current members of UniCredit's Board of Directors as at the date of this Registration Document, having regard also to the changes occurred in the composition of the Board after the abovementioned ordinary shareholders' meeting.

Name	Position
Cesare Bisoni ¹	Chairman
Lamberto Andreotti ²	Deputy Chairman
Jean Pierre Mustier ¹⁻³	Chief Executive Officer
Mohamed Hamad Al Mehairi ²	Director
Sergio Balbinot ¹	Director
Vincenzo Cariello ²	Director
Elena Carletti ²	Director
Diego De Giorgi ²	Director
Beatriz Lara Bartolomé ²	Director
Stefano Micossi ²	Director
Maria Pierdicchi ²	Director
Francesca Tondi ²	Director
Alexander Wolfgring ²	Director
Elena Zambon ²	Director

Notes:

⁽¹⁾ Director that does not meet the independence requirements pursuant to Clause 20 of the Articles of Association and Section 3 of the Italian Corporate Governance Code.

- (2) Director that meets the independence requirements pursuant to Clause 20 of the Articles of Association, Section 3 of the Italian Corporate Governance Code and Section 148 of the Financial Services Act.
- (3) Director that does not meet the independence requirements pursuant to Section 148 of the Financial Services Act.

The information on the Board of Directors and its update is available on the UniCredit website. The business address for each of the foregoing Directors is in Milan, 1-20154, Piazza Gae Aulenti 3, Tower A.

Other principal activities performed by the members of the Board which are significant with respect to UniCredit are listed below:

Cesare Bisoni

- Deputy Chairman of Board, Member of Executive Committee and Member of Committee of the Presidency of ABI - Italian Banking Association
- Member of the Board of Directors of *Assonime*
- Member of the Board of Directors of *Fondazione Universitaria Marco Biagi*
- Member of EFR (European Financial Services Round Table), Bruxelles
- Member of COMI (Committee of Market Operators and Investors) of CONSOB
- Member of "Collegio di Indirizzo" of Fondazione Bologna Business School - Italy
- Member of Committee for Corporate Governance
- Member of “Consiglio Direttivo” of Istituto Luigi Einaudi Per Gli Studi Bancari Finanziari e Assicurativi
- Member of the Board of Directors of the *Fondazione Felice Gianani*

Lamberto Andreotti

- Member of the Board of Directors of Corteva Agriscience
- Senior Advisor of EW Healthcare
- Member of the Board of Directors of American Italian Cancer Foundation
- Member of the Board of Directors of Salzburg Festival Society

Jean Pierre Mustier

- Chairman of the Board of Directors of Federazione Bancaria Europea
- Member of the Board of Directors of ABI – Associazione Bancaria Italiana
- Member of the Board of Directors of Fondazione Leonardo Del Vecchio
- Shareholder of TAM S.à. r.l.
- Shareholder of F.M. Invest SA
- Shareholder of Groupement Forestier Abbaye Grand Mont
- Shareholder of TAM Eurl

- Shareholder of Chelsea Real Estate
- Shareholder of HLD Associés
- Shareholder of Eastern Properties
- Shareholder of Bankable
- Shareholder of Dashlane Inc.
- Shareholder of Chili Piper Inc.

Mohamed Hamad Al Mehairi

- Executive Director - Financial Institutions - Mubadala Investment Company PJSC
- Board Member of Arabtec Holding PJSC (Arabtec)
- Board Member of Abu Dhabi Commercial Bank
- Board Member of Wessal Capital Asset Management S.A.
- Board Member of Palmassets S.A.
- Board Member of DEPA Limited
- Board Member of Emirates Investment Authority

Sergio Balbinot

- Member of the Board of Management of Allianz SE
- Member of the Board of Directors of Allianz France S.A.
- Member of the Board of Directors of Allianz Sigorta A.S.
- Member of the Board of Directors of Allianz Yasam ve Emeklilik A.S.
- Member of the Board of Directors of Bajaj Allianz Life Insurance Co. Ltd
- Member of the Board of Directors of Bajaj Allianz General Insurance Co. Ltd
- Member of the Board of Directors of Borgo San Felice S.r.l.

Vincenzo Cariello

- Of Counsel at RCCD Studio Legale, Milan

Elena Carletti

- Full Professor of Finance, Bocconi University, Department of Finance
- Research Professor, Bundesbank
- Scientific Director, European University Institute, Florence School of Banking and Finance (FDB)

- Member of the Advisory Scientific Committee, European Systemic Risk Board (ESRB) - European System of Financial Supervision
- Member of Expert Panel on banking supervision, European Parliament
- Member of the Executive Committee, European Finance Association
- Member of the Scientific Committee "Paolo Baffi Lecture", Bank of Italy
- Member of the Scientific Committee, Bruegel

Diego De Giorgi

- none

Beatriz Lara Bartolomé

- Sole Administrator of AHAOW
- Innovation & Digital Transformation Board PROSEGUR
- Member of Board of Advisors GLOBANT of EMEA
- Seed Investor & Strategic Advisor ZELEROS Hyperloop
- Financial Investor & Senior Advisor OPINNO
- Professor and mentor of Digital Journey, IPADE in San Francisco
- Mentor of Startup Lab, International MBA, IE Business School
- Promoter of Innovation Center for Collaborative Intelligence

Stefano Micossi

- Director General Assonime
- Member of the Board of Directors of the Centre for European Policy Studies
- Member of the Corporate Governance Committee
- Member and Coordinator of the scientific Committee of Confindustria
- Chairman of the LUISS - School of European Political Economy
- Member of the Board of Directors of the International Yehudi Menuhin Fundation
- Founding member and coordinator of EuropEos
- Honorary Professor at the College of Europe

Maria Pierdicchi

- Non Executive Board Member and Chair of Human Resources Committee of Gruppo Autogrill
- Independent Board Member of Luxottica S.p.A.

- Non Executive Board Member of AURORA AS
- Chairwoman and Board Member of NED COMMUNITY

Francesca Tondi

- Member of the Advisory Board of Angel Academe, London, UK
- Member of the Board of Directors of Angel Academe Nominee, London, UK
- Member of the Selection Committee, Mentor of Fintech Circle, London, UK

Alexander Wolfgring

- Member of the Board of Directors (Executive Director) of Privatstiftung zur Verwaltung von Anteilsrechten
- Member of the Board of Directors of AVZ GmbH
- Chairman of the Supervisory Board, Österreichisches Verkehrsbüro AG
- Chairman of the Supervisory Board, Verkehrsbüro Touristik GmbH
- Member of the Board of Directors of AVB Holding GmbH
- Member of the Board of Directors of API Besitz, GmbH
- Member of the Board of Directors of Mischek Privatstiftung

Elena Zambon

Zambon Group:

- Vice President of GEFIM S.p.A.
- President of ENAZ S.r.l.
- Member of the Board of Directors of IAVA S.r.l.
- Member of the Board of Directors of ITAZ S.r.l.
- Member of the Board of Directors of TANO S.r.l.
- Member of the Board of Directors of CLEOPS S.r.l.
- Member of the Board of Directors of Zambon Company S.p.A.
- President of Zambon S.p.A.
- Vice President of Zach Systems S.p.A.
- Member of the Board of Directors of Zeta Cube S.r.l.
- Member of the Board of Directors of ANGAMA S.r.l.
- President of Fondazione Zoe (Zambon Open Education)

Offices extra Zambon Group:

- Member of the Board of Directors of FBN - Family Business Network
- Member of the Board of Directors of Istituto Italiano di Tecnologia (IIT)
- Vice President of Aspen Institute Italia
- Member of the Board of Directors of Ferrari N.V.
- Member of the Board of Centro Internazionale di Studi di Architettura Andrea Palladio

Board of Statutory Auditors

The Board of Statutory Auditors (the **Board of Statutory Auditors**) currently in office was appointed by the UniCredit ordinary shareholders' meeting on 11 April 2019 for a term of three financial years and its members may be re-elected. Pursuant to the provisions of the UniCredit Articles of Association, the Board of Statutory Auditors consists of five permanent statutory auditors, including a Chairman. Furthermore, the above-mentioned shareholders' meeting appointed four stand-in statutory auditors.

The term in office of the current members of the Board of Statutory Auditors will expire on the date of the shareholders' meeting called to approve the financial statements for the financial year ending 31 December 2021.

The following table sets out the current members of UniCredit Board of Statutory Auditors as at the date of this Registration Document:

Name	Position
Marco Rigotti	Chairman
Angelo Rocco Bonissoni	Statutory Auditor
Benedetta Navarra	Statutory Auditor
Guido Paolucci	Statutory Auditor
Antonella Bientinesi	Statutory Auditor

The information on the Board of Statutory Auditors and its update is available on the UniCredit website.

All of the members of the Board of Statutory Auditors in office are enrolled with the Register of Chartered Accounting Auditors of the Italian Ministry of Economy and Finance. The business address for each of the members of the Board of Statutory Auditors is in Milan, 1-20154, Piazza Gae Aulenti 3, Tower A.

Other principal activities performed by the Statutory Auditors of UniCredit which are significant for UniCredit are listed below:

Marco Rigotti

- Chairman of the Board of Statutory Auditors of Autogrill S.p.A.
- Chairman of the Board of Directors of Alisarda S.p.A
- Chairman of the Board of Directors of Geasar S.p.A.
- Chairman of the Board of Directors of AQA Holding S.p.A.

Angelo Rocco Bonissoni

- Attorney of Nuova CPS Servizi S.r.l.

Benedetta Navarra

- Member of the Supervisory Board and of the Audit Committee of UniCredit Bank Czech Republic and Slovakia, a.s.
- Member of Audit Committee of UniCredit BulBank A.D.
- Member of the Board of Directors of A.S. Roma S.p.A.
- Statutory Auditor and member of the Supervisory Body of CDP Reti S.p.A.
- Chairman of the Supervisory Body pursuant to legislative Decree 231/2001 of Equitalia Giustizia S.p.A.
- Statutory Auditor of Italo S.p.A.
- Chairman of the Board of Statutory Auditors of Guala Closures S.p.A.
- Member of the Supervisory Body of Confcommercio imprese per l'Italia Provincia di Roma Capitale
- Member of the Supervisory Body of Promo.Ter Roma

Guido Paolucci

- Chairman of the Board of Statutory Auditors of Ecofuel S.p.A.
- Chairman of the Board of Statutory Auditors of Raffineria di Gela S.p.A.
- Chairman of the Board of Statutory Auditors of Telecom Italia San Marino S.p.A.
- Chairman of the Board of Statutory Auditors of Telefonia Mobile Sammarinese S.p.A.
- Statutory Auditor of Olivetti S.p.A.
- Statutory Auditor of Nuova Compagnia di Partecipazioni S.p.A.
- Statutory Auditor of Consorzio CONOU
- Statutory Auditor of Società Gemelli Molise S.p.A.
- Sole Auditor of Publispei S.r.l.
- Chairman of the Board of Statutory Auditors of Fondazione "Casa Sollevo della Sofferenza"

Antonella Bientinesi

- Chairman of the Board of Statutory Auditors of Cerved Group S.p.A.
- Chairman of the Board of Statutory Auditors of Anas S.p.A.
- Statutory Auditor of ACER SEDE S.p.A.
- Statutory Auditor of Enel Energia S.p.A.

- Statutory Auditor of Enel Green Power Solar Metehara S.p.A.
- Statutory Auditor of Enel Green Power Solar Ngonye S.p.A.
- Statutory Auditor of Fondo Ambiente Italiano – FAI

9.2 Conflicts of Interest

As at the date of this Registration Document, and to the best of UniCredit's knowledge, with regard to the members of the UniCredit Board of Directors and Board of Statutory Auditors there are no conflicts of interest with the obligations arising from the office or position held within UniCredit, except for those that may concern operations put before the relevant bodies of UniCredit, in accordance with the applicable procedures and in strict compliance with existing laws and regulations. Members of the UniCredit Board of Directors and Board of Statutory Auditors must indeed comply with the following provisions aimed at regulating instances where there exists a specific interest concerning the implementation of an operation:

- Article 53 of the Italian Banking Act sets forth the obligations envisaged by paragraph 1 of Article 2391 of the Italian Civil Code, hereinafter quoted, confirming the duty to abstain from voting for the Directors having a conflicting interest, on their own behalf or on behalf of a third party;
- Article 136 of the Italian Banking Act, which requires a special authorisation procedure (a unanimous decision by the supervisory body with the exclusion of the concerned officers' vote and the favourable vote of all members of the controlling body) should a bank enter into obligations of any kind or enter, directly or indirectly, into purchase or sale agreements with its corporate officers;
- Article 2391 of the Italian Civil Code, which obliges directors to notify fellow directors and the Board of Statutory Auditors of any interest, on their own behalf or on behalf of a third party, that they may have, in a specific company transaction, with the concerned member of the Board of Directors having to abstain from carrying out the transaction if he/she is also the CEO; and
- Article 2391-*bis* of the Italian Civil Code, CONSOB Regulation No. 17221 dated 12 March 2010 (and subsequent updates) concerning transactions with related parties, as well as the provisions issued by the Bank of Italy for the prudential supervision of banks concerning risk activities and conflicts of interest of banks and banking groups with associated persons (New Prudential Supervisory Regulations of the Bank of Italy and subsequent updates).

In accordance with the said latest provisions, UniCredit has adopted specific policies and procedures in order to ensure, between the others, the transparency and the material and procedural correctness of the transactions with related parties, directly or through controlled companies. In accordance with the aforementioned provisions transactions with related parties or with associated persons fall within the exclusive responsibility of the UniCredit Board of Directors, with the exception of the transactions falling under the responsibility of the UniCredit Shareholders' Meeting. For information on related-party transactions, please see Part H of the Notes to the consolidated financial statements of UniCredit as at 31 December 2019, incorporated by reference herein.

Notwithstanding the obligations of Article 2391 of the Civil Code, UniCredit and its corporate bodies have adopted measures and procedures to ensure compliance with the provisions relating to transactions with its Corporate Officers, as well as transactions with related parties and associated persons."

1.9 The "Section X - Major Shareholders", on page 44 of the Registration Document, shall be amended as follows:

1.9.1. The subsection "Information related to the shareholder structured of the Issuer", on page 44 of the Registration Document, shall be deleted in its entirety and replaced as follows:

"10.1 Information related to the shareholder structured of the Issuer

No individual or entity controls UniCredit within the meaning provided for in Article 93 of the Financial Services Act.

As at 3 April 2020, according to available information, the main shareholders holding, directly or indirectly, a relevant participation in UniCredit were:

Major Shareholders	Ordinary Shares	% owned⁽¹⁾
BlackRock Group	113,550,196	5.075
Dodge & Cox	111,715,904	4.993 ⁽²⁾
Norges Bank	65,903,291	2.946
Delfin S.a.r.l.	43,056,324	1.925
Fondazione Cassa di Risparmio di Ve-Vi-BI e An	40,097,626	1.792
Fondazione Cassa di Risparmio di Torino	36,757,449	1.643
Allianz SE Group	25,273,986	1.130

⁽¹⁾ at the date of 3 April 2020.

⁽²⁾ non-discretionary asset management.

Article 120, paragraph 2, of the Financial Services Act, as a consequence of Legislative Decree No. 25/2016, sets forth that holdings exceeding 3 per cent. of the voting capital of a listed company shall be communicated to both the latter and to CONSOB. It should be noted that, with the resolution no. 21326 of 9 April 2020 (which repealed and replaced the preceding resolution no. 21304 of 17 March 2020), CONSOB provided that, pursuant to article 120, paragraph 2-bis of the Financial Services Act, for a period of three months starting from 11 April 2020 - subject to early revocation - there is the obligation to notify the investee company and CONSOB, according to article 120, paragraph 2 of the Financial Services Act, when the additional threshold of 1% is exceeded.

The updated information concerning the major shareholders will be available from time to time on the Issuer's website."

- 1.10** The "Section XI - Financial Information concerning the Issuer's assets and liabilities, financial position and profits and losses", on page 45 et seq. of the Registration Document, save for the 2018 consolidated accounts of UniCredit Group, already incorporated by reference in the Registration Document, shall be amended and the following new section shall be inserted:

"Section XI – Financial Information concerning the Issuer's assets and liabilities, financial position and profits and losses

11.1 Historical financial information

11.1.1 The Issuer's financial information is included in the Issuer's financial statements incorporated by reference – pursuant to article 19 of the Prospectus Regulation – in this Registration Document related to the audited annual consolidated financial statements of the UniCredit Group for the financial year ended on 31 December 2019 and 31 December 2018 and the audited financial statements of the Issuer for the financial year ended on 31 December 2019 and 31 December 2018. The annual consolidated financial statements of the UniCredit Group and the financial statements of the Issuer for the financial year ended on 31 December 2018 are available to the public on the Issuer's website at the following link: <https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/financial-reports/2018/4Q18/2018-Annual-Report-and-Accounts.pdf>, and the annual consolidated financial statements of the UniCredit Group and the financial statements of the Issuer for the financial year ended on 31 December 2019 are available to the public on the Issuer's website at the following link: <https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/financial-reports/2019/4Q19/2019-Annual-Report-and-Accounts.pdf>

The audited annual financial statements ended on 31 December 2019 have been approved by the ordinary shareholders' meeting on 9 April 2020.

Details in relation to the consolidated financial statements of the UniCredit Group and to the financial statements of the Issuer ended on 31 December 2019 and 31 December 2018 are provided below.

Document	Information incorporated	Page numbers
2019 UniCredit Annual Report and Accounts	Consolidated Report and Accounts of UniCredit Group:	
	Consolidated Report on Operations	29-71
	Consolidated Balance Sheet	91
	Consolidated Income Statement	92
	Consolidated Statement of Comprehensive Income	93
	Statement of Changes in the Consolidated Shareholders' Equity	94-95
	Consolidated Cash Flow Statement	96-97
	Notes to the Consolidated Accounts	99-400
	Certification	403
	Report of External Auditors	405-415
	Annexes	417-475

Document	Information incorporated	Page numbers
[...]		
2019 UniCredit Annual Report and Accounts	Report and Accounts of UniCredit S.p.A.:	
Report on operations	485-507	
Balance Sheet	511	
Income Statement	512	
Statement of Comprehensive Income	513	
Statement of Changes in the Shareholders' Equity	514-515	
Cash Flow Statement	516-517	
Notes to the Accounts	519-685	
Certification	687	
Report of External Auditors	715-725	
Annexes	729-737	
Document	Information incorporated	Page numbers
2018 UniCredit Annual Report and Accounts	Report and Accounts of UniCredit S.p.A.:	
Report on operations	511-533	
Balance Sheet	537	
Income Statement	538	
Statement of Comprehensive Income	539	
Statement of Changes in the Shareholders' Equity	540-541	
Cash Flow Statement	542-543	
Notes to the Accounts	545-727	
Annexes	729-738	
Certification	741	
Report of External Auditors	763-773	

For the avoidance of doubt, such parts of the consolidated financial statements of the UniCredit Group and of the financial statements of the Issuer for the year ended 31 December 2019 and 31 December 2018, which are not explicitly listed in the tables above, are not incorporated by reference into this Registration Document as these parts are either not relevant for the investor or covered elsewhere in this Registration Document.

Any information not listed above but included in the documents incorporated by reference is given for information purposes only. Such parts of the documents which are explicitly listed above shall be deemed to be incorporated in, and form part of this Registration Document, save that any statement contained in such a document shall be deemed to be modified or superseded for the purpose of this Registration Document to the extent that a statement contained in this Registration Document modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Document.

This Registration Document and the documents incorporated by reference will be published on the website of the Luxembourg Stock Exchange, at www.bourse.lu. Furthermore the Registration Document will be published in the following webpage: <https://www.investimenti.unicredit.it/it/info/documentazione.html#programmi-di-emissione-unicredit-spa>. Except for the copies of the documents incorporated by reference in the Registration Document available on the website of the Luxembourg Stock Exchange, at www.bourse.lu, and the Issuer website, www.unicreditgroup.eu, the content of any website referred to in this Registration Document does not form part of this Registration Document and the information on such websites has not been scrutinised or approved by the CSSF as competent authority under the Prospectus Regulation.

11.2 Interim and other financial information

11.2.1 As at the date of this Registration Document, no interim financial information has been published by the Issuer since the date of its last audited financial statements for the financial year ended 31 December 2019.

11.3 Auditing of historical annual financial information

11.3.1 Deloitte has audited and issued unqualified audit opinions – incorporated by reference in this Registration Document - on the consolidated financial statements of the UniCredit Group and on the financial statements of the Issuer for the year ended on 31 December 2019 and 31 December 2018.

11.3.2 Except for the financial information contained in the consolidated financial statements of the UniCredit Group and in the financial statements of the Issuer for the year ended on 31 December 2019 and 31 December 2018, no other financial information has been verified by the auditors.

11.4 Legal and arbitration proceedings

11.4.1 The risks connected with pending legal proceedings have been duly examined by the Parent Company and each of the involved Subsidiaries (the “**Companies**”). Assuming the possibility of outlays in reference of some of the aforementioned proceedings, whether carrying out the related estimates for potential disbursement is feasible, as at 31 December 2019 the Companies decided to set aside appropriate provisions for risks and charges for EUR 784 million, of which EUR 465.5 million for the Parent Company UniCredit S.p.A.

As at 31 December 2019, the Companies were named as defendants in about 27,300 legal proceedings, of which approx. 9,400 involving the Parent Company UniCredit S.p.A. (excluding labor law cases, tax cases and credit recovery actions in which counterclaims were asserted or objections raised with regard to the credit claims of Group Companies). As at 31 December 2019, the total amount of claimed damages relating to the relevant judicial proceedings (excluding labor law cases, tax cases and debt collection proceedings) is equal to EUR 10.7 billion, of which approximately EUR 6.7 billion for the proceedings involving the Parent Company UniCredit S.p.A.

In a greater detail, it mainly deals with:

Madoff

The parent company UniCredit S.p.A. and several of its direct and indirect subsidiaries (the “**Companies**”) have been sued in the wake of a Ponzi scheme perpetrated by Bernard L. Madoff through his company Bernard L. Madoff Investments Securities LLC (“BLMIS”), which was exposed in December 2008. The Companies were principally connected with Madoff as investment manager and/or investment adviser for the Primeo Fund Ltd (now in liquidation) and other non US funds of funds that had invested in other non US funds with accounts at BLMIS.

Specifically, the Companies (together with a variety of other entities) were named as defendants in a variety of proceedings (both in the US and in non US jurisdictions), for a total damage compensation claims of over \$6

billion (to be later determined over the course of the proceedings). At present, most of the claims brought before US Courts and referring to the Companies have been rejected without any possibility of appeal or dismissal. However, the bankruptcy administrator of BLMIS (the “SIPA Trustee”) responsible for the Madoff’s company liquidation continues to pursue claims related to transfers of money made by BLMIS pre-bankruptcy to an affiliated company, BA Worldwide Fund Management Ltd (“BAWFM”), and other similarly situated parties. The potential claim for damages against BAWFM is non-material and, therefore, there are no specific risk profiles for the Companies. In addition, certain current or formerly affiliated persons named as defendants in a proceeding in the United States may seek indemnification from the Companies and its affiliated entities.

As at 31 December 2019, there were several pending civil proceedings against UCB Austria for the total claimed damages amount of €5.7 million. While a large majority of the judgments have been favorable to UCB Austria, the impact of the remaining cases cannot be predicted with certainty, as the related future rulings may be adverse to UCB Austria. UCB Austria has made adequate provisions related to the Madoff’s matter.

Furthermore, UCB Austria was named as a defendant in criminal proceedings in Austria concerning the Madoff case, on allegations that it breached provisions of the Austrian Investment Fund Act as prospectus controller of the Primeo fund while other allegations relate to the level of fees and embezzlement. In November 2019 the criminal investigation against UCB Austria and all individual defendants was closed. Private parties appealed and a decision is awaited.

Proceedings arising out of the purchase of UCB AG by the parent company UniCredit S.p.A. and the related Group reorganisation

Squeeze-out of UCB AG minority shareholders (Appraisal Proceeding)

In 2008, approximately 300 former minority shareholders of UCB AG filed a request before the District Court of Munich to have a review of the price paid to them by the parent company UniCredit S.p.A., equal to €38.26 per share, in the context of the squeeze out of minority shareholders (Appraisal Proceeding). The dispute mainly concerns the valuation of UCB AG, which is the basis for the calculation of the price to be paid to the former minority shareholders. At present the proceeding is pending in the first instance.

Squeeze-out of UCB Austria’s minority shareholders (Appraisal Proceeding)

In 2008, approximately 70 former minority shareholders of UCB Austria commenced proceedings before the Commercial Court of Vienna claiming that the squeeze-out price paid to them, equal to €129.4 per share, was inadequate, and asking the court to review the adequacy of the amount paid (Appraisal Proceeding). At present the proceeding is pending in the first instance.

Financial Sanctions Matters

In March 2011, UCB AG received a subpoena from the District Attorney for New York County (“DANY”) relating to historical transactions involving certain Iranian entities designated by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) and their affiliates. In the subsequent years, DANY, the U.S. Department of Justice (“DOJ”), OFAC, the New York State Department of Financial Services (“DFS”), and the Board of Governors of the Federal Reserve System and the New York Federal Reserve Bank (“Fed”) (collectively “U.S. and New York authorities”) initiated their own investigations with respect to historical compliance by the parent company UniCredit S.p.A., UCB AG, and UCB Austria (together “Group”) with applicable U.S. sanctions laws and regulations.

The parent company UniCredit S.p.A., UCB AG, and UCB Austria have each cooperated extensively with the U.S. and New York authorities, including conducting their own voluntary investigation of their U.S. dollar payments practices and its historical compliance with applicable U.S. financial sanctions, in the course of which certain historical non-transparent practices were identified. Even before the conclusion of these investigations, the Group initiated substantial and substantive remediation activities relating to policies and procedures, which are ongoing.

On 15 April 2019, the parent company UniCredit S.p.A., UniCredit Bank AG, and UniCredit Bank Austria AG reached a resolution with the U.S. and New York authorities regarding these investigations. As part of such resolution, the parent company UniCredit S.p.A., UniCredit Bank AG, and UniCredit Bank Austria AG entities have paid penalties totalling approximately \$1.3 billion and have agreed to implement certain remedial policies and procedures. The amount paid by the respective entities was entirely covered by their provisions, and the

final penalty amount has not had a material impact on UniCredit group. No further enforcement actions are expected relating to the subject of the resolved investigation.

As part of the settlements with the U.S. and New York authorities (DANY, OFAC, DOJ, DFS and Fed), the parent company UniCredit S.p.A., UniCredit Bank AG, and UniCredit Bank Austria AG made certain commitments to implement remedial compliance controls and conduct risk assessments relating to UniCredit group's global business lines, to provide periodic reports and certifications concerning the implementation and effectiveness of the group's compliance program to the U.S. and New York authorities, and to engage an independent external party to conduct an annual review of the effectiveness of the group's compliance program whose findings will be shared with the U.S. and New York authorities.

Euro-denominated bonds issued by EU countries

On 31 January 2019, the parent company UniCredit S.p.A. and UCB AG received a Statement of Objections from the European Commission referring to the investigation by the European Commission of a suspected violation of antitrust rules in relation to European government bonds. The subject matter of the investigation extends to certain periods from 2007 to 2012, and includes alleged activities by UCB AG in a part of this period. The Statement of Objections does not prejudge the outcome of the proceeding; should the European Commission conclude that there is sufficient evidence of an infringement, a decision prohibiting the conduct and imposing a fine could be adopted, with any fine subject to a statutory maximum of 10% of the company's annual worldwide turnover.

The parent company UniCredit S.p.A. and UCB AG had access to the entirety of the European Commission's file on the investigation from 15 February 2019 onwards. As a result of the assessment of the files, the parent company UniCredit S.p.A. and UCB AG regard it no longer remote but possible, even though not likely, that a cash outflow might be required to fulfill a potential fine arising from the outcome of the investigation. On the basis of the current information, it is not possible to estimate reliably the amount of any potential fine at the present date. The parent company UniCredit S.p.A. and UCB AG have responded to the raised objections on 29 April 2019 and participated in a hearing before the European Commission on 22-24 October 2019. Proceedings are ongoing. There is no legal deadline for the European Commission to complete antitrust inquiries.

On 11 June 2019, UCB and UniCredit Capital Markets LLC were named, among other financial institutions, as defendants in a putative class action already pending in the United States District Court for the Southern District of New York. The third amended class action complaint, filed on 3 December 2019, alleges a conspiracy among dealers of Euro-denominated bonds issued by European central banks to fix and manipulate the

prices of those bonds, among other things by widening the bid-ask spreads they quoted to customers. The putative class consists of those who purchased or sold Euro-denominated bonds issued by European central banks in the US between 2007 and 2012. The third amended class action complaint does not include a quantification of damages claimed. The proceedings are in their inception. Motions to dismiss, a procedural device contemplated by the United States Federal Rules of Civil Procedure which provides defendants with an opportunity to challenge the legal sufficiency of a complaint and present arguments that the complaint should be dismissed, will likely be fully briefed before the end of the second quarter of 2020 and will likely include the argument that the complaint fails to state a claim.

Proceedings related to claims for Withholding Tax Credits

On 31 July 2014, the Supervisory Board of UCB AG concluded its internal investigation into the so-called "cum-ex" transactions (the short selling of equities around dividend dates and claims for withholding tax credits on German share dividends) at UCB AG. The findings of the Supervisory Board's investigation indicated that the bank sustained losses due to certain past acts/omissions of individuals. The Supervisory Board has brought proceedings for compensation against three individual former members of the management board, not seeing reasons to take any action against the current members. These proceedings are ongoing. UniCredit S.p.A., UCB AG's Parent company, supports the decisions taken by the Supervisory Board.

In addition, criminal investigations have been conducted against current or former employees of UCB AG by the Prosecutors in Frankfurt on the Main, Cologne and Munich with the aim of verifying alleged tax evasion offences on their part. UCB AG cooperated, and continues to cooperate, with the aforesaid Prosecutors who investigated offences that include alleged tax evasion in connection with cum-ex transactions both for UCB AG's own book as well as for a former customer of UCB AG. Proceedings in Cologne against UCB AG and its former employees were closed in November 2015 with, inter alia, the payment of a fine of €9.8 million by UCB AG. The investigations by the Frankfurt on the Main Prosecutor against UCB AG under section 30 of the Administrative Offences Act (the Ordnungswidrigkeitengesetz) were closed in February 2016 with the payment

of a fine of €5 million. The investigation by the Munich Prosecutor against UCB AG was closed in April 2017 with legally binding effect following the payment of a forfeiture of €5 million.

In December 2018, in connection with an ongoing investigation against former bank employees by the Cologne prosecutor, UCB AG was informed of the initiation of an investigation in connection with an administrative offence regarding “cum-ex” transactions involving Exchange Traded Funds (“ETF”). In April 2019, these investigations were extended to so called Ex/Ex-transactions, in which an involvement of the bank in the sourcing of cum/ex transactions of other market participants on the ex-day is suspected. The facts are being examined internally. UCB AG is cooperating with the authorities.

The Munich tax authorities are currently performing a regular field audit of UCB AG for the years 2013 to 2016, which includes, among other things, review of other transactions in equities around the dividend record date. During these years, UCB AG performed, among other things, securitieslending transactions with different domestic counterparties which include, but are not limited to, different types of security transactions around the dividend date. It remains to be clarified whether, and under what circumstances, tax credits can be obtained or taxes refunded with regard to different types of transactions carried out close to the dividend record days, and what the further consequences for the bank will be in the event of different tax treatment. It cannot be ruled out that UCB AG might be exposed to tax-claims in this respect by relevant tax-offices or third party claims under civil law. UCB AG is in constant communication with relevant regulatory authorities and the competent tax authorities regarding these matters. UCB AG has made provisions deemed appropriate.

Proceedings relating to certain forms of banking transactions.

The UniCredit group is named as a defendant in several proceedings in matters connected to its operations with clients, which are not specific to UniCredit group, rather affect the financial sector in general. In this regard, as at 31 December 2019 (i) proceedings against the parent company UniCredit S.p.A. pertaining to compound interest, typical of the Italian market, had a total claimed amount of €1,147 million, mediations included; (ii) proceedings pertaining to derivative products, mainly affecting the Italian market (for which the claimed amount against the parent company UniCredit S.p.A. was €667 million, mediations included) and the German market (for which the claimed amount against UCB AG was €49 million); and (iii) proceedings relating to foreign currency loans, mainly affecting the CEE countries (for which the claimed amount was around €140 million).

The proceedings pertaining to compound interest mainly involve damages requests from clients arising from the alleged unlawfulness of the calculation methods of the amount of interest payable in connection with certain banking contracts. Starting from the first years of 2000, there has been a progressive increase in claims brought by the account holders due to the unwinding of the interest payable arisen from the quarterly compound interest. In 2019, the number of claims for refunds/compensation for compound interest did not show particular variations compared to 2018. At present, the parent company UniCredit S.p.A. has made provisions that it deems appropriate for the risks associated with these claims.

With regard to the litigation connected to derivative products, several financial institutions, including UniCredit group companies, entered into a number of derivative contracts, both with institutional and non-institutional investors. In Germany and in Italy there are a number of pending proceedings against certain Group companies that relate to derivative contracts concluded by both institutional and non-institutional investors. The filing of such litigations affects the financial sector generally and is not specific to the parent company UniCredit S.p.A. and its Group companies. At present, the parent company UniCredit S.p.A. and the involved Group companies have made provisions deemed appropriate based on the best estimate of the impact which might derive from such proceedings.

With respect to proceedings relating to foreign currency loans, in the last decade, a significant number of customers in the Central and Eastern Europe area took out loans and mortgages denominated in a foreign currency (“FX”). In a number of instances customers, or consumer associations acting on their behalf, have sought to renegotiate the terms of such FX loans and mortgages, including having the loan principal and associated interest payments redenominated in the local currency at the time that the loan was taken out, and floating rates retrospectively changed to fixed rates. In addition, in a number of countries legislation that impacts FX loans was proposed or implemented. These developments resulted in litigation against subsidiaries of the parent company UniCredit S.p.A. in a number of CEE countries including Croatia, Slovenia and Serbia.

In 2019 the Supreme Court in Croatia confirmed that the Swiss franc (CHF) currency clause was invalid. In the course of 2019, court decisions, recent court practice related to FX matter along with the expiration of the statute of limitation for filing individual lawsuits in respect to invalidity of the interest rate clause, led to a significant increase in number of new lawsuits against Zagrebačka Banka (“Zaba”). There are several court decisions pending before the Croatian courts which may have an adverse impact. Provisions have been booked

which are deemed appropriate. For more information, see Part B - Information on the Consolidated Balance Sheet - Assets - Section 10 - Provisions for risks and charges of the Notes to the Consolidated Financial Statements of the Consolidated Report and Accounts of UniCredit Group for the financial year ended on 31 December 2019.

In September 2016, UCB Austria and Zaba initiated a claim against the Republic of Croatia under the Agreement between the Government of the Republic of Austria and the Government of the Republic of Croatia for the promotion and protection of investments in order to recover the losses suffered as a result of amendments in 2015 to the Consumer Lending Act and Credit Institutions Act mandating the conversion with retroactive effect of Swiss franc-linked loans into Euro-linked. In the interim, Zaba complied with the provisions of the new law and adjusted accordingly all the respective contracts where the customers requested so. Following a hearing, the arbitral tribunal ruled on part of the Respondent's jurisdictional objections. The arbitral proceedings remain pending.

Medienfonds/closed-end funds

Various investors in Film & Entertainment VIP Medienfonds 4 GmbH & Co. KG to whom UCB AG issued loans to finance their participation, brought legal proceedings against UCB AG. In the context of the conclusion of the loan agreements, the plaintiffs claim that the Bank provided inadequate disclosure about the fund structure and the related tax consequences. A settlement was reached with the vast majority of the plaintiffs. An outstanding final decision with respect to the question of UCB AG's liability for the prospectus in the proceeding pursuant to the Capital Markets Test Case Act (Kapitalanleger-Musterverfahrensgesetz) which is pending at Munich Higher Regional Court, will affect only a few pending cases.

Vanderbilt-related litigations

Claims brought or threatened by or on behalf of the State of New Mexico or any of its agencies or funds

Vanderbilt Financial LLC ("VCA") related litigations, where Pioneer Investment Management USA Inc., Pioneer Global Asset Management S.p.A. (PGAM), at the time controlled by UniCredit S.p.A. and incorporated by the latter in 2017, and the parent company UniCredit S.p.A. (the "Defendants") were named as additional defendants by virtue of their corporate affiliation with VCA, including in legal proceedings brought by a former employee of the State of New Mexico (the "Public Authority"), who claimed to act as representative of the Public Authority for the losses suffered by the State of New Mexico during the 2006-08 market downturn on investments managed by VCA (mainly CDOs). The total amount of losses claimed in those proceedings is approx. \$365 million. In 2012, the Defendants reached a settlement agreement for an amount of \$24.25 million and the settlement amount was deposited into escrow at the beginning of 2013. The settlement is contingent on the Court's approval, but that process was temporarily delayed pending the determination by the New Mexico Supreme Court of a legal matter in a separate lawsuit brought against a different set of defendants in other proceedings. The New Mexico Supreme Court issued its ruling on the awaited legal matter in June 2015 and in December 2015 the Defendants and the State of New Mexico renewed their request for Court approval of the settlement. The Court held a hearing in April 2016 and in June 2017 approved the settlement and directed that the claims against VCA and the Defendants be dismissed. A judgment to that effect was entered in September 2017 and a motion by the former State employee seeking to set aside that judgment was denied by the Court in October 2017. Appeals from the judgment and the subsequent order were taken in October and November 2017 and the settlement cannot be effectuated while the appeal remains pending. If the judgment is upheld on appeal, the escrowed amount will be paid over to the State of New Mexico and the Defendants, including UniCredit S.p.A., will all be released from all the claims that were or could have been brought by or on behalf of the State or any of its agencies or funds.

Alpine Holding GmbH

Legal proceedings against UCB Austria arose from bondholders' claims commenced in June/July 2013. The claims stemmed from the insolvency of Alpine Holding GmbH, as UCB Austria acted as joint lead manager, together with another bank, for the undertaking of Alpine Holding GmbH bond issues in 2010, 2011 and 2012. Bondholders' claims are mainly referred to prospectus liability of the joint lead manager, whereas a minority of the cases is based on misselling due to allegedly unlawful investment advice. The damage claims amount to €20.26 million. These proceedings are mainly pending in the first instance and may be adverse to UCB Austria. Several involved persons had been named as defendants in pre-trial criminal proceedings in Austria which concern the Alpine bankruptcy case. UCB Austria had joined these proceedings as private party. Also, unknown responsible persons of the issuing banks involved had formally been investigated by the public prosecutor's

office. In the course of 2019, the public prosecutor's office has closed the proceedings against all defendants without indictments. All appeals against this decision have been rejected.

Valauret

Civil claim filed in 2004 by Valauret S.A. and Hughes de Lasteyrie du Saillant for losses resulting from the drop in the share price, between 2002 and 2003, including allegations on alleged fraudulent actions by members of the company's Board of directors and others. UCB Austria (as successor to Creditanstalt) was joined as the fourteenth defendant in 2007 based on the fact that it was banker to one of the defendants. The total claimed amount is equal to €129.86 million (plus costs €4,39 million). Furthermore, in 2006, before the action was extended to UCB Austria, the civil proceedings were suspended following the opening of criminal proceedings by the French State that are underway. In December 2008, the civil proceedings were also suspended against UCB Austria. Nevertheless, the proceedings are still pending and may be adverse to UCB Austria, although the alleged claims are considered unfounded.

Divania S.r.l.

In 2007, Divania S.r.l. (now in bankruptcy) ("Divania") filed a lawsuit in the Court of Bari against UniCredit Banca d'Impresa S.p.A. (then UniCredit Corporate Banking S.p.A. and now UniCredit S.p.A.) alleging violations of law relating, inter alia, to financial products in relation to certain rate and currency derivative transactions entered into between January 2000 and May 2005 first by Credito Italiano S.p.A. and subsequently by UniCredit Banca d'Impresa S.p.A. (now UniCredit S.p.A.), demanding damages in the amount of €276.6 million, legal fees and interest. Divania also seeks the nullification of a 2005 settlement reached by the parties in which Divania had agreed to waive any claims in respect of the transactions. In 2017, the Court of Bari ordered the parent company UniCredit S.p.A. to pay approx. €7.6 million plus interests and part of the expenses in favour of Divania's bankruptcy trustee and found that it did not have jurisdiction to rule on certain of Divania's claims. The parent company UniCredit S.p.A. appealed. Divania filed two additional lawsuits before the Court of Bari: (i) one for €68.9 million in 2009 (subsequently increased to €80.5 million), essentially mirroring the claims brought in its lawsuit filed in 2007; and (ii) a second one for €1.6 million in 2006. With respect to the first lawsuit, in May 2016, the Court of Bari ordered the parent company UniCredit S.p.A. to pay approximately €12.6 million plus costs. The parent company UniCredit S.p.A. appealed. With respect to the second lawsuit, in 2015, the Court of Bari rejected Divania's original claim and the judgment has res judicata effect.

I Viaggi del Ventaglio Group (IVV)

In 2011, IVV DE MEXICO S.A., TONLE S.A. and the bankruptcy trustee of IVV INTERNATIONAL S.A. filed a lawsuit against the parent company UniCredit S.p.A. in the Court of Milan demanding approximately €68 million in damages. In 2014, the bankruptcy trustees of IVV Holding S.r.l. and IVV S.p.A. filed two additional lawsuits against the parent company UniCredit S.p.A. in the Court of Milan demanding €48 million and €170 million, respectively, in damages. In October 2019, the bankruptcy trustee of I Viaggi del Ventaglio Resorts Ventaglio Real Estate S.r.l. filed an additional lawsuit in the Court of Milan against the parent company UniCredit S.p.A. demanding a total of €12.8 million in damages. The four lawsuits pertain to allegedly unlawful conduct with regard to certain loans and certain derivative transactions. At present, (i) the parent company UniCredit S.p.A. won the first case both in the first-instance and on appeal; (ii) the Bankruptcy Trustee and the parent company UniCredit S.p.A. reached a settlement agreement approved by the Court for the second case; (iii) the third case is pending in the first-instance; and (iv) the fourth case is in the initial stages..

Lawsuit brought by "Paolo Bolici"

In May 2014, the company wholly owned by Paolo Bolici sued the parent company UniCredit S.p.A. in the Court of Rome asking for the return of approximately €12 million for compound interest (including alleged usury component) and €400 million for damages. The company then went bankrupt. The parent company UniCredit S.p.A. won the case in the first-instance and the appeal is pending.

Mazza

In 2005 the parent company UniCredit S.p.A. filed a criminal complaint against a Notary, Mr Mazza, representatives of certain companies and disloyal employees of the parent company UniCredit S.p.A. in relation to unlawful lending transactions in favour of certain clients for approximately €84 million. The criminal proceedings are on appeal following the acquittal of the defendants in the first-instance by the Court of Rome. Following the acquittal in the first-instance criminal proceedings, Mr Mazza and other persons involved in the criminal proceedings filed two lawsuits for compensation claims against the parent company UniCredit S.p.A.: (i) the first (commenced by Mr Mazza with a claimed amount of approx. €15 million) is pending before the

Court of Rome; (ii) the second (commenced by Como S.r.l. and Mr. Colella with a claimed amount of approx. €379 million) is also pending before the Court of Rome. In the view of the parent company UniCredit S.p.A., these lawsuits currently appear to be unfounded.

So.De.Co. - Nuova Compagnia di Partecipazioni S.p.A.

As part of a restructuring, in 2014, Ludoil Energy S.r.l. (Ludoil) acquired the "oil" business from Nuova Compagnia di Partecipazione S.p.A. (NCP). In March 2016, So.DeCo., a wholly owned subsidiary of Ludoil, filed a lawsuit in the Court of Rome against its former directors, NCP, the parent company UniCredit S.p.A. (in its capacity as holding company of NCP) and the external auditors (PricewaterhouseCoopers S.p.A. and Deloitte & Touche S.p.A.) claiming damages of approximately €94 million for allegedly failing to provision properly for supposed environmental risks and thereby causing the inflation of the sale price paid by Ludoil. In November 2019, the Court rejected So.De.Co.'s claims in their entirety and ordered it to pay costs in favour of the defendants. In November 2017, So.De.Co. filed a separate lawsuit against NCP and its former directors. The case is ongoing. In February 2019, NCP commenced an arbitral proceeding against Ludoil (So.De.Co.'s sole shareholder). The proceedings are ongoing.

Criminal proceedings

Certain entities within UniCredit group and certain of its representatives (including those no longer in office), are involved in various criminal proceedings and/or, as far as the parent company UniCredit S.p.A. is aware, are under investigation by the competent authorities with regard to various cases linked to banking transactions, including, specifically, in Italy, the offence pursuant to Art.644 (usury) of the Italian Criminal Code. At present, these criminal proceedings have had no significant negative impact on the operating results and capital and financial position of the parent company UniCredit S.p.A. and/or the Group, however there is a risk that, if the parent company UniCredit S.p.A. and/or other UniCredit group entities or their representatives (including those no longer in office) were to be convicted, these events could have an impact on the reputation of the parent company UniCredit S.p.A. and/or UniCredit group.

In relation to the criminal proceedings relating to the diamond offer, see the following paragraph "Diamond offer".

Labour-related Litigation

The Companies are involved in employment law disputes and, as the date of this Registration Document, there are pending disputes brought against it. In general, provisions have been made, judged by the Parent Company and, time to time, by all the interested Subsidiaries as adequate in order to cover any potential and connected disbursement. On this matter, it has to be reported the lawsuit filed against the Parent Company by members of the former Cassa di Risparmio di Roma Fund. The claimants request assessment and quantification of individual social security accounts and seek restore of the funding levels of the former company, at that time as Subsidiary. As at the date of this Registration Document, the total claim amount is equal to EUR 384 million. The litigation is now pending before the supreme Court after two degree decisions favourable to the Bank. No provision have been made as these claims are considered groundless.

Diamond offer

Over the years, within the diversification of investments to which the available assets are addressed and also considering in this context those investments with the characteristics of the so-called "safe haven" with a long-term horizon, several UniCredit S.p.A.'s customers have historically invested in diamonds through a specialised intermediary company, with which the Bank has stipulated, since 1998, a collaboration agreement as "Introducer", in order to regulate the "reporting" methods of the offer of diamonds by the same company to UniCredit customers. Since the end of 2016, the liquidity available on the market to meet the requests of customers who intended to divest their diamond assets has contracted to a certain extent until it became nil, with the suspension of the service by the brokerage company. In 2017 UniCredit S.p.A. started a "customer care" initiative which envisaged the availability of the Bank to intervene for the acknowledgement towards the customer of the original cost incurred for the purchase of precious items and the consequent withdrawal of the stones, upon certain conditions. The initiative has been adopted assessing the absence of responsibility for its role as "Introducer"; nevertheless, the AGCM ascertained UniCredit's responsibility for unfair commercial practice (confirmed in appeal by the Administrative Regional Court in the second half of 2018), imposing, in 2017, a fine of €4 million paid in the same year. UniCredit has filed an appeal to the Council of State. The proceedings are pending.

On 8 March 2018, a specific communication was issued from Banca d'Italia concerning the "Related activities exercisable by banks", in which large attention was given to the reporting at the bank branches of operations, purchase and sale of diamonds by specialised third-party companies. As at 31 December 2019, UniCredit:

- received reimbursement requests for a total amount of about €387 million (cost originally incurred by the Clients) from No.11,313 Customers; according to a preliminary analysis, such requests fulfill the requirements envisaged by the "customer care" initiative; the finalisation of the reimbursement requests is currently carried out, aimed at assessing their effective compliance with the "customer care" initiative, and then proceed with the settlement where conditions recur;
- with reference to the scope outlined in the previous point (about €387 million), reimbursed No.6,942 customers for about €257 million (equivalent value of original purchases), equal to about 66% of the reimbursement requests said above;

In order to cope with the probable risks of loss related to the repurchases of diamonds, a dedicated Risk and Charges Fund was set up; its quantification was also based on the outcome of an independent study (commissioned to a primary third company) aiming at evaluating the diamonds' value. Finally, the gems purchased are recognised for about €69 million in item "130. Other assets" of the balance sheet. On 19 February 2019, the judge in charge of the preliminary investigation at the Court of Milan issued an interim seizure directed to UniCredit and other financial institutions aimed at: (i) direct confiscation of the amount of €33 million against UniCredit for the offence of aggravated fraud and (ii) indirect as well as direct confiscation of the amount of €72 thousand for the offence of self-laundering against UniCredit. From the seizure order it emerges that investigations for the administrative offence under Art.25-octies of Legislative Decree No.231/2001 are pending against UniCredit for the crime of self-laundering. On 2 October 2019, the Bank and certain individuals received the notice of conclusion of the investigations pursuant to Article 415-bis of the Italian Code of criminal procedure. The notice confirmed the involvement of certain current and former employees for the offence of aggravated fraud and self-laundering. With regard to the latter, self-laundering serves as a predicate crime for the administrative liability of the Bank under Legislative Decree No.231/2001. The next phase of the proceeding will be a request for indictments.

Proceedings related to Tax matters

Pending cases arising during the period

In 2019 the Tax Authorities have notified the following requests of information:

- to UniCredit S.p.A., two requests pursuant to Art.36-bis of D.P.R. 600/1973, regarding all the details of the computation of IRAP for the fiscal years 2010 and 2011. With respect to such fiscal years, UniCredit S.p.A. had requested the refund of the IRAP tax paid with reference to certain dividends received, for €36.7 million (2010) and €34.7 million (2011);
- to Bank Austria A.G., a request regarding income from capital of Italian source received from 2014 to 2018.

All the requests of information have been answered within the due date indicated by the Tax Authorities.

Moreover:

- in October 2019 the Italian Tax Police (Guardia di Finanza) has carried out a tax audit with respect to UniCredit Leasing S.p.A. for 2014. Subsequently, it has notified a tax audit report related to allegedly unpaid VAT for a total amount of €0,1 million. For the same fiscal year, the position of the company has been considered regular for the purposes of IRES and IRAP taxes;
- pursuant to two decisions of the Supreme Court, which have referred the parties to the second degree tax Court, to UniCredit S.p.A. have been served two requests of payment for a total amount of €1.78 million (of which one for €0.48 million and another for €1.3 million). Such requests had been already notified and, therefore, they are duplications. Subsequently, claims with the Tax Court have been filed and the litigations are pending. The litigation regarding the first request of payment (€0.48 million) has been settled out of Court for a total amount of €1.8 million e the cancellation of the request previously notified.

Updates on pending disputes and tax audits

As for 2019, the following information is reported:

- with respect to the registration tax allegedly due for the registration of the rulings that had settled a number of opposition proceedings regarding the liability status of the companies of the “Costanzo Group”, the Tax Authorities have recognized as not due an additional amount of the registration tax requested. Therefore, with reference to all the requests of payment notified, the tax requested is reduced to €12.05 million. All the litigations, already decided by the second degree Tax Court in favour of UniCredit S.p.A., are currently pending in front of the Supreme Court. Finally, in January 2020 the Tax Authorities have reimbursed the amounts previously paid with respect to these litigations, for €7.3 million;
- the notice of assessment regarding IRES 2013 referred to Pioneer Investment Management S.G.R.p.A., regarding transfer pricing issues, has been settled out of Court, similarly to what happened with respect to previous fiscal years. The higher tax requested was equal to €4.4 million, plus interest, and the litigation has been settled by means of the payment of €2.34 million plus interest. No penalty has been applied since the Tax Authorities have expressly recognized the compliance with the transfer pricing documentation regime;
- the Supreme Court took a favourable decision for UniCredit S.p.A. for a notice of assessment regarding VAT 2000. The amount of the litigation is €6.7 million.

With reference to the settlement of the pending tax litigations, provided for by Law Decree No.119/2018, the following information is reported:

- UniCredit S.p.A. has settled pending litigations for a total amount of €54 million, by means of the payment of €2.1 million. The litigations which have been settled refer mainly to VAT and Corporate Income Tax;
- UniCredit Leasing S.p.A. has settled pending litigations for a total amount of €84.9 million, by means of the payment of €3.7 million. The litigations which have been settled refer mainly to VAT and, for a small amount, to other indirect taxes and to IRAP.

Both for UniCredit S.p.A. and for UniCredit Leasing S.p.A., the amount paid depends on the fact that, for the most part, with respect to the litigations which have been settled, favourable decisions had already been issued.

As at 31 December 2018, the provisions for tax risks amounted to about €182.1 million (including provisions for legal expenses). As at 31 December 2019, the provisions amount to €177.9 million, of which €6.5 million for legal expenses.

Proceedings connected with Supervisory Authority Measures

UniCredit Group is subject to complex regulation and supervision by, *inter alia*, the Bank of Italy, CONSOB, the EBA, the ECB within the European System of Central Banks (ESCB), as well as other supervisory authorities. In this context, the UniCredit Group is subject to normal supervision by the competent authorities. Some supervisory actions have resulted in investigations and charges of alleged irregularities that are in progress as at the date of this Registration Document. The Group has acted to prove the regularity of its operations and does not believe that these proceedings could have relevant effects on the financial situation or profitability of the Issuer and/or the UniCredit Group.

11.5 Significant change in the Issuer's financial position

The current market environment is characterized by uncertainties also on the financial markets due to the Covid-19 crisis, the impact of which on the profitability of the Group, in particular in terms of operating income and cost of risk, cannot yet be finally assessed as at the date of this Registration Document. Except for the possible impact of the Covid-19 crisis indicated above, there has been no significant change in the financial position of the Issuer which has occurred since the end of the last financial period for which audited financial information has been published.

1.11 The "Section XII - Additional Information", on page 62 of the Registration Document, shall be deleted in its entirety and the following new section shall be inserted:

"Section XII – Additional information

12.1 Share capital

As at the date of this Registration Document, UniCredit's share capital, fully subscribed and paid-up, amounted to €21,059,536,950.48, comprising 2,237,261,803 ordinary shares without nominal value.

12.2 Memorandum and articles of association

The Issuer was established in Genoa, Italy by way of a private deed dated 28 April 1870.

The Issuer is registered with the Company Register of Milano-Monza-Brianza-Lodi under registration number, fiscal code and VAT number no. 00348170101.

The current articles of association was registered with the Company Register of Milano-Monza-Brianza-Lodi on 17 April 2020.

Pursuant to article 4 of the articles of association, the purpose of the Issuer is to engage in deposit-taking and lending in its various forms, in Italy and abroad, operating wherever in accordance with prevailing norms and practice. It may execute, while complying with prevailing legal requirements, all permitted transactions and services of a banking and financial nature. In order to achieve its corporate purpose as efficiently as possible, the Issuer may engage in any activity that is instrumental or in any case related to the above. The Issuer, in compliance with current legal provisions, may issue bonds and acquire shareholdings in Italy and abroad."

1.12 The "Section XIV - Documents available" on page 64 of the Registration Document, shall be amended as follows:

1.12.1. In "Section XIV - Documents available" on page 64 of the Registration Document, the list of documents shall be deleted and replaced as follows:

"

- The Memorandum (with an English translation where applicable) of the Issuer;
- the Article of associations (with an English translation where applicable) of the Issuer;
- a copy of this Registration Document and any supplement to the Registration Document;
- the documents incorporated by reference (with an English translation thereof)."

2. Update of the Appendix 1 of the Registration Document

2.1. The "APPENDIX 1 - INFORMATION FOR THE PURPOSES OF ART. 26 (4) OF THE REGULATION (EU) 2017/1129" shall be deleted and replaced as follows:

"

Key information on the Issuer			
Who is the Issuer of the securities?			
Domicile and legal form of the Issuer UniCredit is a joint-stock company established in Italy under Italian law, with its registered, head office and principal centre of business, effective as of 12 December 2017, at Piazza Gae Aulenti, 3 Tower A, 20154 Milan, Italy. UniCredit's Legal Entity Identifier (LEI) code is 549300TRUWO2CD2G5692.			
Principal activities of the Issuer UniCredit, as a bank which undertakes management and co-ordination activities for the UniCredit Group, pursuant to Article 61 of the Legislative Decree No. 385 of 1 September 1993 (the Italian Banking Act) as amended, issues, when exercising the management and co-ordination activities, instructions to the other members of the banking group in respect of the fulfilment of the requirements laid down by the supervisory authorities in the interest of the banking group's stability.			
Major shareholders of the Issuer No individual or entity controls UniCredit within the meaning provided for in Article 93 of Legislative Decree No. 58 of 24 February 1998 (the Financial Services Act) as amended. As at 3 April 2020, according to available information, the main shareholders holding, directly or indirectly, a relevant participation in UniCredit were: BlackRock Group (Ordinary Shares: 113,550,196; 5.075% owned); Dodge & Cox (Ordinary Shares: 111,715,904; 4.993% owned); Norges Bank (Ordinary Shares: 65,903,291; 2.946% owned); Delfin S.r.l. (Ordinary Shares: 43,056,324; 1.925% owned); Fondazione Cassa di Risparmio di Ve-Vi-Ble e An (Ordinary Share: 40,097,626; 1.792% owned); Fondazione Cassa di Risparmio di Torino (Ordinary Shares: 36,757,449; 1.643% owned); Allianz SE Group (Ordinary Shares: 25,273,986; 1.130% owned).			
Identity of the key managing directors of the Issuer The key managing director of the Issuer is Jean-Pierre Mustier (Chief Executive Officer).			
Identity of the statutory auditors of the Issuer The statutory auditors of the Issuer are Deloitte & Touche S.p.A. (Deloitte). Deloitte is a company incorporated under the laws of Italy, enrolled with the Companies' Register of Milan under number 03049560166 and registered with the Register of Statutory Auditors (<i>Registro dei Revisori Legali</i>) maintained by Minister of Economy and Finance effective from 7 June 2004 with registration number no: 132587, having its registered office at via Tortona 25, 20144 Milan, Italy			
What is the key financial information regarding the Issuer?			
UniCredit derived the selected consolidated financial information included in the table below for the years ended 31 December 2019 and 2018 from the audited consolidated financial statements for the financial year ended 31 December 2019 and 2018. The figures below for the items of income statement and balance sheet refer to the reclassified schemes.			
Income statement			
As for the year ended			
<i>EUR millions, except where indicated</i>		31.12.19 (*)	31.12.18 (**)
<i>audited</i>			
Net interest income (or equivalent)	10,203	10,570	10,856
Net fee and commission income	6,304	6,328	6,756
Net impairment loss on financial assets <i>[identified in the reclassified consolidated accounts as "Net write-downs on loans and provisions for guarantees and commitments"]</i>	(3,382)	(2,614)	(2,619)
Net trading income	1,538	1,279	1,245

Measure of financial performance used by the Issuer in the financial statements such as operating profit	8,910	8,658	9,025	
Net profit or loss (for consolidated financial statements net profit or loss attributable to equity holders of the parent)	3,373	4,107	3,892	
Balance sheet				
		As for the year ended		
<i>EUR millions, except where indicated</i>	31.12.19 (*)	31.12.18 (**)	31.12.18 (***)	Value as outcome from the Supervisory Review and Evaluation Process ('SREP' 31.12.2019)
		<i>audited</i>		
Total assets	855,647	832,172	831,469	not applicable
Senior debt	not applicable	not applicable	not applicable	not applicable
Subordinated debt (***)	12,789	10,433	10,433	not applicable
Loans and receivables from customers (net) <i>[identified in the reclassified consolidated accounts as "Loans to customers"]</i>	482,574	471,839	471,839	not applicable
Deposits from customers	470,570	478,988	478,988	not applicable
Group Shareholders' Equity	61,416	56,389	55,841	not applicable
Non performing loans *****)	8,792	14,900	14,903	not applicable
Common Equity Tier 1 capital (CET1) ratio or other relevant prudential capital adequacy ratio depending on the issuance (%)	13.22%	not applicable	12.13%	10.09%
Total Capital Ratio	17.69%	not applicable	15.80%	13.59%
(*)	The financial information relating to the financial year ended 31 December 2019 has been extracted from UniCredit's audited consolidated financial statements as of and for the year ended 31 December 2019, which have been audited by Deloitte & Touche S.p.A., UniCredit's external auditors.			
(**)	The comparative figure as at 31 December 2018 in this column have been restated. The amount related to year 2018 differ from the ones published in the "2018 Consolidated Reports and Accounts".			
(***)	As published in the "2018 Consolidated Reports and Accounts"			
(****)	Amounts do not refer to reclassified schemes. They are extracted from the statutory financial statements - Notes to Consolidated Accounts			
(*****)	The figures as at 31 December 2018 have been restated and differ from the ones published in the "2018 Consolidated Reports and Accounts" due to the exclusion of the debt securities.			
What are the key risks that are specific to the Issuer?				

Risks connected with the Strategic Plan 2020 – 2023

On December 3rd 2019, following the completion of the 2016-2019 Strategic Plan, UniCredit presented to the capital markets in London the new 2020-2023 Strategic Plan called "Team 23" (the "**Strategic Plan**" or "**Plan**" or "**Team 23**"). The Strategic Plan contains a number of strategic, capital and financial objectives (collectively, the "**Strategic Objectives**") based on four pillars. Specifically: (i) growth and strengthen client franchise; (ii) transform and maximise productivity; (iii) disciplined risk management & controls; (iv) capital and balance sheet management. UniCredit ability to meet the new Strategic Objectives depends on a number of assumptions and circumstances, some of which are outside UniCredit's control including those relating to developments in the macroeconomic and political environments in which our Group operates, developments in applicable laws and regulations and assumptions related to the effects of specific actions or future events which we can partially forecast/ manage. Financial results for this year could be reasonably influenced by the dynamics of the COVID-19, which were not foreseeable at the date of the Strategic Plan presentation and which are still uncertain. For all of these reasons, investors are cautioned against making their investment decisions based exclusively on the forecast data included in the Strategic Objectives. Any failure to implement the Strategic Objectives or meet the Strategic Objectives may have a material adverse effect on UniCredit's business, financial condition or results of operations. Furthermore it should be noted that, as disclosed to the Market in the context of Strategic Plan - Team 23 presentation, the capital distribution in the new plan is based on the concept of underlying net profit. Underlying net profit adjusts stated net profit for certain non-operating items to better demonstrate the recurring, sustainable profit base of the bank. Such adjustments include: (i) sale of non-strategic assets and selected real estate properties; (ii) non-operating non-recurring charges including, but not limited to, integration costs and extraordinary IT write-offs; (iii) non-operating items in loan loss provisions, for example the updated rundown strategy for Non Core and the regulatory headwinds.

Credit risk and risk of credit quality deterioration

The activity, financial and capital strength and profitability of the UniCredit Group depend, among other things, on the creditworthiness of its customers. In carrying out its credit activities, the Group is exposed to the risk that an unexpected change in the creditworthiness of a counterparty may generate a corresponding change in the value of the associated credit exposure and give rise to the partial or total write down thereof. Following the COVID-19 outbreak it cannot be excluded that, credit quality for this year could be influenced with potential impacts not yet quantifiable.

In the context of credit activities, this risk involves, among other things, the possibility that the Group's contractual counterparties may not fulfil their payment obligations, as well as the possibility that Group companies may, based on incomplete, untrue or incorrect information, grant credit that otherwise would not have been granted or that would have been granted under different conditions.

Other banking activities, besides the traditional lending and deposit activities, can also expose the Group to credit risks. "Non traditional" credit risk can, for example, arise from: (i) entering into derivative contracts; (ii) buying and selling securities, futures, currencies or goods; and (iii) holding third party securities. The counterparties of said transactions or the issuers of securities held by Group entities could fail to comply due to insolvency, political or economic events, a lack of liquidity, operating deficiencies, or other reasons.

The Group has adopted procedures, rules and principles aimed at monitoring and managing credit risk at both individual counterparty and portfolio level. However, there is the risk that, despite these credit risk monitoring and management activities, the Group's credit exposure may exceed predetermined levels pursuant to the procedures, rules and principles it has adopted.

The importance of reducing the ratio of non performing loans to total loans has been stressed on several occasions by the supervisory authorities, both publicly and within the ongoing dialogue with the Italian banks and, therefore, with the UniCredit Group.

Liquidity Risk

Liquidity risk refers to the possibility that the UniCredit Group may find itself unable to meet its current and future, anticipated and unforeseen cash payment and delivery obligations without impairing its day-to-day operations or financial position. The activity of the UniCredit Group is subject in particular to funding liquidity risk, market liquidity risk, mismatch risk and contingency risk. The most relevant risks that the Group may face are : i) an exceptionally high usage of the committed and uncommitted lines granted to corporate customers; ii) the capacity to roll over the expiring wholesale funding and the potential cash or collateral outflows the Group may suffer in case of rating downgrades of both the banks or the sovereign debt in the geographies in which it operates. In addition to this, some risks may arise from the limitations applied to the cross-border lending among banks, which have been increased in some countries. Due to the financial market crisis, followed also by the reduced liquidity available to operators in the sector, the ECB has implemented important interventions in monetary policy, such as the "Targeted Longer-Term Refinancing Operation" (**TLTRO**) introduced in 2014 and the TLTRO II introduced in 2016. In March 2019 ECB announced a new series of quarterly targeted longer-term refinancing operations (TLTRO-III) to be launched in September 2019 to March 2021, each with a maturity of two years. On March 2020 new long term refinancing operations (LTROs) were announced to provide a bridge until the TLTRO III window in June 2020 and ensure liquidity and regular money market conditions. These measures were integrated with temporary collateral easing measures. It is not possible to predict the duration and the amounts with which these liquidity support operations can be repeated in the future, with the result that it is not possible to exclude a reduction or even the cancellation of this support. This would result in the need for banks to seek alternative sources of borrowing, without ruling out the difficulties of obtaining such alternative funding as well as the risk that the related costs could be higher. Such a situation could therefore adversely affect UniCredit's business, operating results and the economic and financial position of UniCredit and / or the Group.

Risks associated with the impact of current macroeconomic uncertainties

The UniCredit Group's performance is affected by the financial markets and the macroeconomic and political environment of the countries in which it operates. Expectations regarding the performance of the global economy remain uncertain in both the short term and medium term. Material adverse effects on the business and profitability of the Group may also result from further developments of the monetary policies and additional events occurring on an extraordinary basis (such as political instability, terrorism and any other similar event occurring in the countries where the Group operates). Furthermore, the economic and political uncertainty of recent years has also introduced a considerable volatility and uncertainty in the financial markets. This, in turn, has made access to these markets increasingly complex, with a consequent rise in credit spreads and the cost of funding, and impacted the values the Group can realize from sales of financial assets.

The current macroeconomic situation is characterized by high levels of uncertainty, due in part to: (i) the Covid-19 (new Coronavirus) impact on global growth and individual countries; (ii) the U.S.-driven trend towards protectionism; (iii) Brexit and uncertain future relationship between the United Kingdom and the European Union; (iv) future developments in the European Central Bank (the **ECB**) and Federal Reserve (**FED**) monetary policies; and (v) the sustainability of the sovereign debt of certain countries and the related, repeated shocks to the financial markets.

Basel III and Bank Capital Adequacy

In the wake of the global financial crisis that began in 2008, the Basel Committee on Banking Supervision (the **BCBS**) approved, in the fourth quarter of 2010, revised global regulatory standards (**Basel III**) on bank capital adequacy and liquidity, which impose requirements for, *inter alia*, higher and better quality capital, better risk coverage, measures to promote the build-up of capital that can be drawn down in periods of stress and the introduction of a leverage ratio as a backstop to the risk-based requirement as well as two global liquidity standards.

The Basel III framework has been implemented in the EU through new banking requirements: Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the **CRD IV Directive**) and the Regulation 2013/575/EU (the **CRR**, together with the CRD IV Directive, the **CRD IV Package**) subsequently updated in the Regulation No. 876/2019 (Banking package with CRR II and CRD V). According to Article 92 of the CRR, institutions shall at all times satisfy the following Own Funds requirements: (i) a CET1 Capital ratio of 4.5 per cent.; (ii) a Tier 1 Capital ratio of 6 per cent.; and (iii) a Total Capital ratio of 8 per cent. These minimum ratios are complemented by the following capital buffers to be met with CET1 Capital: *Capital conservation buffer*, *Counter-cyclical capital buffer*, *Capital buffers for*

globally systemically important institutions (G-SIIs) and Capital buffers for other systemically important institutions (O-SIIs). In addition, to the above listed capital buffers, under Article 133 of the CRD IV Directive, each Member State may introduce a Systemic Risk Buffer of Common Equity Tier 1 Capital for the financial sector or one or more subsets of that sector in order to prevent and mitigate long-term non-cyclical systemic or macroprudential risks not otherwise covered by the CRD IV Package, in the sense of a risk of disruption in the financial system with the potential of having serious negative consequences on the financial system and the real economy in a specific Member State. As at the date of this Registration Document, no provision is taken on the systemic risk buffer in Italy.

Failure to comply with such combined buffer requirements triggers restrictions on distributions and the need for the bank to adopt a capital conservation plan on necessary remedial actions (Articles 141 and 142 of the CRD IV Directive).

In addition, UniCredit is subject to the Pillar 2 requirements for banks imposed under the CRD IV Package, which will be impacted, on an ongoing basis, by the SREP. Specifically, in October 2013, the Council of the European Union adopted regulations establishing the single supervisory mechanism (the **Single Supervisory Mechanism or SSM**) for all banks in the euro area, which have, beginning in November 2014, given the ECB, in conjunction with the national competent authorities of the eurozone states, direct supervisory responsibility over "banks of systemic importance" in the Banking Union as well as their subsidiaries in a participating non-euro area Member State. The ECB has fully assumed its new supervisory responsibilities of UniCredit and the UniCredit Group. Based on the decision of ECB concerning the capital requirements following the results of its annual 2018 Supervisory Review and Evaluation Process (SREP), as of 31 December 2019, the following capital requirements apply: Common Equity Tier 1 ratio: 10.09%; Tier 1 ratio: 11.59%; and Total Capital ratio: 13.59%.

Furthermore UniCredit has been informed by ECB of its final decision of its 2019 SREP: the Pillar 2 capital requirement has been lowered by 25 basis point to 175 basis point, applicable from 1st January 2020. As a consequence UniCredit is required to meet the following overall capital requirements on a consolidated basis from 1 January 2020: Common Equity Tier 1 ratio 9.84%; Tier 1 ratio 11.34%; Total Capital ratio 13.34% (assuming the Countercyclical Capital Buffer equal to the 2019 year-end value. The Countercyclical Capital Buffer (CCyB) depends on the credit exposures of UniCredit to countries where countercyclical capital ratios have been or will be set and on the respective requirements set by the relevant national authorities, and may therefore vary on a quarterly basis over the reporting period). Should UniCredit not be able to implement the approach to capital requirements it considers optimal in order to meet the capital requirements imposed by the CRD IV Package, it may be required to maintain levels of capital which could potentially impact its credit ratings, and funding conditions and which could limit UniCredit's growth opportunities. It should be noted that, on 12 March 2020, the ECB, taking into account the economic effects of the coronavirus (COVID-19), announced certain measures aimed at ensuring that banks, under its direct supervision, are still able to provide credit support to the real economy. Considering that the European banking sector acquired a significant amount of capital reserves (with the aim of enabling banks to face with stressful situations such as the COVID-19), the ECB allows banks to operate temporarily below the capital level defined by the "Pillar 2 Guidance (P2G)" and the "capital conservation buffer (CCB)". Furthermore, the ECB expects these temporary measures to be further improved by an appropriate revision of the countercyclical capital buffer (CCyB) by the competent national authorities. In addition, banks are also allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 (CET1) capital, e.g. Additional Tier 1 or Tier 2 instruments in order to comply with the Pillar 2 Requirements (P2R). This advances a measure that was initially planned to enter into force in January 2021, following the latest revision of the Capital Requirements Directive (CRD V). Such measures result in a significant capital release for banks to support the economy, as their capital requirements are reduced.

"